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中國年鑑

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PREFACE

The present issue of the *Chinese Year Book* is the third of a series and the first to be published by the Council of International Affairs, the previous two having been published by the Chinese Year Book Publishing Company.

Rome was not built in a day. It may take a long time before a perfect year book can be produced. However, improvements upon the last issue have been attempted along the following lines:

(*a*) Revision, in certain cases rewriting, of chapters contained in the early issues and addition of new chapters;

(*b*) Strengthening of the language medium;

(*c*) Adoption of a handier format and employment of better paper.

For the preparation of the issue the Council is deeply indebted to Dr. Chi-hsien Chang, research fellow of the Council, who was responsible for its planning, organization and general editing, and to Dr. T. T. Li, director of the Department of Intelligence and Publicity of the Waichiaopu, without whose co-operation and encouragement the successful completion of the work would not have proved possible. The Council's thanks are due also to Mr. Joseph D. Loo and Miss Floria Ouei, who have rendered indispensable assistance in various ways.

SHUHSI HSÜ, *Director*
Council of International Affairs
Nanking

AUGUST 15, 1937*

* It was originally planned to have the present issue out of the press by the end of September. Unfortunately that was rendered impossible by the Japanese attack upon Shanghai which made it necessary, as a result of the destruction of the printing plant of the Commercial Press, to reset the type.

IMPORTANT FEATURES OF THIS ISSUE

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5. *Enlarged Contents.* Each one of the chapters contained in the previous editions has been revised, most of them having been completely rewritten. Among the new chapters added may be mentioned those on "Rural Reconstruction," "Highways" and "The North China Crisis." "Domestic Trade," "Insurance," "Motion Pictures" and "Physical Education" are subjects dealt with in the first issue but not treated in the last edition. The chapters on "Public Finance and Taxation," "Domestic Trade," "Railways," "Public Health," etc., are a mine of useful information and statistics frequently required for reference. Finally, the chapter on "Animal Husbandry" has been written by a contributor who has had long years of experience in this industry.

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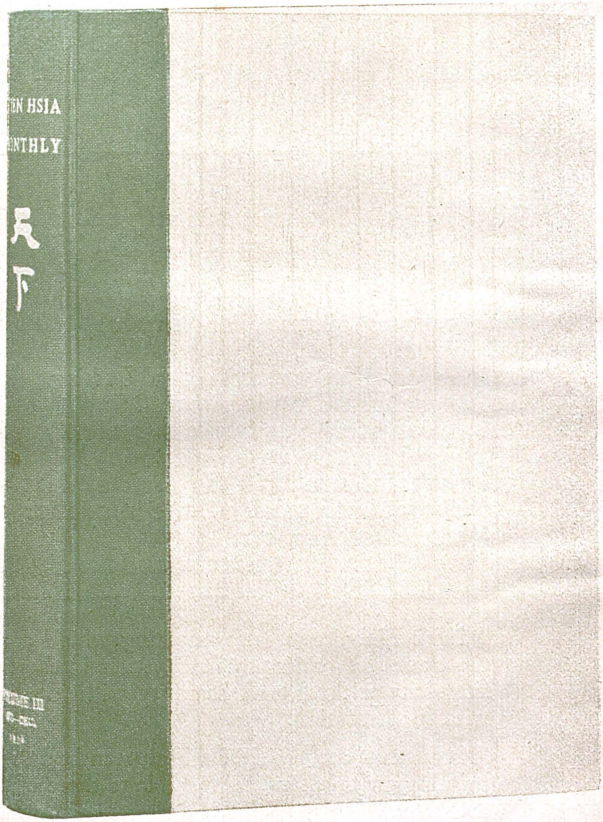

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PART I

GENERAL INFORMATION

THE CHINESE YEAR BOOK

1937

GEOGRAPHY

I. AREA AND POSITION [1]

The Ministry of Interior puts the area of China in January, 1937, at 11,608,800 square kilometers distributed as follows:

	Square Kilometers
Kiangsu	108,339
Anhwei	134,426
Chekiang	103,058
Fukien	158,702
Kwangtung	217,404
Kwangsi	217,578
Yunnan	320,051
Kweichow	179,478
Hunan	273,231
Kiangsi	200,209
Hupeh	207,692
Szechwan	431,309
Sikang	371,599
Chinghai	697,194
Sinkiang	1,828,418
Kansu	378,059
Ninghsia	274,910
Shensi	187,394
Shansi	155,935
Honan	172,736
Shantung	179,269
Hopei	153,682
Liaoning	321,823
Kirin	283,380
Heilungkiang	449,623
Jehol	192,430
Chahar	278,957
Suiyuan	291,432
Outer Mongolia	1,621,201
Tibet	1,215,788
TOTAL	11,608,800

The most northern part of China, Outer Mongolia, touches 53° 54′ N. Latitude. The southern extreme is Hainan Island, 18° 15′ N. Latitude. To the west Sinkiang extends to 73° 30′ E. Longitude, while to the east Kirin reaches 135° 5′ E. Longitude.

II. TOPOGRAPHY [2]

HUANG KUO-CHANG (黃國璋)

China extending over one-twelfth of the land surface of the earth in the eastern part of Asia, is bounded by the Pacific Ocean in the east and southeast and bordered by mountain ranges to the north, west, and southwest. Within its boundaries, there are presented an array of numerous physiographic features which include almost every known type of topographic expression. The following paragraphs give a brief sketch of the topographical features by dividing and subdividing the entire country into a number of sections, in each of which the topography is more or less similar throughout. Such divisions and subdivisions are known as physiographical provinces. To each province is given a name which either suggests its character, or mostly its character, as well as its position.

A. Tibetan Plateau.—The Tibetan Plateau comprises a large portion of the southwestern part of China, including the whole area of Tibet, the whole of the provinces of Sikang and Chinghai, the westernmost portion of Szechwan, and the northwestern corner of Yunnan. It is the loftiest

[1] Data taken from the *Quarterly of Statistics* published by the Ministry of Interior, January, 1937.

[2] For more details see the *Chinese Year Book* for 1936–1937, pp. 1–24.

plateau in the world, with more than three-fourths of its area lying more than 10,000 feet above sea level. It is bordered by lofty mountains on most sides — the Himalaya on the south and west and the Kunlun (崑崙山) and its eastern extensions, the Akka Tag (阿克塔格山), the Altyn Tag (阿爾金山), and Nan Shan (南山) on the north, all of which are massive and lofty mountain ranges rising some 20,000 feet above the level of the sea.

The Tibetan Plateau is distinctly a plateau, so far as the whole of its area is situated in a much higher altitude than the surrounding regions except the Pamirs. But it is criss-crossed all over from west to east by a series of high mountain chains, due to folding and thrusting, with culminations of 18,000 to 23,000 feet. As to the level of the valleys, there is a great difference between those drained to the surrounding lowlands and those with interior drainage to inclosed basins. Relative heights vary from 3,000 feet in the dry central part and from 9,000 to 18,000 feet on the well-drained margins. The same contrasts are found in the matter of climate. The marginal mountain regions of the south and east with their lofty peaks and deep river gorges, even as far as the capital Lhasa, have abundant rainfall, dense forests from tropical to temperate, and strong glaciation in their highest parts. The western Himalaya, Karakorum, eastern Tibet, and Nan Shan have a much scarcer rainfall, which is still sufficient, however, for conifer forests and agriculture. The central and northern parts are very dry, with excessive extremes of heat and cold, a very scarce desert vegetation of grass bushes and lichens, and almost no glaciation. As this central part covers a very large area, about six-sevenths of the Tibetan Plateau is uninhabited.

B. The Basins of Sinkiang.—The province of Sinkiang, which occupies a large portion of the northwest of China, is composed physically of three internal drainage basins — the Tarim Basin (塔里木盆地), the Zongor Basin (準噶爾盆地), and the basin of Turfan (吐魯番盆地). Whatever their position or size, all of these basins are strikingly similar in their physical appearance. All of them take the form of basins, wholly or largely encircled by high mountains. Owing to the uniform aridity of climate, many rivers, descending from the surrounding ranges into the central plains of the basins, mostly disappear in the zone of piedmont gravels, bringing sufficient amount of water to support the jungles of reeds and scrubs, and to irrigate the fields of such crops as wheat, barley, maize, rice or cotton as well as various kinds of temperate fruits—pears, peaches, apricots, melons, grapes, etc.—before they sink into the ground again and finally reappear at the level of saline lake. As a consequence of this, all these basins have an area of sands and lacustrine deposits in the center, which is ringed by two concentrical zones; the inner zone is a zone of vegetation, while the outer one is a sloping belt of absolutely bare gravels.

C. Mongolia.—Mongolia, situated in the north of China, is a vast basin well marked by mountains on all sides —the Altai (阿爾泰) on the northwest, the Sayan (薩彥嶺) on the north, the Greater Khingan (大興安嶺) on the east, the In Shan (陰山) and Holan Shan (賀蘭山) on the south, and Nan Shan on the southwest. Walled in by these ranges, it is largely cut off from the ocean rains and is a land of deserts, semi-deserts, and steppes, which, more or less, form an eastern continuation of the Tarim and Zongor Basins. Physically, it may be divided into four subregions, namely, Northwestern Mongolia, Outer Mongolia, Gobi Proper, and Inner Mongolia.

1. *Northwestern Mongolia.*—This subregion includes two mountain girt basins—the Southern or Kobdo Basin (科布多盆地) and the Northern or Tannu Urianghai (唐努烏梁海). They are divided from each other by the Tannu-ola (唐努烏拉山), projecting eastward from the Altai Knot.

2. *Outer Mongolia.*—This region includes the hilly lands between the north of the Gobi Proper and the south of Siberia. Its western border extends as far as the Khangai Range, while, on its east, the border is well

defined by the Greater Khingan Mountains. It is composed of the headwater-drainage areas of the Selenga River (色楞格河) and the Amur River (黑龍江) in the west, and the Barga Basin or Hulunbuir (呼倫貝爾) in the east.

3. *Gobi Proper.*—Occupying the heart of Mongolia, it is called in Chinese the Han Hai or dry sea, which means a region as vast as the sea but rainless and desiccated.

4. *Inner Mongolia.* — The subregion is the tract of territory lying between the Gobi on the north, agricultural China on the south, the Three Eastern Provinces on the east, and Kansu Province on the west, and including the provinces of Jehol, Chahar, Suiyuan, and Ninghsia, with the Great Khingan Mountains, the Han Hai and the outer course of the Great Wall as its well-defined boundaries. The Great Wall was built to follow the mountain crests along the south edge of the plateau.

D. Northeastern Provinces.—The region of the Northeastern Provinces includes the territories of Liaoning, Kirin, and a larger portion of Heilungkiang and Jehol. Physically, it is composed of a drainage basin closely surrounded by a rampart of mountains, with the exception of its northeastern section, where the Sungari River works out an open passage to the Amur Valley, and of its southwestern area, where the Lower Liao River opens to the Po Hai (渤海).

Topographically, the Northeastern Provinces may be divided into four regions: (1) the lowlands of alluvial flats and higher gravelly terraces which are drained by the northeastward-flowing Sungari and the southward-flowing Liao Rivers and their tributary streams with a relatively insignificant divide between; (2) the Eastern Gobi—the plain of interior drainage; (3) the mountain rampart of ancient rocks surrounding the plain; and (4) the southwestern hilly lands.

1. *The Central Lowlands.*—The lowlands, being everywhere below an elevation of 1,000 feet, may be considered as composed of two subdivisions—the Liao River Plain in the south and the Sungari Plain in the north.

2. *Eastern Gobi.*—The name of Eastern Gobi is applied to the western portion of the central lowlands of the Northeastern Provinces between the headwaters of the Sungari River and the Liao Ho.

3. *The Mountain Rampart.*—The mountain rampart that surrounds the basin may be divided into three subdivisions, namely, the Khingan Ranges, the Changpai Shan Range, and the Southwestern Hills.

4. *The Southwestern Hilly Lands.*—Extending southward to the borderlands of the three provinces of Liaoning, Chahar, and Jehol, the Great Khingan Mountains fall gradually into the Southwestern Hilly Lands, which include a large portion of Jehol and a small portion of each of Liaoning, Hopei, and Chahar. It comes into contact with the northeastern plain on one hand and the great northern plain on the other. Being thoroughly dissected by the upper tributaries of the Liao Ho and Lwan Ho, the topography of this region is very rugged so that in many places almost no level lands or natural ranges of mountains are found.

E. Shantung Hills.—On the southern side of the mouth of the Po Hai stands the peninsula of Shantung. This and the Liaotung Peninsula opposite are much alike in physical aspects. One may be looked upon as a direct continuation of the other, with the Miaotao Islands (廟島羣島) in the Strait of Peichili as the bridge stones. The northeast and southeast of the Shantung Peninsula come into contact with the sea, while its northwest and southwest may be marked by the contour line of 150 feet. It is a land of greater and smaller mountain blocks, partly with foothills, of isolated "inselbergs" and of large peneplains where a thin layer of soil covers a smooth bedrock surface and imperceptibly goes over into the piedmont fans and flood plains composed of materials washed down from the mountains.

This land of hills is traversed by the wide depression of Kiao Ho (膠河), which is only 180 feet in altitude and

divides this region into two portions.

The mountains on the east, which form a promontory surrounded on three sides by the sea, have a general elevation below 1,500 feet, with the exception of a few mountain blocks, mostly composed of granites, which reach as high as 3,100 feet. The mountains on the west form the main portion of the massif, and are higher than the eastern mountains. Geologically, they consist of big blocks, faulted mainly along west-east lines and tilted in a northern direction. The highest elevation of the northwestern block is Tai Shan (5,000 feet), the eastern sacred mountain of China.

Along the coast there are many bays and harbors. The promontories are formed partly by projecting ridges or foothills, partly by smooth elevations of the extensive peneplain, which here is deprived of its soil-cover by the sea. Tsingtao, Chefoo, and Weihaiwei are the three main ports.

F. North China Highlands.—South of the Great Wall lie the well-known loess highlands of North China. These are well defined by the Great Wall on the north, the Taihang Range (太行山脈) on the east, the Tsinling Shan on the south, and the northeastern mountainous margin of the Tibetan Plateau on the west. Topographically, the region is composed of three types of land—rugged mountains, dissected tablelands, and low-lying valley basins. The last two types of land are wholly covered with thick loess or yellow soil, while the higher mountains are mostly barren or thickly forest-covered.

With the exception of the eastern marginal area where rise several rivers which cut narrow passages through the Taihang Range and the Yen Shan (燕山) and flow into the Po Hai, this whole region lies within the drainage area of the Yellow River which rises on the Odontala Plain (星宿海) from the Oring Nor (鄂陵湖) in Chinghai or the Koko Nor Plateau, and follows a very winding course of 2,700 miles to the Pacific Ocean. In its upper course across Kansu it joins with the streams Huang Shui (湟水), Tatung Ho (大通河), Yao Ho (洮河), and others and flows northeastward as far as the northwestern corner of the Ordos Plateau. Thence it makes an abrupt turn toward the east to Hokowcheng (河口鎮) in Suiyuan; and then turns sharply southward to Lungmen (龍門), forming the boundary line between the Shansi and Shensi Provinces. Within the short section from Lungmen to Tungkwan (潼關), the river receives the waters of its three most important tributary streams, the Fen Ho (汾河) from Shansi, the Lo Ho (洛河) and the Wei Ho (渭河) from Shensi. At Tungkwan it makes another sweeping turn and flows eastward toward the North China Plain.

When closely studied, the North China Highlands are by no means physically similar throughout and may be subdivided into three sections—the Shan-Shen Plateau (or the plateau of the Shansi and Shensi Provinces), the Fen-Wei Graben (or the valley basin of the Fen Shui and the Wei Ho), and the Kansu Basins.

1. *The Shan-Shen Plateau.*—The Shan-Shen Plateau consists of nearly the whole province of Shansi, a smaller part of Chahar, the northern part of Shensi, and a small part of eastern Kansu. The larger part attains an average elevation of more than 3,000 feet with a few higher peaks reaching from 6,000 to 9,000 feet or more. It is dissected by a number of open valleys as well as ravines. Its eastern and southeastern margins are well marked by the Taihang Range (太行山脈), which forms an abrupt step falling down to the North China Plain, while in the west its border is defined by the broken-up mountains known under the collective name of Liupan Shan (六盤山脈), which run nearly north to south in the east-central part of the Kansu Province. Liupan Shan, which reaches over 10,000 feet in height, forms the second gigantic step over which the Shan-Shen Plateau ascends to the higher uplands of Kansu.

2. *Fen-Wei Graben or Fen-Wei Valley Basin.*—On the south of the Shan-Shen Plateau, there exist two down-faulted grabens—one drained by the Fen Ho, of Shansi, and the other by the Wei Ho, of Shensi. Topographically, they form one narrow and

elongated area which is surrounded by highlands and may be collectively named the Fen-Wei Valley Basin or the Fen-Wei Graben. The general elevation of this valley plain is not more than 2,000 feet along its border and as low as 1,000 feet near the Yellow River.

Owing to the fertility of loess soil and the convenience of irrigation, the Fen-Wei Valley Plain has been intensively cultivated with much wheat and cotton every year. It used to be considered as the granary of the whole North China Highlands.

3. *Kansu Basins.*—From the Liupang Shan westward extends another area of uplands, which is much higher than the Shan-Shen Plateau but is much smaller in area. It comprises a very large part of Kansu and considerable portions of the Chinghai and Suiyuan Provinces. Most parts of this region reach an elevation of more than 6,500 feet, but, when compared with the Tibetan Plateau, it is from 3,200 to 6,500 feet lower.

G. North China Plain.—The North China Plain covers the whole area of Hopei, the western part of Shantung, the eastern part of Honan, the northern part of Kiangsu, and the northern part of Anhwei. Topographically, it may be regarded as a continuation of the central plain of the Northeastern Province, in spite of the fact that they have contrasting origins. After being submerged in the Po Hai, these two plains are connected with each other only by a narrow strip of coastal plain only five miles in width along the northwestern coast of Po Hai, through which runs the Peiping-Liaoning Railway connecting Peiping in the northern part of the North China Plain and Liaoning in the central part of the Liao Ho Lowland.

This region is bounded by distinct physical features on most sides. To the east it is bounded partly by the Yellow Sea and the Po Hai and partly by the Shantung Hills. Its northern limit reaches as far as the Yen Shan Range (燕山山脈) and the southern margin of the Jehol Hills, with the Great Wall as the sharp demarcation line. Its western border may be considered as composed of two sections. The northern section is distinctly marked by the wall-like Taihang Shan, which rises quite abruptly from the North China Plain toward the Shansi Plateau, while the southern section roughly corresponds with the 600 feet contour line along the southwestern foothills of the Hiao Shan (嶠山), the Sung Shan (嵩山), the Hsiungerh Shan (熊耳山), and the Funiu Shan (伏牛山). Its southern limit is defined by the eastern section of the Peiling Range.

Being as clearly defined as it is, the North China Plain is composed of the flood plains of several large rivers and of their tributaries, namely, the Huang Ho, the Huai Ho (淮河), the Lwan Ho (灤河), and the Hai Ho (海河). After entering this region at Yuankü (垣曲), in the west of Honan, the Huang Ho flows with a greatly decreasing speed which renders it incapable of carrying along all of its load of sand and silt from the loess highlands to the sea. As a consequence it deposits a part of the sediment between its diked banks and thus builds up its bed to a very high level—in many places even higher than the level of the surrounding country. Under such unfavorable conditions, whenever and wherever the dikes break up, it gives rise to disastrous floods which destroy the lives and properties of the inhabitants, especially on the lowlands. By the Shantung Hills, standing abruptly on the plain in the east, the lower course of the Yellow River has been repeatedly shifted from the northern part of Kiangsu to the northwest of Shantung and back again more than a dozen times. It thus extends its flood plain over a distance of 460 miles.

The drainage area of the Huai River, which occupies the country between the two large rivers of China, the Huang Ho and the Yangtze, forms a plain of less than 600 feet above sea level, with the exception of a few places above 1,300 feet.

The North China Plain may be regarded on the whole as a low level plain with most of its surface less than 200 feet above the sea. It has a general slope from west to east. Its southwestern portion, which is the highest part of the whole region,

reaches a general elevation up to 1,200 feet.

With a low level surface and a long humid summer, the North China Plain is very favorable for agricultural development. Cultivated land is planted with crops all the year round. Cotton, millets, maize, and beans are grown in summer, while in winter the chief crops are wheat and barley. The hilly lands on the border of the plain are particularly rich in coal deposits. The railroads, such as the Peiping-Hankow Line, the Tientsin-Pukow Line, and the Peiping-Liaoning Line, which are constructed along the foot of the hills, became the main arteries of transportation for agricultural as well as mineral products.

H. Yangtze Basin.—The Yangtze Basin includes the whole drainage area of the Yangtze River and its tributaries, with the exception of its upper course west of Szechwan and the drainage area of one of its tributaries, the Wu Kiang (烏 江), in the plateau of Kweichow.

This region, which comprises the whole of the provinces of Hunan, Hupeh, and Kiangsi, the greater part of Szechwan, and the southern portions of Shensi, Anhwei, and Kiangsu, together with a smaller section in the north of Chekiang, is separated from the North China Plain and the North China Highlands by the Peiling Range, which may be regarded as a sharp divide between two strikingly different sections of China, viz., the dry-crop country in the north and the irrigated rice country in the south. The southern border of the Yangtze Basin is marked by the Nanling Range, together with the eastern and northern rim of the Kweichow Plateau. The Yangtze River, of which the upper course through Sikang is known as the Kinsha Kiang (金 沙 江, or the River of Golden Sand), enters the southwest of Szechwan from the northeast of Yunnan. It flows peacefully northeastward across the southern part of Szechwan to Fengchi (奉 節), in the east of the province. From Fengchi to Ichang, in west Hupeh, the river valley, cutting through Wu Shan (巫山) nearly at right angles, becomes narrow and is bounded by precipitous mountains. Here are formed the famous "Three Gorges of the Yangtze." A little below Ichang the river begins to wind its way through the extensive alluvial land and at the same time the lacustrine plain of Hupeh Province. Passing by Shasi, it dips down into Hunan after many meanderings and joins the Tungting Lake (洞 庭 湖) at Yochow (岳 州). Here the Yangtze turns abruptly toward the northeast and meets the Han Shui (漢 水) near the three well-known cities—Wuchang, Hankow, and Hanyang, which are located very near to one another on the opposite shores of the streams. The river now makes another big bend toward the southeast and passes through a section partly blocked by projecting hills, before it receives the waters of the Poyang Lake (鄱 陽 湖) at Hukow (湖 口) in the north of Kiangsi. From here the Yangtze is deviated toward the northeast by the rocky mountains and hills in southern Anhwei, with its course bounded by hills and in several places by mountains, till it comes into the district of Wuhu, where the valley plain becomes wide and connects with the Tsao Hu (巢湖) Basin in the west and the Shihkiu Hu (石 臼 湖) Basin in the east. From Nanking eastward, the river runs in a northwest-to-southeast direction to Chinkiang, with its valley again restricted by the hills from both sides. Below Chinkiang the river traverses a vast delta plain before it enters the sea at Woosung (吳 淞). Its estuary is divided into two channels by the existence of the large island of Tsungming (崇 明) in the middle. Woosung is situated on the southern shore of the south channel. Having a navigable distance of 1,630 miles for native craft, of which 1,000 miles are navigable for large river steamers and 600 miles for ocean ships of 6,000 tons throughout the year. The Yangtze is the most important waterway for navigation in China and one of the finest inland waterways in the world.

Topographically, the Yangtze Basin may be divided into five subdivisions—the Red Basin of Szechwan, the Yangtze Lake Basin, the Delta Plain, the Drainage Basin of the Han Shui, and the Hilly Lands south

of the river, called simply the Southern Hills.

1. *Red Basin of Szechwan.*—Szechwan, being low in its center and surrounded by high mountains on all sides, is distinctly basin-like in shape. Having a general slope from north to south, this basin is drained by rivers flowing mostly in a southward direction.

The region, as a whole, is quite densely populated. With its humid subtropical climate, agriculture has been highly developed. Water fields spread far and near over the lower valley plains, while the gentle slopelands are terraced from the foot to the top of hills, not to mention the intensive agricultural development of the Chengtu Plain. Rice forms the main summer crop in the water fields, while the crops on the dry lands are composed of maize, kaoliang, millet, beans, and sweet potatoes. The first-mentioned one forms the most important of all. In winter, wheat and barley are grown.

2. *The Yangtze Lake Basins.*—This region includes the three large lake basins—the Tungting Basin in the west, the Poyang Basin in the central, and the basin of Tsao Hu and Shihkiu Hu in the east, apart from many smaller ones. It is distinctly marked on the north by the Peiling Range, on the west by the mountains of Wu Shan and others, on the south by the northern edge of the Southern Hilly Lands, and on the east by the low hills in the vicinity of Chinkiang and the Tamao Shan (大茅山) from the south. It takes the form of a narrow and elongated country, including the larger part of Hupeh, the northern parts of Hunan and Kiangsi, the southern part of Anhwei, and the southwestern part of Kiangsu. Physically, it is characterized by its large flood plains dotted with numerous lakes, large and small, and traversed by an immense network of waterways, natural and artificial. All of these lakes, regardless of their sizes, are well connected with the Yangtze by stream and canals.

Lake Tungting is the largest lake in China, occupying an area of from 3,500 to 4,000 square miles in the northern part of Hunan Province.

3. *The Delta Plain.* — Broadly speaking, this region not only includes the delta plain of the Yangtze River, but extends northward to the old lower course of the Huai Shui, which corresponds to the recently abandoned course of the Yellow River to the sea, and southward to the northern shore of the Hangchow Bay. The Yangtze River once emptied into the ocean at Chinkiang, but the steady accumulation of sediments has pushed the seacoast eastward and formed a vast delta plain of scarcely more than 70 feet above the level of the sea, of which a large portion of this region is composed.

The whole region forms a low level alluvial country traversed by a close network of streams and canals and dotted here and there with lakes, swamps, and marshes. Tai Hu (太湖) is the largest lake in this region. It has been suggested by Liu and Chao that all of these lakes, especially those on the south of the Yangtze River, are remnants of the sea which once covered a large part of the Kiangsu Province, and, by regression of the marine waters and the steady growth of the Yangtze Delta, the region has been partly converted into marshlands and partly into swamps and lakes. The delta still keeps advancing toward the sea at an approximate rate, as estimated by Dr. V. K. Ting, of about one mile in every 70 years. The intricate system of watercourses in this region is not only a matter of great convenience to the people as regards drainage and irrigation, but also as regards navigation, to say nothing of the ample supply of canal-mud, which is dug out and much used as fertilizer for the fields. The Grand Canal, which runs from Hangchow northward to Tientsin over a distance of 900 miles, is one of the few great inland waterways of China and forms one of the striking features in this region.

Owing to the level character of the land surface and the convenience of communication both by water and by rail, together with its humid subtropical type of climate, the Yangtze

Delta Plain is very important not only for its agricultural production—rice, cotton, and silk in summer, and wheat and rapeseeds in winter—but also for its commercial development, with Shanghai as the center and Hangchow, Soochow, Wusih, and Chinkiang as satellites. Located at the mouth of the Yangtze, Shanghai forms one natural gateway for the whole Yangtze Basin, which has an area of 750,000 square miles and a population of not less than 200,000,000.

4. *The Drainage Basin of Han Shui.*—Between the Tsinling Range and the Tapa Shan lies the well-populated and cultivated basin of the Han Shui. The Han River rises in the P'anchung Shan (蟠冢山) in the southern part of Kansu, and flows southeastward in conformity with the general trend of the Peiling Range, into the Yangtze at Hankow.

5. *The Hilly Lands South of the Yangtze.*—This region, which consists of the larger part of Hunan and Kiangsi, and the smaller part of southern Anhwei, western Chekiang, and southeastern Hupeh, is markedly defined by the Wuyi Range (武夷山脈) in the east, the Tayuling Range (大庾嶺) in the south, and the eastern escarpment of the Kweichow Plateau in the west. The former two ranges are collectively called the Nanling Range which, together with the Peiling Range in the north forms the southern and northern boundaries of the Yangtze Basin.

With the exception of the higher elevation along its eastern, western, and southern borders, and the higher mountains scattered in other places, the general elevation of this region is mostly below 1,500 feet above sea level. Heng Shan (衡山) in southern Hunan and Lu Shan (廬山) in northern Kiangsi both attain an elevation of about 4,000 feet. The former is one of China's five sacred mountains while the latter forms the well-known summer resort in South China.

With a hilly topography and a humid subtropical climate, this region is well known for its tea production, in addition to its importance in rice exportation.

I. Maritime Province of Hills.—The Maritime Province of Hills includes the whole of the provinces of Kwangtung and Fukien and a large portion of Chekiang. Its length extends from the Chientang River (錢塘江) and the southern shore of the bay of Hangchow southwestward to the mountainous area on the border of Kwangtung and Kwangsi Provinces, while its breadth, which is much less than its length, extends from the coast inland to the Nanling Range which marks the northwestern limits of this region. The Nanling acts not only as a great water-divide between the Yangtze system and the Chu Kiang (珠江) system, together with the other smaller coastal rivers, but also as a distinct climatic-divide between the humid subtropical type on the north and the tropical dry and wet type on the south. The latter type of climate prevails over approximately the whole region, with the exception of part of Chekiang.

Topographically, this region is characterized by hills and low mountains, which cover the whole area and form a rugged surface drained by the waters into the sea. In spite of such a similarity in land-forms and climate, it may be still better treated as composed of two subregions—the Min-Che Hills ("Min" meaning Fukien and "Che" Chekiang) (閩浙邱陵地) and the Kwangtung Hills (廣東邱陵地), with their boundary lying in the east of Kwangtung, between the Tung Kiang (東江) and the Han Kiang (韓江) Valleys.

The coast of the Min-Che area, being backed by hills and mountains which in some places come right to the water edge and elsewhere recede, is fringed by a narrow strip of plains of various width. Such a coastline naturally affords numerous sites for good harbors, which are either protected by islands of different sizes or located within well-sheltered bays. Nevertheless, because of the lack of good connections with the interior, these harbors have never attained the importance of commercial ports. The main streams flow in a southeasterly direction to the sea by way of independent courses. They are shallow at the mouths and, moreover, short

and restricted by precipitous mountains at many places. All of these conditions make navigation very difficult and provide no good facilities for the growth of very large cities. Wenchow (溫州) at the mouth of the Ou Kiang (甌江), Foochow, at the mouth of the Min Kiang (閩江), Amoy, at the entrance to the Kiulung Kiang (九龍江) and Swatow near the mouth of the Han Kiang (韓江) are the large cities of this region.

The portion of Kwangtung to the west of the Han Kiang Valley, which is here named the Kwangtung Hills, consists largely of the drainage area of the Chu Kiang and its three leading tributaries, the Tung Kiang from the east, the Pei Kiang (北江) from the north, and the Si Kiang (西江) from the west. Climatically and topographically, in many respects, the Kwangtung Hills may be regarded as the southwestern extension of the Min-Che Hills, but the centering of the hydrographic drainage in a single large alluvial plain causes many differences in physical appearance.

The coast of Kwangtung is rugged and irregular but less so than that of Fukien and Chekiang. The coastal plains, east and west of the mouth of the Si Kiang, have many of the characteristics, both human and physical, found in the latter provinces. Hainan Island, which is located on the south side of the narrow Chiungchow Strait (瓊州海峽), opposite to the Leichow Peninsula (雷州半島), is composed physically of a large piece of lowland in the north, mostly less than 200 feet above the sea, and the mountain-mass of Wuchi Shan (五指山) in the south, the central peaks of which rise as high as 6,400 feet. This island, together with the coast plain along the mainland north of it, has the tropical, rainy type of climate and is suitable for the production of tropical products such as bananas, cocoanuts, pineapples, betelnuts, rubber, and others.

With a humid tropical climate, the maritime province is well known for the growth of two crops of rice each year and the production of tropical fruits. Lungyen, lichee, and pineapples are the most notable kinds. In addition, this region, like the hilly lands south of the Yangtze, is a famous tea-producing country. Formerly the *oolung* tea (烏龍茶) produced in Fukien, was well known throughout the world.

J. Kwangsi Basin.—With the exception of a very small area in the southeastern corner of Kwangsi Province, which is drained by the Nanliu Kiang (南流江), one of the tributaries of the Lochen Kiang (羅成江), which flows into the Tongking Bay (東京灣) in the vicinity of Hopu (合浦, or Lienchow 廉州), the rest of Kwangsi is included in the drainage basin of the Yu Kiang (鬱江) which is named the Si Kiang about 100 miles east of Wuchow (梧州). Since the basin is encircled by high barriers on most sides, practically all of the waters, the main stream as well as its tributaries, have their common outlet at Wuchow. Most of the streams flow through gorges and rapids and are of little value for navigation. Yu Kiang and Kwei Kiang (桂江) are the two exceptions. Yu Kiang is navigable for the whole year as far as Nanning (南寧) and for many months as far as Poseh (百色), while Kwei Kiang, which is navigable as far as Kweiling (桂林) all the year round, is connected at its headwaters with the upper course of the Siang Kiang, thus forming a continuous waterway which links together the Si Kiang and Yangtze Basins through junk navigation. Kweiling, at the headwater of Kwei Kiang, is more a Hunanese city than a city of Kwangsi.

The basin is full of hills and mountains, representing in vast areas a landscape of rolling country. In many places the limestone floor of the basin has been thoroughly dissected by water erosion into clusters of fantastic pinnacles which rise abruptly above the ground like towers. These features, together with an abundance of limestone caves of various sizes, justify the treatment of the Kwangsi Basin as a region separate from the Maritime Province of Hills.

K. Yun-Kwei Plateau.—The Yun-Kwei Plateau, or the Yunnan-Kweichow Plateau, is located in the southwestern part of China. It is dominated

by high and rough surfaces, carved by deep valleys and traversed by the precipitous mountains which characterize this region as the eastern extension of the Tibetan Plateau.

The limits of this region are not sharply marked. Generally speaking, its northern limit extends almost to Yangtze, its eastern boundary to the Kweichow-Hunan border and its south and southwest to the national boundary line. The highest elevation is found in its northwest, where lofty peaks attain a height of 10,000 feet. From there, it slopes toward the southwest, south, and east. Naturally the main rivers also flow in these directions. The Yunnan Plateau is traversed by four large rivers—the Salween (怒江), the Mekong (瀾滄江), the Yuan Kiang (元江, or Red River), and the Kingsha Kiang (金沙江). These rivers, except the Red River, have their headwaters in the high snowfields in the central part of the Tibetan Plateau. All of them flow nearly from north to south to the northwest of Yunnan Province, before they depart from one another and find their courses into different seas. The Yangtze turns toward the northeast and flows into the Tung Hai (東海, or East China Sea), the Red River, and the Mekong River both flow southeastward across Yunnan Province and Indo-China into the South China Sea, while the Salween runs along the western border, following a north-to-south channel to the Indian Ocean.

The rivers in Kweichow are numerous. The Wu Kiang (烏江), the Yuan Kiang (沅江), the Liu Kiang (柳江), and the Nanpan Kiang (南盤江) are the most important ones.

Being thoroughly dissected by the numerous streams, the Yun-Kwei Plateau becomes a sea of mountains with a little level land found in some of the valleys and in the few intermontane basins which are scattered throughout the plateau and are mostly small in area. The basins found in the localities of Kunming (昆明) and Tali (大理) in north Yunnan are the two best-known ones.

Yunnan, when compared with Kweichow, is much less dissected. It contains a larger area of high plains, in spite of the fact that it is about 2,000 feet higher than the Kweichow Plateau, the average elevation of which reaches 4,000 feet above the sea. Kweichow is well known for the ruggedness of its topography and the poverty of its people. It is spoken of as a province in which "no one has three ounces of silver and no land is level for three feet in extent."

ASTRONOMY[1]

YÜ CHING-SUNG (余青松)

CHINA AND CALENDAR REFORM

In recent years a growing desire has been felt the world over for a reform of the Gregorian Calendar, which is used by practically every people including the Chinese. The wish for revision is especially strong in business circles, for the existing calendar is found to contain many defects which are very inconvenient, not to say harmful, in connection with business transactions. For instance, under the present calendar the divisions of the months, quarters, and half years are of unequal length. The months contain from 28 to 31 days and the first half year contains two or three days less than the second, while months, quarters, and half years do not consist of a whole number of weeks. These irregularities are causes of confusion and uncertainty in economic relations and in the arrangement of statistics, especially those concerning trade.

For thousands of years China has been using what is commonly called, though not quite correctly, the Lunar Calendar. This calendar consists of 12 lunations per year, plus seven extra lunations in 19 years. The latter additions, which are known as "intercalary months," were necessary in order to regulate the seasons. Although numerous "reforms" had taken place down the ages, they were more or less concerned only with the fixing of the intercalary month. Thus the essential feature of the old calendar was preserved for many centuries. In 1912, after the establishment of the Republic, the Government issued a mandate abolishing the old system and adopting in its place the Western or Gregorian Calendar. As is only too natural with human habits and traditions, this drastic reform was one in name rather than in fact. To-day, after 25 years of official taboo, the majority of the people still cling to the time honored calendar. However, this does not mean that at present no reform is either practicable or desirable. The National Government and other enlightened circles have lately taken a vigorous lead in encouraging the use of the new calendar and in discouraging the use of the old. Much headway has been made and it is only a matter of time before the ancient calendar is completely abandoned. Perhaps it is fortunate for China that the agitation for a world calendar reform should occur at a time when the vagaries of the Gregorian Calendar, though officially adopted by China, have not quite taken root in this country.

As already stated, the old Chinese Calendar has been wrongly named as "lunar." No doubt the moon plays a prominent rôle in its formation, but this is only half of the story. For, besides the lunations, it contains the 24 so-called *chieh-ch'i* (節氣) or solar terms, evenly distributed throughout the solar year. To be exact, they represent the times when the sun is at Celestial Longitude 0°, 15°, 30°, and so on every 15° afterwards. Thus in 360°, or a complete circuit of the movement of the sun, i.e., a solar year, there are 24 divisions of 15° each. The 0° and the 180° instants are the well-known equinoxes of the West, while the 90° and the 270° instants correspond to the solstices (see Table 2). It is clear then that the old Chinese Calendar is not merely lunar, but actually luni-solar in character. As a matter of fact the Chinese farmers, who compose the bulk of the population, go by these solar terms more than anything else in their routine work. Thus a change from the old system to any new solar calendar

[1] For a short historical sketch of Chinese astronomy and a brief account of Astronomical Institutions in China to-day the reader is referred to the last issue of the *Chinese Year Book*.

would happily be less drastic than might at first seem the case.

Since time immemorial the compilation of the calendar and the initiation of its reform in China have been in the hands of official astronomers, for it naturally fell to them to determine the length of the year, and the times of new moons as well as of those of the 24 solar positions. Nowadays the question of calendar reform is no longer concerned with the length of the year or month, but resolves itself into the logical distribution of days, weeks, and months in the year. This makes the reform problem largely commercial, political, social, and religious, instead of being purely astronomical in character.

That revolutionary China should have decided to discard the age-old calendar for something new was but a natural step towards modernization. Although the old calendar possesses certain advantages over the new one (such as the fixity of the new moons, which renders easy the prediction of tides for those living along the coast, and the following of religious festivals and worships depending upon the phases of the moon), these advantages are outweighed by its all-round clumsiness, such as the unequal length of years and the wandering of the 24 solar terms. The most serious objection, however, is the necessity of compiling it afresh every year; in other words, it is not perpetual. Mention must be made here of the fact that China officially adopted the Gregorian Calendar in 1912 not because of its modernity, for it is certainly not modern, but rather on account of its universality. Now that the world is seriously studying the present calendar and clamoring for its revision, China is likewise joining the movement for a sensible calendar reform.

The question of calendar revision in China was first formally discussed during a national educational conference held at Nanking in 1927 when the new 13-month calendar came up for consideration. Its novel character seemed to strike the fancy of most of the delegates and a resolution was passed that a petition should be sent to the Government urging it to put the new calendar immediately into effect. With characteristic foresight, however, Dr. Hu Shih, the eminent scholar-educator, advised caution, pointing out the seriousness of the problem, which not only needs extensive study in China outside of the educational field but also requires universal agreement among nations for its successful application. Finally action was postponed pending further investigation.

In 1931 the Chinese Government, in response to a request from the League of Nations to set up a national committee for the study of calendar reform, organized an association especially for this purpose. Reform is composed of representatives from the Ministries of Foreign Affairs, Railways, Finance, Communications, Industries, and the Interior, and the National Institute of Astronomy of the Academia Sinica. After considerable study of the matter, a small booklet was printed containing a short history and the meaning of calendar reform as well as a description of the three calendars selected by the League of Nations Committee, namely, (1) the existing Gregorian Calendar, (2) the 12-month World Calendar (see Table 1), and (3) the 13-month International Fixed Calendar, with their respective advantages and disadvantages duly noted. This booklet was widely distributed throughout the country, and various quarters were invited to one of the three calendars mentioned. In addition guidance was sought on a few minor points in connection with the reform, such as the popular preference for the beginning of the New Year Day, the placing of the extra days, etc. The returns, which covered the responses from more than 100,000 persons consulted were: 81% in favor of the 12-month World Calendar, 10% for the present Gregorian Calendar, and 9% for the 13-month International Fixed Calendar. This result was not only quantitative but also comprehensive, since it represented the consensus of opinion among people from many different walks of life in China.

Why should the Chinese people overwhelmingly prefer the 12-month

calendar to the 13-month calendar? The reason is not far to seek. To the Chinese 12 is a most natural and convenient number. Its symmetry and submultiplicity render easy the division of seasons. Each month corresponds exactly to one of 12 Chinese Zodiacs. The 24 important solar terms mentioned above also require 12 months for their equal and symmetrical distribution. The number 13 would play havoc with these and many other arrangements.

It may be mentioned here that the week is an imported product, which, although it has won wide acceptance of late, is not so important in China as in the West. The Chinese customarily subdivide the month into three periods, or *sün* (旬), of 10 days each, namely, the upper, the middle, and the lower *sün*. Thus the pattern of 12 months of 30 odd days is again the best in this connection.

Corresponding to the Western week but of much longer interval, is the Sexagenary Cycle, or *Chia-Tsu* (甲子) System, used by the Chinese. This system of reckoning days by cycles of 60, the invention of which has been credited to Huang Ti, the first great emperor of historic China, who reigned more than 4,000 years ago, is still in vogue to-day. The *Chia-Tsu* System also applies to the reckoning of years, months, and hours. It is evident that the cycle of 60, being the multiple of 10 and 12, again demands the 12-month plan for its logical application.

During the twenty-first annual convention of the Science Society of China held in 1936, a resolution was passed by the Chinese scientists there in session urging the Government to adopt the World Calendar. The Chinese Association for the Study of Calendar Reform is now making a formal recommendation to the Chinese Government to support the World Calendar idea when the question of calendar reform comes up again in the League of Nations agenda. It is important to note that most nations are now in favor of the World Calendar. In March, 1937, the League sent a draft convention on Calendar Reform to the governments of the member and non-member states, recommending the use of the World Calendar. The convention set January 1, 1939, as the beginning of the new Calendar, since this date falls on a Sunday, which is necessary in order to effect the change without disrupting the continuity of week days. Should the draft convention be ratified by three-quarter of the total number of member and non-member states, the momentous reform will go into effect as scheduled. There is hardly any question that when the time comes China will be ready to adopt, along with the rest of the world, the World Calendar, which is by far the most logical, most practicable, and most convenient of time measures yet devised.

ECLIPSE EXPEDITIONS IN 1936

In May, 1936, China dispatched two expeditions abroad for the observation of the total eclipse of the sun which occurred on June 19, 1936. This was remarkable in that it was the first time in the history of astronomy in China that a scientific party of this kind was sent abroad. Although the expedition to Siberia had disappointing results on account of cloudy weather conditions, the one to Japan met with gratifying success. Limited by shortage of funds, the observation equipment of the party which went to Japan was extremely simple. It consisted of a Zeiss 160 mm. astro-camera of 1,500 mm. focus, fitted with a U-V lens of special transmissive power. The telescope was pointed directly at the sun and a plate-moving device was used. With this instrument it had been planned to secure direct photographs of the corona in lights of three colors, namely, the ultra-violet, the blue-violet, and the infra-red, for photometric study. Passing clouds, however, spoiled the ultra-violet plate, and while there was not time enough to use the infra-red one. Only three exposures of the blue-violet were obtained. These show the corona in a five-pointed shape, having, with only one exception, a bright prominence directly under each pointed arm.

Three motion-picture cameras equipped with telephoto lenses of 75 mm., 100 mm., and 160 mm. focus

respectively were also used to photograph the corona, the last-mentioned camera carrying the newly-invented Kodachrome color film. All of the films, especially the color one, yielded excellent results.

The eclipse expeditions were formed under the auspices of the Commission for the Observation of Total Solar Eclipses organized in 1935. This commission, with Dr. Tsai Yuan-pei as its head, is composed of representatives from the following societies and institutions: Chinese Astronomical Society, Chinese Physical Society, Chinese Meteorological Society, three Institutes of Academia Sinica, viz., Astronomy, Meteorology, and Physics, Peiping Academy of Sciences, Tsingtao Observatory, Sun Yat-sen University Observatory, University of Peking, and Tsing Hua University.

The main object of the commission is to prepare for the observation of the total eclipse of the sun which will be visible in China on September 21, 1941, and to offer facilities and render assistance to the foreign observers who will no doubt bring expeditions to this country at that time. The path of the eclipse will extend from Sinkiang in a southeasterly direction through Kansu, Shensi, Hankow, and vicinity, to Kiangsi and Fukien. This will be indeed a very rare opportunity for China to witness this great spectacle of nature. The last eclipse visible in this region occurred exactly 400 year ago.

TABLE 1. THE WORLD CALENDAR

All Years Alike

All Quarters Equal

First Quarter							Second Quarter							Third Quarter							Fourth Quarter						
JANUARY							**APRIL**							**JULY**							**OCTOBER**						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
8	9	10	11	12	13	14	8	9	10	11	12	13	14	8	9	10	11	12	13	14	8	9	10	11	12	13	14
15	16	17	18	19	20	21	15	16	17	18	19	20	21	15	16	17	18	19	20	21	15	16	17	18	19	20	21
22	23	24	25	26	27	28	22	23	24	25	26	27	28	22	23	24	25	26	27	28	22	23	24	25	26	27	28
29	30	31	..	..	..	..	29	30	31	..	..	..	..	29	30	31	..	..	..	..	29	30	31	..	..	..	..
FEBRUARY							**MAY**							**AUGUST**							**NOVEMBER**						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
..	..	..	..	1	2	3	..	..	..	1	2	3	4	..	..	..	1	2	3	4	..	..	..	1	2	3	4
4	5	6	7	8	9	10	5	6	7	8	9	10	11	5	6	7	8	9	10	11	5	6	7	8	9	10	11
11	12	13	14	15	16	17	12	13	14	15	16	17	18	12	13	14	15	16	17	18	12	13	14	15	16	17	18
18	19	20	21	22	23	24	19	20	21	22	23	24	25	19	20	21	22	23	24	25	19	20	21	22	23	24	25
25	26	27	28	29	30	..	26	27	28	29	30	..	..	26	27	28	29	30	..	..	26	27	28	29	30	..	..
MARCH							**JUNE**							**SEPTEMBER**							**DECEMBER**						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
..	..	..	..	..	..	1	..	..	..	..	..	1	2	..	..	..	..	..	1	2	..	..	..	..	..	1	2
2	3	4	5	6	7	8	3	4	5	6	7	8	9	3	4	5	6	7	8	9	3	4	5	6	7	8	9
9	10	11	12	13	14	15	10	11	12	13	14	15	16	10	11	12	13	14	15	16	10	11	12	13	14	15	16
16	17	18	19	20	21	22	17	18	19	20	21	22	23	17	18	19	20	21	22	23	17	18	19	20	21	22	23
23	24	25	26	27	28	29	24	25	26	27	28	29	30†	24	25	26	27	28	29	30	24	25	26	27	28	29	30*

* Year-End Day, December Y, follows December 30 every year.
† Leap-Year Day, June L, follows June 30 in leap years.

TABLE 2. SOLAR TERMS, WITH SUNRISE AND SUNSET FOR 1938 (LONGITUDE 120° E., LATITUDE 32° N.)

Solar Terms			*Sunrise*	*Sunset*
		d h m	h m	h m
Hsiao Han (小寒, Moderate Cold)	Jan.	6 07 32	07 02	17 10
Ta Han (大寒, Severe Cold)		21 00 59	07 00	17 23
Li Ch'un (立春, Spring Commences) ..	Feb.	4 19 15	06 52	17 36
Yü Shui (雨水, Spring Showers)		19 15 20	06 39	17 49
Ching Chih (驚蟄, Insects Waken)	Mar.	6 13 34	06 22	18 01
Ch'un Fen (春分, Vernal Equinox)..		21 14 43	06 04	18 12
Ch'ing Ming (清明, Clear and Bright) ..	Apr.	5 18 49	05 44	18 22
Ku Yü (穀雨, Corn Rain)		21 02 15	05 26	18 32
Li Hsia (立夏, Summer Commences) ..	May	6 12 36	05 10	18 44
Hsiao Man (小滿, Corn Forms).. ..		22 01 50	04 59	18 55
Mang Chung (芒種, Corn in Ear) ..	June	6 17 07	04 53	19 03
Hsia Chih (夏至, Summer Solstice) ..		22 10 04	04 54	19 10
Hsiao Shu (小暑, Moderate Heat)	July	8 03 32	05 00	19 09
Ta Shu (大暑, Great Heat) ..		23 20 57	05 08	19 04
Li Ch'iu (立秋, Autumn Commences) ..	Aug.	8 13 13	05 19	18 52
Ch'u Shu (處暑, Heat Breaks Up)		24 03 46	05 30	18 34
Pai Lu (白露, White Dew)..	Sept.	8 15 49	05 39	18 16
Ch'iu Fen (秋分, Autumnal Equinox) ..		24 01 00	05 49	17 55
Han Lu (寒露, Cold Dew)	Oct.	9 07 02	05 59	17 36
Shuang Chiang (霜降, Frost) ..		24 09 54	06 10	17 19
Li Tung (立冬, Winter Commences) ..	Nov.	8 09 49	06 22	17 05
Hsiao Hsueh (小雪, Light Snow) ..		23 07 07	06 35	16 57
Ta Hsueh (大雪, Heavy Snow) ..	Dec.	8 02 23	06 48	16 55
Tung Chih (冬至, Winter Solstice) ..		22 20 14	06 57	17 00

NOTE TO TABLE 2. The twenty-four solar terms represent the twenty-four sections into which the year is divided in China. The interval between two consecutive terms is the time the sun takes to move exactly fifteen degrees among the stars. The meaning of the terms must not be taken too literally, especially in the case of those involving meteorological prognostications.

TABLE 3. PHASES OF THE MOON FOR 1938 (LONGITUDE 120° E. CIVIL TIME)

		d h m		d h m
New Moon ..	January	2 02 58		
First Quarter		9 22 13	July	4 21 47
Full Moon ..		16 13 53		12 23 05
Last Quarter		23 16 09		20 20 19
New Moon ..		31 21 35		27 11 54
First Quarter	February	8 08 33		31 10 00
Full Moon ..		15 01 14	August	11 05 57
Last Quarter		22 12 24		19 04 30
New Moon	March	2 13 40		25 19 17
First Quarter		9 16 35	September	2 01 28
Full Moon		16 13 15		10 04 08
Last Quarter		24 09 06		17 11 12
New Moon	April	1 02 52		24 04 34
First Quarter		7 23 10	October	1 19 45
Full Moon ..		15 02 21		9 17 37
Last Quarter		23 04 14		16 17 24
New Moon		30 13 28		23 16 42
First Quarter	May	7 05 24		31 15 45
Full Moon ..		14 16 39	November	8 06 23
Last Quarter		22 20 36		15 00 20
New Moon ..		29 22 00		22 08 05
First Quarter	June	5 12 32		30 11 59
Full Moon		13 07 47	December	7 18 22
Last Quarter		21 09 52		14 09 17
New Moon		28 05 10		22 02 07
First Quarter				30 06 53

TABLE 4. ECLIPSES FOR 1938

No.	*Date*	*Eclipse*	*Sun or Moon*	*Visible or Invisible in China*
1	May 14	Total	Moon	Visible
2	,, 29	,,	Sun	Invisible
3	November 8	,,	Moon	Visible
4	,, 22	Partial	Sun	,,

NOTE TO TABLE 4. The total eclipse of the moon, May 14, 1938, will be visible only in the northeastern extremity of the province of Kirin. The partial eclipse of the sun, November 22, 1938, will be visible only in parts of the provinces of Liaoning, Kirin, and Heilungkiang.

TABLE 5. ASTRONOMICAL PHENOMENA FOR 1938
(LONGITUDE 120° E. CIVIL TIME)

	d h m				° ′
January	1 08 59	☌ ♀ ☾	.. ..	♀	−2 24
	1 15 31	☌ ☿ ☾	.. ..	☿	+0 24
	2 19 —	☌ ☿ ♀	.. ..	☿	+3 16
	3 16 —	⊕	in Perihelion.		
	4 02 20	☌ ♃ ☾	.. ..	♃	−5 5
	6 07 —	☿	Greatest Hel. Lat. N.		
	7 08 09	☌ ♂ ☾	.. ..	♂	−6 23
	8 17 12	☌ ♄ ☾	.. ..	♄	−7 31
	10 04 —	☿	Stationary in R. A.		
	11 12 19	☌ ♅ ☾	.. ..	♅	−2 42
	18 17 —	♅	Stationary in R. A.		
	20 14 48	☌ ♆ ☾	.. ..	♆	+6 29
	21 07 —	☿	Greatest elong. W.		24 17
	29 17 —	☿	in ♉.		
	29 21 09	☌ ☿ ☾	.. ..	☿	−3 28
	30 07 —	☌ ♃ ☉			
	30 16 —	□ ♅ ☉			
	31 09 —	☌ ♀ ♃	.. ..	♀	−0 37
	31 22 00	☌ ♃ ☾	.. ..	♃	−5 24
	31 23 16	☌ ♀ ☾	.. ..	♀	−6 4
February	1 23 —	♀	in Aphelion.		
	3 04 —	☌ ♂ ♄	.. ..	♂	+2 1
	4 11 —	☌ ♀ ☉	Superior.		
	5 02 27	☌ ♄ ☾	.. ..	♄	−7 6
	5 04 48	☌ ♂ ☾	.. ..	♂	−4 59
	7 18 43	☌ ♅ ☾	.. ..	♅	−2 25
	9 00 —	☿	in Aphelion.		
	16 23 57	☌ ♆ ☾	.. ..	♆	+6 20
	17 13 —	☌ ☿ ♃	.. ..	☿	−1 23
	24 08 —	♀	Greatest Hel. Lat. S.		
	28 18 38	☌ ♃ ☾	.. ..	♃	−5 45
March	1 07 —	☿	Greatest Hel. Lat. S.		
	2 06 —	♂	in ♋.		
	2 07 59	☌ ☿ ☾	.. ..	☿	−7 33
	3 07 47	☌ ♀ ☾	.. ..	♀	−6 39
	4 13 47	☌ ♄ ☾	.. ..	♄	−6 43
	5 22 51	☌ ♂ ☾	.. ..	♂	−2 57
	7 01 14	☌ ♅ ☾	.. ..	♅	−2 5
	8 20 —	☌ ☿ ☉	Superior.		
	11 08 —	☍ ♆ ☉			
	16 08 16	☌ ♆ ☾	.. ..	♆	+6 18
	18 08 —	☌ ♀ ♄	.. ..	♀	+1 4
	19 03 —	☌ ☿ ♄	.. ..	☿	+2 7
	20 08 —	☿	in ♋.		
	20 13 —	☌ ☿ ♀	.. ..	☿	+1 17
	21 14 43	☉	enters ♈ Spring com.		
	24 23 —	☿	in Perihelion.		
	28 15 13	☌ ♃ ☾			
	29 06 —	☌ ♂ ♅		♃	−6 6
	29 16 —	☌ ♄ ☉		♂	+0 44
April	1 03 35	☌ ♄ ☾	.. ..	♄	−6 27
	2 07 22	☌ ♀ ☾	.. ..	♀	−3 39
	2 13 51	☌ ☿ ☾	.. ..	☿	+0 11
	3 05 —	☿	Greatest elong. E.		19 5
	3 09 56	☌ ♅ ☾	.. ..	♅	−1 49

	d h m				° ′
April	3 15 46	♂ ♂ ☾	.. ..	♂	−0 42
	4 06 —	☿	Greatest Hel. Lat. N. ..		
	9 00 —	♂ ☿ ♀	.. ..	☿	+3 52
	12 01 —	☿	Stationary in R. A.		
	12 14 42	♂ ♃ ☾	.. ..	♃	+6 23
	16 04 —	♂ ♀ ♁	.. ..	♀	+0 9
	21 15 —	♀	in ♋.		
	22 06 —	♂ ☿ ☉	Inferior.		
	25 10 07	♂ ♃ ☾	.. ..	♃	−6 23
	27 16 —	☿	in ♉.		
	28 18 54	♂ ♄ ☾	.. .. ..	♄	−6 17
	29 18 14	♂ ☿ ☾	.. .. ..	☿	−3 23
	30 21 18	♂ ♁ ☾	.. .. ..	♁	−1 38
May	2 03 04	♂ ♀ ☾	.. ..	♀	+0 57
	2 08 38	♂ ♂ ☾	.. ..	♂	+1 27
	4 14 —	☿	Stationary in R. A.		
	5 04 —	♂ ♁ ☉			
	7 23 —	☿	in Aphelion.		
	8 08 —	♂ ♀ ♂	.. ..	♀	+0 2
	9 19 45	♂ ♃ ☾	.. ..	♃	+6 29
	14 — —	☾	Total Eclipse.		
	19 22 —	☿	Greatest elong. W.		25 37
	22 23 —	□ ♃ ☉			
	23 01 18	♂ ♃ ☾	.. ..	♃	−6 32
	25 08 —	♀	in Perihelion.		
	26 09 53	♂ ♄ ☾	.. ..	♄	−6 9
	28 07 —	☿	Greatest Hel. Lat. S.		
	28 07 07	♂ ☿ ☾	.. ..	☿	−4 24
	28 10 07	♂ ♁ ☾	.. ..	♁	−1 29
	29 — —	☉	Total Eclipse.		
	29 18 —	♂ ☿ ♁	.. ..	☿	−2 35
	31 01 54	♂ ♂ ☾	.. ..	♂	+3 20
	31 04 —	♃	Stationary in R. A.		
	31 23 52	♂ ♀ ☾	.. ..	♀	+5 6
June	6 01 06	♂ ♃ ☾	.. ..	♃	+6 27
	10 06 —	□ ♃ ☉			
	16 03 —	♀	Greatest Hel. Lat. N.		
	16 08 —	☿	in ♋.		
	19 11 05	♂ ♃ ☾	.. ..	♃	−6 34
	20 22 —	☿	in Perihelion		
	22 10 04	☉	enters ♋ Summer Com.		
	22 13 —	♃	Stationary in R. A.		
	22 22 36	♂ ♄ ☾	.. ..	♄	−5 59
	23 05 —	♂ ☿ ☉	Superior.		
	24 22 29	♂ ♁ ☾	.. ..	♁	−1 18
	28 17 08	♂ ☿ ☾	.. ..	☿	+5 29
	28 19 30	♂ ♂ ☾	.. ..	♂	+4 53
	29 16 —	♂ ☿ ♂	.. ..	☿	+0 45
	30 21 39	♂ ♀ ☾	.. ..	♀	+7 13
July	1 05 —	☿	Greatest Hel. Lat. N.		
	3 08 27	♂ ♃ ☾	.. ..	♃	+6 17
	3 12 —	⊕	in Aphelion.		
	10 23 —	□ ♄ ☉			
	16 15 04	♂ ♃ ☾	.. ..	♃	−6 33
	20 07 39	♂ ♄ ☾	.. ..	♄	−5 50
	22 08 39	♂ ♁ ☾	.. ..	♁	−1 2
	24 16 —	☿	in ♉.		
	25 03 —	♂ ♂ ☉			

	d h m				° ′
July	27 12 57	♂ ♂ ☾	.. ..	♂	+5 59
	29 12 57	♂ ☿ ☾	.. ..	♃	+4 24
	30 16 36	♂ ♀ ☾	.. ..	♀	+5 43
	30 18 18	♂ ♅ ☾	.. ..	♅	+6 3
	31 15 —	♂ ♀ ♆	.. ..	♀	−0 26
August	1 01 —	☿	Greatest elong. E.		27 15
	1 10 —	♄	Stationary in R. A.		
	3 22 —	☿	in Aphelion.		
	11 04 —	♀	in ♋.		
	11 10 —	□ ♎ ☉			
	12 15 08	♂ ♃ ☾	.. ..	♃	−6 33
	14 04 —	☿	Stationary in R. A.		
	16 13 03	♂ ♄ ☾	.. ..	♄	−5 43
	18 15 49	♂ ♎ ☾	.. ..	♎	−0 45
	21 08 —	☌ ♃ ☉			
	24 06 —	☿	Greatest Hel. Lat. S.		
	24 12 —	♎	Stationary in R. A.		
	25 05 46	♂ ♂ ☾	.. ..	♂	+6 31
	26 03 51	♂ ☿ ☾	.. ..	☿	+0 21
	27 05 47	♂ ♅ ☾	.. ..	♅	+5 52
	28 17 —	♂ ☿ ☉	Inferior.		
	29 07 22	♂ ♀ ☾	.. ..	♀	+1 3
September	3 05 —	♂	Greatest Hel. Lat. N.		
	5 04 —	♂ ☿ ♂	.. ..	☿	−3 32
	6 11 —	☿	Stationary in R. A.		
	8 15 03	♂ ♃ ☾	.. ..	♃	−6 37
	11 11 —	♀	Greatest elong. E.		46 19
	12 07 —	☿	in Ω.		
	12 16 22	♂ ♄ ☾	.. ..	♄	−5 45
	14 05 —	☿	Greatest elong. W.		17 54
	14 16 —	♀	in Aphelion.		
	14 17 —	♂ ♅ ☉			
	14 20 48	♂ ♎ ☾	.. ..	♎	−0 32
	16 22 —	☿	in Perihelion.		
	16 23 —	♂ ☿ ♂	.. ..	☿	−0 10
	22 21 31	♂ ♂ ☾	.. ..	♂	+6 22
	23 08 02	♂ ☿ ☾	.. ..	☿	+6 46
	23 17 16	♂ ♅ ☾	.. ..	♅	+5 47
	24 01 00	☉	enters ♎ Autumn com.		
	26 13 —	♂ ☿ ♅ ♆	.. ..	☿	+0 50
	27 04 —	☿	Greatest Hel. Lat. N.		
	27 16 58	♂ ♀ ☾	.. ..	♀	−4 25
October	5 18 32	♂ ♃ ☾	.. ..	♃	−6 43
	7 01 —	♀	Greatest Hel. Lat. S.		
	8 21 —	☌ ♄ ☉			
	9 10 —	♂	in Aphelion.		
	9 20 05	♂ ♄ ☾	.. ..	♄	−5 55
	10 19 —	♂ ☿ ☉	Superior.		
	12 01 41	♂ ♎ ☾	.. ..	♎	−0 29
	12 17 —	♂ ♂ ♆	.. ..	♂	+0 5
	16 13 —	♀	Greatest Briliancy.		
	19 19 —	♃	Stationary in R. A.		
	20 15 —	☿	in ♋.		
	21 03 06	♂ ♅ ☾	.. ..	♅	+5 48
	21 12 03	♂ ♂ ☾	.. ..	♂	+5 33
	24 10 35	♂ ☿ ☾	.. ..	☿	+0 23
	26 07 47	♂ ♀ ☾	.. ..	♀	−7 34
	30 21 —	☿	in Aphelion.		

	d h m				° ′
October	31 05 —	♀	Stationary in R. A.		
November	2 03 07	☌ ♃ ☾	.. ..	♃	−6 45
	6 01 50	☌ ♄ ☾	.. ..	♄	−6 4
	8 — —	☾	Total Eclipse.		
	8 08 21	☌ ♅ ☾	.. ..	♅	−0 34
	9 03 —	☌ ☿ ♀	.. ..	☿	+3 15
	9 05 —	☍ ♅ ☉			
	17 02 —	□ ♃ ☉			
	17 10 33	☌ ♆ ☾	.. ..	♆	+5 48
	19 01 38	☌ ♂ ☾	.. ..	♂	+4 9
	20 05 —	☿	Greatest Hel. Lat. S.		
	20 14 —	☌ ♀ ☉	Inferior.		
	22 — —	☉	Partial Eclipse.		
	22 01 29	☌ ♀ ☾	.. ..	♀	−3 26
	24 05 18	☌ ☿ ☾	.. ..	☿	−5 30
	25 19 —	☿	Greatest elong. E.		21 51
	29 16 12	☌ ♃ ☾	.. ..	♃	−6 38
December	2 08 —	♀	in ☊.		
	3 09 39	☌ ♄ ☾	.. ..	♄	−6 2
	5 01 —	☿	Stationary in R. A.		
	5 16 59	☌ ♅ ☾	.. ..	♅	−0 39
	9 06 —	☿	in ☊.		
	9 21 —	♀	Stationary in R. A.		
	13 21 —	♀	in Perihelion.		
	14 16 36	☌ ♆ ☾	.. ..	♆	+5 43
	14 18 —	☌ ☿ ☉	Inferior.		
	16 05 —	♄	Stationary in R. A.		
	16 06 —	□ ♆ ☉			
	17 14 57	☌ ♂ ☾	.. ..	♂	+2 21
	19 00 02	☌ ♀ ☾	.. ..	♀	+2 46
	20 21 34	☌ ☿ ☾	.. ..	☿	+0 33
	22 20 14	☉	enters ♑ Winter com.		
	24 04 —	☿	Greatest Hel. Lat. N.		
	24 20 —	☿	Stationary in R. A.		
	26 15 —	♀	Greatest Brilliancy.		
	27 00 —	♆	Stationary in R. A.		
	27 08 09	☌ ♃ ☾	.. ..	♃	−6 22
	30 18 30	☌ ♄ ☾	.. ..	♄	−5 44

NOTE TO TABLE 5. The table contains configurations of the sun, moon, and planets, expressed in the symbols as follows:

☉ Sun	☾ Moon	☿ Mercury	♀ Venus	⊕ Earth
♂ Mars	♃ Jupiter	♄ Saturn	♅ Uranus	♆ Neptune

☌ Conjunction, having the same Longitude or Right Ascension
□ Quadrature, differing 90° in Longitude or Right Ascension
☍ Opposition, differing 180° in Longitude or Right Ascension
☊ Ascending Node
☋ Descending Node
N. North
S. South
E. East
W. West

The predicted times of the conjunctions, quadratures, and oppositions of the planets with respect to the sun are, respectively, the instants when the longitude of each planet differs from that of the sun by 0°, ± 90°, or 180°. For the conjunction of the planets with the moon and with each other, the predicted times are the instants when the two bodies have the same right ascension. In the case of conjunction the degrees and minutes to the right indicate the difference of declination. Thus, ♂ ☌ ☾ . . . ♂-4° 22′ would be read "Conjunction of Mars with the Moon, Mars, 4° 22′ to the South."

The table contains also the times of the beginning of the seasons; of the perihelia and aphelia of the planets including the earth; of the passage of the planets through the nodes of their orbits; of the greatest heliocentric latitudes of the planets; of the planets becoming stationary in right ascension; of the greatest elongations of Mercury and Venus; of the greatest brilliancy of Venus; of the nearest approach of Mars to the Earth; and of the solar and lunar eclipses.

CLIMATE[1]

CO-CHING CHU (竺可楨) AND JOHN LEE (呂炯)

I. INTRODUCTION

In area, China is greater than the continent of Europe. It stretches from the region well within the tropic of Cancer in the south to the border of Siberia in the north, from Pacific coastal land in the east to the Pamir plateau in the west. In Tibet we have one of the highest inhabited areas in the world, while parts of the oasis of Turfan in Chinese Turkestan is more than 200 meters below sea level. In a country so vast in its extent and so varied in its topography, the climate must necessarily be very diversified. In temperature it ranges from arctic rigor in North Manchuria to torrid heat in the coral islands such as the Paracels, in the South China Sea. As regards precipitation, the mean annual amount varies from less than 40 mm. in the Gobi Desert (Etsingol, for the period 1927–1929, according to observations made by Dr. W. Haude of the Sino-Swedish Scientific Expedition to NW China)[2] to over 7,900 mm. at Omei Shan in Szechwan (Observations made during the Second Polar Year, August, 1932–July, 1933).[3] The following description will give a rough idea of the climate of China in general and China Proper in particular.

The major factors which control the climate of China are three in number: (1) distribution of land and water, (2) mountain barriers and altitudes, and (3) cyclonic storms.

1. Latitude.—China is located between latitude 18° and 53°N. The extent of Chinese Territory is widest at about latitude 40°N., but narrows down considerably in the south, so that only 2.4% of its area lies within the tropics. China occupies, therefore, the same belt as Western Europe and Africa, from Morocco in the south to England in the north. The climate of China, however, is vastly different from that of the Mediterranean region or Western Europe. This difference arises mainly from the fact that China is situated on the eastern side of the Eurasian continent, where the influence of the ocean is very little felt; while the Atlantic border of Europe is on the western side of the same continent, where the ocean current can exert its full force.

The proximity of the vast Pacific Ocean on the one hand, and the massive Eurasian continent on the other, also brought about the unique wind system of Eastern Asia. In winter, due to extreme coolness and aridity of the interior of Asia, pressure becomes very high, forming what is known as the Siberian anticyclone, even though the core of high pressure is really in Mongolia. Over the Pacific the temperature is comparatively high, and hence low pressure prevails at this time of the year with its center over the Aleutian Islands. In summer, on the other hand, the land becomes warmer than the ocean, and the low pressure system is now over the continent with its center in Northwest India, while the high pressure system shifts to the mid-Pacific. Since wind

[1] The original chapter on this subject in the 1st and 2nd edition of this book was written by Mr. Co-ching Chu. The work of Mr. John Lee in the present chapter is designed only to bring the data up to date, and to condense it into compact form. There are only a very few alterations in the contents.

[2] W. Haude, Zweieinhalb Jahre, 1927–1929, Meteorologische Arbeiten bei der Zentral Asiatischen Expedition Sven Hedins, *Geografisk Annaire.* Vol. 12, Stockholm, 1930, pp. 160–174.

[3] *Monthly Meteorological Bulletin,* National Research Institute of Meteorology, Nanking, August, 1932–July, 1933.

always blows from the region of high pressure to the region of low pressure, this see-sawing of pressure systems over Asia and the Pacific causes the wind to change direction every half year. It blows from land to ocean in winter, and from ocean to land in summer. These monsoonal winds are known to occur in Australia, the Iberian Peninsula in Europe, the Gulf coast of North America and the tropical west coast of Africa; but nowhere in the world are the monsoons so well developed as over Southeast Asia, i.e., over India, Japan, and China.

These monsoonal winds affect the climate of China in two ways. First, since wind comes from the arid interior in winter and the damp, tropical ocean in summer, the rainfall régimes all over China have pronounced periodicity, with a maximum in summer and a minimum in winter. And, secondly, since everywhere in China winter winds blow prevailingly from the north, the coldest quarter; and summer winds come mainly from the south, the warmest quarter, the seasonal temperature contrast is very much exaggerated.

2. Topography. — Topographically considered, China is a very rugged country. With the exception of the combined delta of the Yangtze and Yellow Rivers, and several other minor basins, mountains dominate the land forms. The effects of mountains are two-fold: first, they act as barriers to the rain-bearing winds from the south in summer, and to the piercing ice-cold winds from the north in winter; secondly, with the increase of altitude the temperature decreases at the approximate rate of 6°C. per 1,000 meters, while precipitation increases until a certain level is reached.

Prof. George Cressy has stated in his book *China's Geographic Foundations:* "Greatest of all the mountains of China (China Proper) is the eastward extension of the Kunlun, known in China collectively as the Tsingling Shan, which reaches eastward from Tibet nearly to the Pacific. These mountains divide China into two major geographic regions, characterized by striking contrast in climate, agriculture and human activities."[1] Any person who has travelled through the Tsingling cannot help but notice these contrasts between regions north and south of this mountain range, and it may be added here that it is the striking contrast in climate that brings about the difference in types of vegetation, modes of locomotion and even characteristics of the peoples that exist between North and South China. Among all of the climatic factors, the amount of precipitation is the most vital in bringing about this contrast. If we take places located along approximately the same longitude but on the sides of the Tsingling and compare their mean annual precipitation, we find that those situated to the south of the Tsingling have two or three times as much as those stations to the north of it.[2] Thus Hankow, situated to the south of the Tsingling, has a mean annual rainfall of 1,257.3 mm., while Kaifeng, on virtually the same longitude but located to the north of the Tsingling, receives only 580.9 mm.

The effect of the Tsingling range on temperature is not obvious, but nevertheless it is a very real one. As the height of the summit of the Tsingling range decreases from 3,000 meters along the border of Shensi and Szechwan Provinces to 1,500 meters in Hunan and Hupeh, and to still lower altitudes in Anhwei and Kiangsu, its effectiveness as a barrier to the penetrating frigid northerly wind in winter decreases correspondingly from west to east. Results of pilot balloon ascensions launched in Nanking and Peiping during recent years have shown that the winter monsoon in China seldom attains the altitude of 3,000 meters. This fact explains why the refrigerating Siberian air often makes a clean sweep of the lower Yangtze and even makes inroads into Fukien and Kwangtung Provinces, yet places in Szechwan and Yunnan enjoy a

[1] George B. Cressy, *China's Geographic Foundations*, McGraw and Hill, 1934, p. 38.
[2] Co-ching Chu, "Aridity of North China, Its Causes and Consequences," *Pacific Affairs*, June, 1935.

comparative immunity from invasions of the arctic air masses. This sheltering effect of the Tsingling mountains makes itself felt in the mean monthly temperature of places in the upper Yangtze. For instance, in winter months the mean temperature of Chungking and Chengtu is four degrees Centigrade warmer than that of Ningpo and Shanghai, located almost on the same latitude but much nearer to the sea, which fact should make the climate of Ningpo and Shanghai much milder than that of Chungking and Chengtu under ordinary circumstances. And Kunming on the Yunnan Plateau at the altitude of 1,922 meters is actually warmer in winter than Ockseu Island, located only 63 meters above sea level and four minutes in latitude to the south of Kunming.

Further westward, because of their greater altitude the Himalayas and the Kunlun in the south, and the Tien Shan and Altai in the north constitute a much more formidable barrier to the moisture-bearing winds than the Tsingling. It is a well known fact that the aridity and barrenness of Central Asia are due largely to the hemming-in effect of these lofty ranges. According to Dr. W. Haude, the meteorologist of the Sino-Swedish Scientific Expedition to Northwest China, who worked in Mongolia during the year 1928–1929 and again in 1931–1933, the climatic conditions north of the Tien Shan are totally different from those found south of the range. The mountains stand in the way of the cold moist wind from the northwest. Urumchi (Tiwha), the capital of Chinese Turkestan, has a mean annual precipitation of 260 mm., while Kucha, south of the Tien Shan, receive only 60 mm.[1]

In Tibet, on the other hand, the amount of rainfall decreases from south to north. W.W. Rockhill observed during his journey through Mongolia and Tibet that the Tangla Mountain forms an important climatic divide in N. E. Tibet and Tsaidam. The range has an average altitude of about 6,000 meters and makes, therefore, an effective barrier to the moisture-bearing wind from the south. The northern slope is quite dry and barren, while the southern slope is favored with an abundance of rain and snow.[2] Southern Tibet, Lhasa and Shingatze receive from 500 to 1,000 mm. of precipitation annually; in the year 1936 Lhasa had even as much rainfall as 5,034.6 mm., while in the northwest, Leh, just over the border, receives only 75 mm. in a whole year.

That orography plays a part in the condensation of moisture in China can be best illustrated in the Szechwan Alps. From time immemorial the dampness and gloom of the Szechwan mountains have been proverbial. One adage has it that the dogs in Shu (Szechwan) will bark at the sun. Another fable tells us that a leak in the firmament exists over Yachow (雅州), about 50 kilometers to the northwest of Omei Shan, the sacred mountain of Buddhist fame. While heavy precipitation was known in the Omei Shan region, the phenomenal amount of 9,225.7 mm. collected in so short a period as 13 months was hardly credited, but this was shown by the National Research Institute of Meteorology which established a station at the summit of Omei Shan in the summer of 1932.

Altitude affects temperature conditions as well as the amount of rainfall. Thus the Yunnan plateau at an altitude of 2,000 meters is noted for the mildness of its climate, while Tibet, towering still 2,000 meters higher and located far above the vicissitude of monsoonal changes of wind and pressure, has an arctic climate.

3. Cyclones.—In temperate zones the extratropical cyclonic storms are oftentimes the sole arbiter of weather changes, and this is true to a certain extent in China, especially in winter and spring. In summer the air temperature over the whole of China is quite uniform, and the number of cyclones decreases greatly. According

[1] W. Haude, *loc. cit.*, p. 169.
[2] J. Hann, *Handbuch der Klimatologie*, 3rd Ed., 3rd Vol. part 2 page 320, 1911.

to Mr. Shio-wang Sung, of the National Research Institute of Meteorology,[1] 841 extratropical cyclones occurred over China during the period 1921–1930 or 84.1 cyclones per year. The seasonal distribution of these cyclones is shown in the following table:

TABLE 1. MEAN MONTHLY FREQUENCY OF CYCLONES IN CHINA

Period	*Jan.*	*Feb.*	*Mar.*	*April*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Total*
1921–1930	7.3	8.1	9.3	10.5	9.9	7.8	5.1	2.5	3.4	6.2	7.4	6.6	84.1

The above table shows that the months of April, May, and June are the most stormy, while July, August, and September have the least number of storms. It is interesting therefore to note that the months with the heaviest rainfall are exactly the months with the least storm frequency, in spite of the fact that cyclonic storms bring about most of the precipitation in winter as well as in summer, and in North as well as in South China. The explanation seems to lie simply in the fact that the moisture content of the atmosphere is far greater in summer than in any other season, and hence a few summer cyclones will yield an abundance of rainfall.

The extratropical cyclones travel over China generally from west to east, but turn toward the northeast on reaching the coast. The tracks of storms vary from season to season. South of latitude 25°N. very few cyclones occur. In winter and spring cyclones are most numerous in the Yangtze Valley, while in July and August the number of storms in North China far exceeds that experienced in Central or South China as shown in the following table:

TABLE 2. FREQUENCY OF CYCLONES OCCURRED BETWEEN LONGITUDE 100°–125° E. DURING THE PERIOD 1921–1930

Latitude	*Jan.*	*Feb.*	*Mar.*	*April*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*
20–25	2	0	1	0	4	5	1	0	0	1	0	1
25–30	40	42	51	59	63	36	14	5	5	10	22	34
30–35	21	17	15	26	19	22	6	6	9	19	18	15
35–40	3	8	30	17	17	24	27	9	5	2	13	9
40–45	23	28	33	49	49	41	29	9	18	28	18	14

In winter, when an arid northerly wind prevails, rain, if it occurs, comes only in small amounts. With the turning of the wind to the south in April, temperature as well as moisture increases, and so does the amount of precipitation yielded by each passing cyclone. As the season advances, the tracks of cyclones migrate northward, accompanied by the belt of maximum rainfall. In the region of the Nanling range, comprising the mountainous part of Kwangsi, Northern Kwangtung, Southern Hunan, and Southern Kiangsi, the maximum rainfall comes in May. A second maximum in August in this region is due to the typhoons, as pointed out by Mr.

[1] Shio-wang Sung, "The Extratropical Cyclones of Eastern China," *Memoir*, No. 3, National Research Institute of Meteorology, 1931, p. 34.

Chang-wang Tu in his paper on "Some Regional Rainfall Types of China."[1] In the middle and lower Yangtze Valley the maximum rainfall comes in June; in North China the maximum comes in July.

Since cyclones are often accompanied by a cloudy or overcast sky which cuts off a greater portion of solar radiation, they have also an indirect effect on the mean air temperature. Places in Hopei Province (formerly Chihli), in North China, are cooler than the lower Yangtze Valley throughout the year except during the months of May and June, when the lower Yangtze Valley has its rainy season, while the Hopei plain is comparatively free from storms.

Furthermore, each cyclone usually consists of a warm front in its fore quarter and a cold front in its aft. With each passing cyclone there is a wide fluctuation of temperature at one place. As a procession of these cyclones passes over China, there are incessant ups and downs in the temperature curve. In winter the frigid Siberian air often follows in the wake of a cyclone and may sweep over South China and give frosty weather to Kwangtung and Kwangsi Provinces. The cold waves form a regular feature of winter and spring weather in Manchuria, Chinese Turkestan, and Mongolia as well as China Proper.

Besides extratropical cyclones, typhoons also play a prominent part in the climatic control of China, especially during the late summer and early autumn. They usually originate somewhere in the region of the Ladrone Islands or the Caroline Islands, and travel northwestward. These tropical storms occupy a small area and progress more slowly than the extratropical cyclones, but they usually yield more rainfall, and are often accompanied by wind of devastating force. Along the entire Chinese coast, but especially in the south, they are dreaded by the seamen and farmers alike. In the Chinese annals, records abound which testify to the destructiveness of the typhoons. The most noteworthy of these was probably that of July 17, 1281, when 3,500 ships, carrying 100,000 soldiers sent by Kublai Khan to conquer Japan were all wrecked and sunk by a typhoon. During recent years the most memorable one has been the Swatow typhoon of August 2, 1922, which caused a loss of 70,000 lives and $70,000,000 worth of property.

Spectacular though they be, as a climatic factor typhoons are not so important as the extratropical storms, for typhoons do not occur so frequently as the latter and are not so wide in their range. As a rule there are from 20 to 30 typhoons in a year and among these only four or five will strike the Chinese coast.[2] During the period 1904–1934, of the 138 typhoons which hit the Chinese coast only 21 had any effect on the mainland north of Wenchow. The maritime provinces of South China, Kwangtung and Fukien, suffer most from the consequences of typhoons, while the region northwest of the line drawn from Peiping to Lao Kay through Ichang has no experience of them at all.[3]

Though typhoons make their appearance in the Pacific all through the year, they are most numerous during the months from July to October.

[1] Chang-wang Tu, "Some Regional Rainfall Types of China," *Memoir* No. 5, National Research Institute of Meteorology, 1935.

[2] Co-ching Chu, "A New Classification of Typhoons of the Far East," *Monthly Weather Review*, December, 1924, p. 575.

[3] T. F. Claxton, "Isotyphs, showing the prevalence of typhoons in different regions of the Far East for each month of the year," Hongkong, 1932.

And it is during these months, when the typhoon season is at its height, that they occur on the Chinese coast as shown in the following table:

TABLE 3. NUMBER OF TYPHOONS DURING THE PERIOD 1904–1934

Location	*Jan.*	*Feb.*	*Mar.*	*April*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Total*
Landed N. of Wenchow	—	—	—	—	—	—	4	12	5	—	—	—	21
Landed S. of Wenchow	—	—	—	—	—	6	40	35	30	5	1	—	117
TOTAL	12	5	9	10	30	42	125	162	147	116	63	40	761

Not only do typhoons cause material damage to the places at which they strike, but, due to the storms which follow in their wake, floods add to the damage already done. According to Mr. K. Y. Cheng, of the National Research Institute of Meteorology, 56 floods occurred in the Yangtze Valley during the period 1911–1932, of which five were due to thunderstorms, 42 to cyclonic storms and nine to typhoons.[1] Typhoons are not entirely harmful in their effect, however. During such periods of drought and excessive heat, as the one experienced in the Yangtze Valley during the months of July and August, 1934, they were much welcomed by the inhabitants because of the refreshing winds and much-needed rainfall they brought with them. So soon as they approach the Chinese coast to a distance of from 500 to 1,000 kilometers, winds begin to turn to the N. E. and gain in strength so that the temperature drops appreciably. When they come within a distance of 300 kilometers of the place, the wind usually increases to a gale and rain begins to fall.

II. TEMPERATURE

As stated in the previous section, China has a continental climate—that is, extremes in climate, great heat in summer and extreme cold in winter. In order to visualize how extreme is the climate of China, it is necessary to compare the temperature of different places in China with the mean temperature of all places in the northern hemisphere located approximately on the same latitude. It is understood that these mean temperatures are sea level temperatures; mean temperatures of places at high altitude have to be reduced to make them comparable. With the year taken as a whole, places in China are too cold for their latitudes. This is due to the fact that the excess of cold in winter far exceeds the excess of heat in summer. The deficiency of warmth in winter amounts to 17° C. at Aigun in North Manchuria, but gradually diminishes southward until at Kuingchow, on Hainan Island, it is only one-quarter of that amount. In autumn the temperature departure is also minus. The excess of heat in summer decreases likewise from north to south. As a consequence of extreme cold in winter and excessive heat in summer, the mean annual temperature range, i.e., the difference between the mean temperature of the hottest month and that of the coldest month, is inordinately large. The hot summers, though rather uncomfortable to live in, are not without their beneficial attributes, for the size of the rice crop depends much on temperature. In winter the biting winds are very invigorating, as anyone who has passed a winter north of the Yangtze Valley can testify.

[1] K. Y. Cheng, "Floods and Rainfall Along the Yangtze Valley During the Period 1911–1932," *Science*, Vol. 18, No. 10, Shanghai, 1934.

Mr. P. K. Chang, of the National Research Institute of Meteorology, has made a study on the length of the four seasons in China. He defines winter as the period when mean temperature goes down below 10° C. and summer as the period when it is over 22° C., while spring and autumn are the intervals when mean temperature lies between these two limits. In base of mean temperature of each five-day period, he found that there is no winter in South China south of Wenchow, while the summer there is about eight months long; on the other hand, he found no summer in North Manchuria north of Harbin, while winter there is also eight months in length. Places like Kunming, on the Yunnan plateau, have no summer, but spring or autumn lasts eight months.[1]

TABLE 4. DISTRIBUTION OF FOUR SEASONS IN CHINA

(In Unit of Months)

Regions	*Winter*	*Spring*	*Autumn*	*Summer*
South China	0.0	4.0–7.0	(Spring and Autumn)	5.0–8.0
Yunnan Plateau	2.0–3.0	10.0–9.0	,, ,, ,,	0.0
Upper Yangtze Valley	2.5–3.0	2.5–3.0	2.5–3.0	3.5–5.0
Central Yangtze Valley ..	3.5	2.0–2.5	2.0–2.5	4.0–4.5
Lower Yangtze Valley	3.5–4.5	2.0–2.5	2.0	3.5–4.0
North China	5.0–6.0	2.0–3.0	2.0	2.0–3.0
Steppe Region (NW China) ..	5.5–6.5	2.0–3.0	1.5–2.5	1.0–3.0
Chinese Turkestan	5.0–6.0	2.0–3.0	2.0	2.0
South Manchuria	6.0–7.0	2.0–2.5	2.0	1.0–2.5
North Manchuria	8.0	4.0	(Spring and Autumn)	0

To the average person mean annual temperature does not convey much, and yet it is the single item that can sum up the thermometric tendencies of the place. A glance at Table 8 will show that mean annual temperatures vary greatly in different parts of China. Generally speaking, the mean annual temperature in South China is between 20°–25° C., in the Yangtze Valley 15°–20°, in North China 10°–15°, in South Manchuria, Southern Tibet and Chinese Turkestan 5°–10°, in North Manchuria, North Mongolia and the greater part of Tibet 5°. The difference in temperature between north and south is much reduced in summer but is greatly accentuated in winter. As one travels from Manchouli, in North Manchuria, to Hongkong in January, there is an increase of temperature of 2° C. for every 100 miles southward covered on the route. As the distance is some 2,100 miles as the crow flies, the difference in temperature is some 42° C., a very great change indeed. During the summer months, as, for instance, in July, the difference in temperature between these two points is less than 10° C.

In West China, as well as in Tibet, Mongolia and Chinese Turkestan, the temperature of a place much depends upon altitude and topography. One fact stands out strikingly, however, i.e., the surprising mildness of Southern Tibet. The mean temperature of Lhasa for January, taking 1935 and 1936, was –0.2° C.—4.3 degrees warmer than the mean January temperature of Peiping, in July the mean temperature of Lhasa for the two years under observation (1935 and 1936) was 16.2° C., 10 degrees lower than that of Peiping in the same month. The monthly mean temperature of Lhasa for the two years, as observed by the Lhasa Branch Station of the National Research Institute of Meteorology, are as shown in the following table:

[1] Pao-Kun Chang, "The Duration of Four Seasons in China," *Journal of the Geographical Society of China*, Vol. 1, No. 1, Nanking, 1934.

TABLE 5. MEAN MONTHLY TEMPERATURES OF LHASA, TIBET

Year	*Jan.*	*Feb.*	*Mar.*	*April*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Mean*
1935	−0.1	2.8	6.1	8.6	14.0	17.3	16.1	14.6	14.6	9.3	3.9	−0.1	8.9
1936	−0.3	−0.4	5.7	9.5	13.5	15.5	16.4	15.6	13.6	8.1	5.0	1.3	8.6
Mean	−0.2	1.2	5.9	9.1	13.7	16.4	16.2	15.1	14.1	8.7	4.5	0.6	8.8

Considering the high altitude at which Lhasa is situated (3,650 meters according to the hypsometer determination of the Lhasa Meteorological Station), these monthly means are extraordinarily high. The summit of Omei Shan, located practically on the same latitude but 1,200 kilometers to the east and approximately 500 meters lower down, is six degrees colder than Lhasa for the mean annual temperature. In January the mean temperature on the summit of Omei Shan is more than eight degrees colder than that of Lhasa! The mildness of Lhasa and its vicinity is due partly to the strong isolation which is inherent in a high plateau region, and partly due to the protection afforded by the high mountains to the north, which ward off the cold winds. In the winter half-year cold waves from Siberia form a regular feature in the weather of other parts of the Chinese Republic. According to a recent investigation by Dr. Sjan-zsi Li, 25 notable cold waves occurred during the five-year period 1927–1931. Each invasion of these cold waves brings about a drop of temperature of from 4° to 10° C.[1] The lowest temperature ever recorded in China so far known is −50.1° C., recorded at Menduksi in North Manchuria (Lat. 49° 06′ N., Long. 120° 03′ E., Alt. 705 m.) on January 16th, 1922, while the highest is 46° C. registered at Turfan, Chinese Turkestan, on July 21, 1930.

III. PRESSURE AND WIND

1. Atmospheric Pressure.—As befits a continental climate, sea level atmospheric pressure in China is highest in December or January and lowest in June or July. The mean annual range amounts to 14–16 mm. in South China and the Yangtze estuary but increases to 18–20 mm. in the Central Yangtze Valley and North China. Lanchow, in Kansu, registered in 1933 a mean sea level pressure of 780.87 mm. in January and one of only 753.80 mm. in June; while in the extreme south, Pratas Island (Lat. 20° 42′ N., Long. 116° 43′ E.) had in the same months 764.24 mm. and 754.64 mm. respectively. The difference of pressure between Lanchow and Pratas amounts to 16.63 mm. in January, and −0.84 mm. in June. The reversal of gradient in June explains the change of wind from northerly in winter to southerly in summer, while the much reduced difference of pressure in summer between the two places arises from the fact that the winter monsoon is so much stronger than the summer monsoon.

In conformity with the pressure gradient of the season and the deflective force of earth rotation, the winds shape their courses. Local topography also exerts a commanding influence in a mountainous region. It would not be within the compass of this short chapter to describe the winds of every section of China in detail, even if data were available. Winds in China, taken as a whole, are predominantly offshore in winter and onshore in summer; these are commonly known as winter and summer monsoons. The months of March, April, and May in spring and Sep-

[1] Sjan-zsi Li, *Die Kälteeinbrüche in Ostasien*, Berlin 1935, pp. 35 and 79.

tember in autumn are transitional months. The winter monsoon comes much more suddenly and blows with much greater strength than the summer monsoon. The monsoonal winds are not so constant as one would imagine; when cyclones pass over Mongolia, Manchuria, North China or the Yangtze Valley, winds from every point of the compass may last for a time, and cyclones are quite frequent in China. It is only from monthly statistics that it is possible to get an idea from which direction winds blow most frequently.

2. Wind Directions.—Over Peiping the wind comes prevailingly from the north in January and from the south in July, and over Nanking mainly from the north in January and from the east in July. Thus the monsoonal character of the wind at these places is quite apparent. Yet along the coast of South China, it is still more pronounced. Over Canton more than 80% of the wind comes from the N or NE in January, and more than 40% from the S or SW in July, the winter monsoon being much strengthened by the northeast trade wind, which usually prevails at the latitude of South China. The rotation of the earth has a tendency to deflect the wind towards the right in the northern hemisphere; hence in winter the northwest wind in North China, as it pursues its course, will change to the northeast when it reaches Central China. Similarly, in summer the southeast wind in Central China will become a southerly or southwesterly wind when it reaches North China. In Manchuria the wind is prevailingly from the southwest all the year round. The prevalence of a southwesterly wind in South China in summer owes its origin also to deflection of earth rotation. South China being on the southern side of the continent of Asia, the onshore wind should be from the south but is deviated to the right to become southwesterly.

The seasonal shifting of wind, onshore in summer and offshore in winter, is limited only to the lower strata of the atmosphere. Pilot balloon soundings at Hongkong, Nanking and Peiping have shown beyond any doubt that above 3,000 meters altitude westerly winds predominate. The height of the southeast monsoon in summer usually does not exceed 2,000 meters over Peiping or 3,000 meters over Nanking, and the height of the northeast monsoon in winter is even lower. Over the Yunnan plateau the wind comes mainly from west or southwest throughout the year. Over Hutgertugol (Lat. 41° 30′ N., Long. 110° 00′ E.), in Inner Mongolia at an altitude of 1,500 meters, a northwest wind prevails in summer.[1] Over Suchow (Alt. 1,360 meters), in Northwestern Kansu, the prevailing wind is northeasterly in summer and southwesterly in winter. In Chinese Turkestan the wind direction of a place much depends upon the surrounding mountain ranges. Over Tiwha, north of Tien Shan, the wind blows mostly from the northwest throughout the year, but over Kucha, south of the mountain range, the wind comes mainly from the south or southwest.

3. Wind Velocity.—Wind velocity is greatest during the months of March and April. The ancient Chinese knew this by experience, and from time immemorial kites were flown in the greater part of China only in the spring month, for kites will not rise unless wind velocity exceeds three or four feet per second. The summer months are usually the calmest, except in the lower Yangtze Valley, where wind velocity for the month of July is as great as, or greater than, that of March or April.[2] Generally speaking, wind velocity in China decreases from the coast inland. Places along the Fukien channel are the stormiest in the country. In summer or early autumn, gales often accompany the coming of a typhoon and may blow from any direction. But in winter and spring, wind of great force usually comes from the northwest quadrant

[1] W. Haude, "Monsunbeobachtungen am Suedostrande der Mongolischen Steppe in Juni und Juli," *Beiträge zur Physik der Freien Atmospaere*, Vol. 17, part 1, p. 23, Leipzig, 1930.

[2] Co-ching Chu, "Circulation of Atmosphere over China," *Memoir*, No. 4, National Research Institute of Meteorology, pp. 7–8, Nanking, 1934.

and heralds the arrival of a cold wave. The highest instantaneous wind velocity recorded at Nanking during the last eight years was 39.9 meters per second, which occurred on July 1, 1934, during a thunderstorm. The highest record of Peiping during the last six years was the 36.1 meters per second registered during a NW squall on June 2, 1936. But velocities of more than 40 meters per second are common in the vicinity of a well developed typhoon. Thus on August 1, 1931, the Royal Observatory at Hongkong registered a momentary velocity of 60.8 meters per second during a typhoon. Zikawei Observatory has the distinction of having the longest record of wind direction and velocity kept in China, the highest hourly velocity there is 112 kilometers, observed on July 28, 1915, also during a typhoon. The greatest wind velocity ever registered by an instrument anywhere in the world was 103.2 meters per second at Mount Washington, N. H., U. S. A. on April 12, 1934.[1]

IV. HUMIDITY, CLOUDINESS, FOG AND FROST

1. Humidity.—As a rule the absolute humidity of a place should be greatest in summer and least in winter, while the reverse is apt to be the case with the relative humidity. In China, however, since winds are onshore in summer and offshore in winter, the summer is usually damp, while the autumn and winter are dry. The mean annual relative humidity of Manchuria and North China varies between 60 and 65%, and that of Central and South China between 70 and 80%. The dampness of Szechwan is well known, and this is verified by the high percentage of Chungking and Omei Shan. Kunming, on the Yunnan plateau, on the other hand, has a low humidity. In Chinese Turkestan and Tibet, humidity goes still lower. At Tsaidam (Lat. 36° 12′ N., Long. 97° 18′ E., Alt. 2,860 m.), Captain Kosloff of the Russian Expedition of 1900–1901 found the relative humidity there to be 36 in spring, 39 in autumn and 56 in winter, with a mean annual of 44. The record of two years (1930–1931) at Kucha, Chinese Turkestan, shows a relative humidity of 40 in spring, 48 in summer, 52 in autumn and over 80 in winter. Since the humidity is computed from dry and wet bulb readings, and since the temperature at Kucha goes down to 10 or 15 degrees below freezing in winter, the figure has no meaning at all. In Mongolia and Chinese Turkestan the air is so dry that the pilot balloons brought there by Dr. W. Haude became cracked and useless in a short time. Even in Kansu the atmosphere can be exceedingly dry at times. Thus on April 25, 1935, at Suchow, the relative humidity decreased to 1% (dry bulb 24.7,° wet bulb 8.5°), while a westerly gale of 16 meters per second was blowing. This desiccating wind lasted for three days; apricot flowers and willow leaves wilted before it, and the spring crop of the region was absolutely ruined.

2. Cloudiness.—As the amount of cloud at a given place depends on the relative humidity, the regional variation of cloudiness in China follows closely the variation of humidity. The mean annual cloudiness in China decreases from seven in South to four in North China, Chinese Turkestan and Manchuria have the least cloudiness, with a mean cloudiness of 3.6, while Omei Shan is the gloomiest spot so far known in China, with a mean nebulosity of 8.1. In seasonal distribution, cloudiness varies greatly in different regions. In Manchuria and North China as well as in West China, winter is the season of blue sky, while summer brings more cloud than any other season. In South China and in the lower Yangtze Valley, winter is the most gloomy period, while summer and autumn are comparatively sunny. According to the record of the last five years, Peiping has more hours of sunshine than Nanking in every month of the year except July and August, in spite of

[1] S. Pagluica, "The Great Wind of April 11–12, 1934, on Mount Washington N. H. and Its Measurement," *Monthly Weather Review*, June, 1934, p. 187.

the fact that during these two months, Peiping, because of its higher latitude, should have more sunshine than Nanking. This cloudiness is due to the fact that storms are more common in the Yangtze Valley than in North China, except in summer. In a whole year, Peiping receives in average 2,707.3 hours of sunshine or 61.0% of the possible amount; while Nanking in the same interval of time, receives 2,092.8 hours or 47.2% of the possible amount. At Pratas Island in the South China Sea, the figure decreases to 1,730.7 or 39.2%.

3. Fog. In view of recent advance in commercial aviation in China, fog has become a topic of paramount importance. Both radiation fogs and advection fogs are to be met with in China; the latter occurs near the coast and on island stations and the former on the mainland. Unfortunately different meteorological services in China define fog differently. The maritime customs stations use the English units, and to them the limit of visibility on a fog day is half a mile. The National Research Institute of Meteorology uses the international standard, however, and calls a day a fog day when visibility is below one kilometer; it is reckoned a day with dense fog when visibility is below half a kilometer. The two sets of data are, therefore, not strictly comparable.

For all of the mainland stations, with the exception of that at Tsingtao located on the seacoast, fogs occur most frequently in winter. For the island stations, from Hongkong to the Yangtze estuary, spring is the most foggy season; further north, along the coast of Shantung, fogs are most prevalent in the month of July. In Mongolia and Chinese Turkestan because of the extreme dryness of the climate, fog is quite rare but the sky is covered with haze most of the time. At Kucha in the year 1931, there were 178 days with haze but only one day with fog.

4. Frost.—Frost occurs practically everywhere in China on the mainland. Occasionally the mercury may drop to freezing point, even in Hongkong, during a severe cold wave from Siberia in winter. The regular yearly visitation of frost, however, does not begin until about latitude 28° N. along the coast, while inland the occurrence of frost depends much upon the altitude and topography. Because of frost, cane sugar does not grow well in Fukien, except in the extreme southern part of the province, and for the same reason cane sugar plantations in Kwangsi require particular care in cultivation. In Canton frost occurs two years out of seven, while Amoy was free from frost during the last eight years (1929–1936) of observation. Frost may form when the shade temperature reaches a minimum of from one to three degrees above zero centigrade, provided other conditions are favorable. But in the interior of China, where the altitude is great, frost often appears when shade temperature is remarkably high. In Taiyuan (Alt. 805 m.) frost was observed when the minimum was 5.5° C., and in Kunming (Alt. 1,922 m.) frost was frequently deposited at a temperature ranging from 7° to 9° C. Owing to the transparency of the air in a high altitude, the terrestrial radiation at night is great, and hence ground may be cooled down to many degrees below the temperature registered in the screen which shelters the thermometers. On the other hand, when the humidity, cloudiness, or wind conditions are not favorable, frost does not appear, even though the temperature in the screen goes down to 8 or 10 degrees below freezing.

If we assume the growing season to be limited to the period between the mean date of the last frost in spring and the mean date of the first frost in autumn, then it will be seen that the season varies in length from 12 months in South China, eight to nine months in the Yangtze Valley, seven months in the Yellow River Basin, six months in Hopei and Shansi, and five months in Manchuria, to four months in Lhasa and Tsaidam. One anomalous fact stands out clearly, i.e., the region around the Shantung Peninsula and the Gulf of Peichili has a longer growing season than does the Hwai River Basin to its south. This is probably due to the following facts:

(1) The spring temperature in Shantung Province increases more rapidly than that in the Hwai River Basin.[1]

(2) The Shantung Hills region is in average 400 m. higher than its surroundings, and the influence of cold waves coming from the north is therefore not so conspicuous as in its surrounding lower plain.[2] Since the frost sometimes has an intimate relation to the cold waves, Shantung Province has less effect from frost deposit in the colder half-year especially in the late autumn, for at that time the cold waves are not yet so severe as those in winter.

(3) The relative humidity of Shantung Province is in general lower than that of Hwai River Basin throughout the year; thus the opportunity of frost deposit is accordingly rarer except in the coldest months of the year.

(4) The eastern part of the Shantung Peninsula has been more or less influenced by marine climate, thus the winter temperature there is somewhat milder, especially along the coastline, and the growing season becomes longer.

V. PRECIPITATION

As the seasonal fluctuation of pressure systems in Eastern Asia and Western Pacific determines the monsoonal wind system of China, so does the wind system determine the Chinese rainfall regimes. Onshore winds, pregnant with moisture, bring the wet season; while offshore winds usher in the dry period. The main characteristic of rainfall regimes over all of China, consists therefore of a maximum in summer and a minimum in winter. If we examine the seasonal distribution of different sections in China, we will find plenty of minor modifications and irregularities, however. Space limitations make it impossible to go into details regarding the rainfall types of China, which may be obtained from two publications of the National Research Institute of Meteorology—"The Rainfall of China"[3] and "Some Regional Rainfall Types of China."[4] Suffice it to state here that cyclonic storms and typhoons exert a tremendous influence over the seasonal rainfall distribution in China. The term "monsoonal rainfall" or "pluies de la mousson," as employed by some writers on Chinese rainfall, is a misnomer, and should be used with caution. In a recent article entitled "Southeast Monsoon and Rainfall in China,"[5] the present writer endeavored to prove that precipitation in China is either orographic or cyclonic, which latter may be due to continental depressions, typhoons, or heat thunderstorms; and that there is no monsoonal rainfall, as such, in China. So far from being a rainy wind, the southeast and southwest monsoons in summer have the least rainfall probability among winds of all directions in Hongkong, Nanking, Tsinan and Peiping as shown in the following table:

TABLE 6. RAINFALL PROBABILITY OF VARIOUS WINDS IN SUMMER IN %

	N	*NE*	*E*	*SE*	*S*	*SW*	*W*	*NW*	*Calm*	*Period*
Hongkong	47.7	29.3	21.3	25.9	17.1	13.2	13.3	26.1	9.4	1929–32
Nanking	15.6	15.5	7.3	4.8	5.3	5.3	8.7	10.8	20.7	1929–33
Tsinan..	11.5	16.6	10.8	4.8	5.5	5.6	8.6	12.5	3.7	1932–34
Peiping..	17.9	16.3	9.2	6.2	2.6	4.6	7.3	16.1	10.2	1933–34

[1] John Lee, "On the Spring Temperature of Shantung," *Meteorological Magazine of the Meteorological Society of China*, Vol. 13, No. 6, Nanking, 1937.

[2] A. Lu, "The Cold Waves of China," *Memoir*, No. 10, National Research Institute of Meteorology, 1937, p. 8.

[3] "The Rainfall of China" is a compilation of all available precipitation data previous to the year 1934, collected by the Institute with an explanatory note and 13 charts, Nanking, 1935.

[4] Chang-wang Tu, "Some Regional Rainfall Types of China," *Memoir*, No. 5, National Research Institute of Meteorology, Nanking, 1935.

[5] Co-ching Chu, "Southeast Monsoon and Rainfall in China," *Journal of the Geographical Society of China*, Vol. 1, No. 1, pp. 1–28, Nanking, 1934.

During the last 60 years of observation in Shanghai, the wettest summers were always the ones with the least southeasterly winds, while in a severe drought the southeasterly winds always had the lion's share in the percentage distribution. Indeed the ancient Chinese always took the fresh, steady southeast monsoon as an omen for drought. Weather proverbs are full of references to it, and the famous poet of the Sung Dynasty, Sou Tung-po wrote a poem in praise of the southeast monsoon as a welcome sign of the cessation of the gloomy rainy season, known in the lower Yangtze Valley as the Mei Yü.

Of course, there is no denying the fact that the southerly monsoons are the moisture-bearing winds in China. But, though pregnant with moisture, they are impotent to deliver it to the thirsty land below until it is released by some mechanism. This mechanism may be dynamical, thermal, or orographical, it may take the form of a cyclone, either tropical or extratropical, a heat thunderstorm, or a high mountain range. In other words, the southerly monsoons need to be lifted up before they can yield any precipitation, and this lifting may be brought about by a polar front, the intense solar radiation, or a mountain slope. In a polar front it is the northerly winds which furnish the key to unlock the reservoir of moisture stored up in the southerly currents above. The special aptitude of the cool polar air mass to push up the tropical warm current and thereby to produce precipitation is universally recognized.

It was pointed out elsewhere in this chapter that the maximum rainfall comes mostly in May in Northern Kwangtung, mostly in June in the Yangtze Valley, and practically always in July in North China, in unison with the shifting of the belt of most frequented storm tracks, which may be taken as the line of discontinuity. Wherever the storm tracks of summer are concentrated, there lies the area of abundant rainfall in China. This explains why the droughts in the Yangtze Valley are often associated with a season of plentiful precipitation in North China.[1] In the month of July, 1931, while North China was suffering from a drought there were unprecedented floods in the Yangtze Valley owing to the extraordinary cyclonic activity in that region,[2] due to the strong northeast wind prevailing in that month. In the summer of 1934, however, the Yangtze Valley suffered one of the worst droughts in recent years, while parts of Manchuria and North China were inundated. The southeast monsoon was exceptionally strong and frequent in South China and the Yangtze Valley in June and July of 1934. Hence the drought could have been due to lack of moisture in the atmosphere. Indeed the air mass analysis based upon aeroplane soundings, made by Mr. J. J. Jaw on Rossby diagrams, shows clearly that the air column over Nanking during the summer of 1934 was conditionally unstable. It simply needed some agent to lift it to a height of some 1,200 meters to condense and precipitate the vast amount of water vapor contained in it.[3]

A general idea of the relative importance of typhoons, heat thunder-

[1] Chang-wang Tu, "China Rainfall and World Weather," *Memoir*, of the Royal Meteorological Society, Vol. 4, No. 38, London, 1934.

[2] *Monthly Meteorological Bulletin*, July, 1931, National Research Institute of Meteorology.

[3] J. J. Jaw, "A Preliminary Analysis of the Air Masses over Eastern China," *Memoir*, No. 6, National Research Institute of Meteorology, Nanking, 1935.

storms and continental depressions in causing precipitation in eastern part of China can be gained from the following table:

TABLE 7. PERCENTAGE OF PRECIPITATION CAUSED BY VARIOUS AGENCIES IN CHINA

Place	*Season*	*Depressions*	*Typhoons*	*Thunderstorms*	*Period*
Hongkong	Spring Summer	88.9 46.8	2.2 34.7	8.9 18.5	1929–32 1929–32
Canton	Spring Summer	82.5 53.6	6.8 31.2	10.7 15.2	1930–33 1930–33
Shanghai ..	Spring Summer	61.5 65.7	25.1 27.8	13.4 6.5	1926–30 1921–25
Nanking	Spring Summer	83.8 81.6	0.9 8.1	15.3 10.3	1929–33 1929–33
Tsingtao	Spring Summer	94.8 69.3	0.0 19.9	5.2 10.8	1930–33 1930–33

Precipitation due to continental depressions occupies more than 80% of the total in spring and more than 50% (except Hongkong) in summer. Typhoon rains decrease in importance from south to north and from coast to inland, but even in Hongkong in summer the amount attains only one-third of the total. The proportion of thunderstorm rains is smaller than that of typhoon rains in summer, but greater than that of typhoon rains in spring, except at Nanking, where, owing to the inland position, the proportion of thunderstorm rains exceeds that of typhoon rains, even in summer.

In Eastern China, where relief is low, orographical rain plays only a secondary rôle. Even here, however, the effect of relief is not negligible. The abundance of rain in Western Chekiang, Southern Hunan, Southern Kiangsi and the Northern Kwangsi hilly districts, as compared with the coastal strip and the region further south, must be attributed to the topography. In Western China orographical rain assumes a place of paramount importance. Nothing can explain the excessive precipitation of the mountainous regions of Szechwan and Kweichow save the fact that these mountains are standing right in the way of moisture-bearing southeast, south or even southwest air currents. The same air mass which brings torrid heat and continuous drought to Eastern China, as it did to the Yangtze Valley in the summer of 1934, can be easily turned into drenching downpours after climbing 2,000 or 3,000 meters upward. The great amount of rain on the summit of Omei Shan—7.902.5 mm. in a year—almost rivals that at Cherrapunji (with a 40 years average of 10,820 mm.), reputed to be the rainiest spot in the world, and derives its heavy deluge from the same cause. Even on Omei Shan the rainfall is not wholly orographical, for the greater portion of the precipitation falls either during a calm, when the air is ascending, or with the northeast wind, when there is a cyclone center to its south.

That western Szechwan is a region of heavy rainfall is verified by the travels of Herr Arnold Heim,[1] formerly of Sun Yat-sen University, Canton. It may be interesting to inquire whe-

[1] A. Heim, *Minya Gongkar*, pp. 11–14, p. 224, Berlin, 1933.

ther or not the region around Szechwan-Tibetan border does get a portion of its moisture supply from the Indian Ocean, carried thither by the southwest monsoon. According to F. K. Ward,[1] who has traveled considerably in Western China and Southeastern Tibet, the heavy rainfall in Western Szechwan (north of Lat. 28° N.) cannot possibly be derived from the southwest monsoon of Assam, for the stupendous peaks of Kagurpu are the really important rain screen. The Salween-Mekong divide watershed itself, on account of the overwhelming height of Kagurpu, still receives a very big rainfall, for some distance north of the rain screen at any rate, but by the time the winds have crossed this great range they have been robbed of nearly all of their moisture. But, according to the recent study of Mr. Chang-wang Tu,[2] the theory that the rainfall of Central and South China is derived from the south or southwest monsoon is not an absolutely impossible one. Therefore the problem of the source of rainfall in China still remains to be definitely solved.

South of the Yangtze Valley, rainfall is plentiful practically everywhere in China, the amount generally exceeds 1,000 mm. and varies much with altitude and topography. North of the valley, precipitation decreases rapidly towards the north and northwest. The effect of the Tsingling Mountains has been referred to, but other factors such as the scarcity of extratropical cyclones or the configuration of the coastal line also contribute toward the aridity of North China.[3] In Mongolia and Chinese Turkestan as well as in Northwest China the utility of land solely depends upon the amount of rainfall. Dr. W. Haude has made a special study on land utilization in that region, in a recently published article he stated that the mean annual precipitation of 300 mm. there makes the limit of profitable agriculture without irrigation, and that farm operation ceases below a mean annual of 200 mm.[4] Cultivation is to be found in the foothills of high mountains where the melting snow and orographical rainfall make the raising of crops possible. Farmers in the neighborhood of Suchow and Kansu, where the National Research Institute of Meteorology has maintained a station since the autumn of 1934, welcome sunshine, for they depend upon the melting snow from Nan Shan for irrigation. Besides the scanty rainfall, North China is handicapped by the great variability of the amount of rainfall from year to year. Places like Peiping and Kaifeng have a mean variability of over 30%. The frequent occurrence of droughts and famines in this region is due to this extreme variability of rainfall amount.

Snowfall is not heavy in China, as the winter season is a dry one; it occurs over the whole of China, though very rarely in the South. Temperature at freezing point was recorded in Hongkong on January 18, 1893.[5] During the same cold wave the ground at Foochow was covered with snow from 150 to 230 mm. in depth.[6] During February, 1931, Nanking had a precipitation of 135.9 mm., of which 92.1 mm. was snow. In North China the winters are extremely dry but occasionally during a single fall as much as one foot of snow has been recorded. In the Yangtze Valley the first snow of the winter usually occurs in December and the last fall occurs at the beginning of March; in North China snow may occur from November to April, and in Manchuria from October to the end of April.

[1] F. K. Ward, *The Land of the Blue Poppy*, pp. 261–266, Cambridge, 1913.

[2] Chang-wang Tu, *A Preliminary Study on the Mean Air Currents and Frosts of China.* It will shortly appear as a Memoir of the National Research Institute of Meteorology, Nanking, China.

[3] Co-ching Chu, "Aridity of North China, Its Causes and Consequences," *Pacific Affairs*, June, 1935.

[4] W. Haude, "Die Grenzen der Verschiedenen Trocken Klima im Zentral Asien," *Geografiska Annaler*, 1935.

[5] T. F. Claxton, *The Climate of Hongkong*, 1884–1929, p. 8, Hongkong, 1931.

[6] G. Fochler-Hauke, "Die Niederschlagsverhaeltnisse Suedchina," *Meteorologische Zeitschrift*, November, 1934, p. 410.

TABLE 8. MEAN MONTHLY AND MEAN ANNUAL TEMPERATURE IN °C.

Place	*Jan.*	*Feb.*	*Mar.*	*April*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Year*	*Period*
Lamko	17.6	17.8	19.5	23.6	27.6	28.9	28.8	28.5	27.4	25.2	22-7	19.8	23.9	1924–1936
Kiungshan	17.8	18.6	21.0	25.1	28.4	28.4	28.9	28.6	27.7	25.1	22.8	19.8	24.4	1924–1936
Pakhoi	14.0	15.1	18.2	23.1	27.8	28.7	29.0	28.8	28.0	24.5	21.3	17.3	23.0	1924–1936
Hongkong	15.4	15.0	17.3	21.3	25.0	27.2	27.8	27.6	27.0	24.5	20.8	17.2	22.2	1884–1936
Lungchow	14.3	15.3	18.7	23.2	27.8	28.7	29.0	28.9	27.8	23.8	20.6	17.1	22.9	1924–1936
Chilang Point	14.4	14.0	16.0	20.0	24.7	26.8	27.7	27.6	27.2	24.3	20.7	17.1	21.7	1924–1936
Breaker Point	14.0	13.5	15.5	19.3	24.1	26.1	26.9	26.9	26.7	23.7	20.2	16.6	21.1	1924–1936
Samshui	12.1	13.1	16.4	21.2	25.9	27.6	28.7	28.9	27.4	23.0	19.0	15.1	21.5	1924–1936
Canton	13.1	13.9	17.1	21.6	26.2	27.7	28.6	28.8	27.6	23.8	20.0	16.1	22.0	1924–1936
Lamocks	13.3	12.5	14.5	18.7	23.4	25.7	26.8	26.9	26.5	23.3	19.9	16.2	20.6	1924–1936
Swatow	13.6	13.6	15.7	19.8	24.6	27.0	28.2	28.4	27.1	23.3	19.5	16.2	21.4	1924–1936
Tsangwu	12.3	13.3	16.4	21.1	26.0	27.4	28.6	28.6	27.4	23.1	19.2	15.4	21.6	1924–1936
Chapel Island	12.0	11.3	13.2	17.1	22.2	25.5	27.3	27.5	26.6	22.8	19.1	15.2	20.0	1924–1936
Amoy	13.8	13.2	15.4	19.1	24.1	26.9	29.0	29.1	28.0	24.6	20.5	16.8	21.7	1924–1936
Tengchung	8.6	9.7	13.3	16.0	18.2	19.8	20.4	20.3	19.7	17.1	12.7	9.5	15.4	1924–1936
Ockseu	11.1	10.3	12.3	16.3	21.2	24.8	27.1	27.4	26.2	22.5	18.7	14.6	19.4	1924–1936
Kunming	9.2	10.9	14.2	17.5	19.3	19.4	20.0	19.9	18.1	15.8	12.7	9.9	15.6	1929–1936
Turnabout	10.4	9.6	11.5	15.7	20.6	24.5	27.1	27.2	25·7	21.9	18.1	13.9	18.9	1924–1936
Middle Dog	9.7	9.0	11.2	15.5	20.3	24.0	26.6	26.9	25.5	21·5	17.6	13.4	18.4	1924–1936
Pagoda Anchorage	10.6	10.3	13.1	17.7	22.6	25.8	28.6	28.7	26.1	22.0	17.9	13.8	19.8	1924–1936
Tungyung	9.0	8.6	10.8	14.9	19.8	23.8	26.9	27.2	25.3	21.2	17.2	12.7	18.1	1924–1936
Hengyang	3.6	6.9	11.3	16.6	23.1	26.2	29.6	29.3	25.6	19.0	13.3	7.5	17.7	1932–1936
Yungkia	7.4	8.2	11.6	16.6	21.3	25.1	29.0	29.1	25.6	20.7	15.9	11.0	18.5	1924–1936
Changsha	4.4	6.1	11.3	17.2	23.0	26.3	30.1	30.0	25.4	19.3	13.6	7.1	17.8	1924–1936
Peiyushan	6.1	6.2	9.0	13.2	18.3	22.4	26.6	27.2	24.3	19.9	15.3	10.1	16.6	1924–1936
Changteh	2.8	6.2	10.1	15.4	22.0	25.8	29.5	28.9	24.4	17.7	11.9	6.3	16.8	1932–1936
Yoyang	3.3	5.4	10.6	16.3	21.8	25.4	28.7	28.4	23.8	17.9	12.2	6.0	16.7	1924–1936
Chungking	7.8	9.7	14.2	18.9	22.7	25.1	28.8	29.2	24.1	18.9	14.3	10.2	18.7	1924–1936
Kiukiang	3.3	5.5	10.5	16.3	22.3	26.0	29.7	29.6	24.7	18.5	12.4	6.4	17.1	1924–1936
Chinhai	4.2	5.0	8.9	14.2	19.4	23.6	28.1	28.1	23.9	18.6	13.3	7.7	16.3	1924–1936
Steep Island	5.9	5.7	8.7	12.9	17.6	22.0	26.1	27.4	24.5	20.3	15.2	9.7	16.3	1924–1936
Hangchow	4.0	5.3	9.7	15.3	20.5	24.7	28.3	28.0	23.8	17.7	12.1	7.0	16.4	1919–1936
Hankow	3.9	5.4	10.5	16.4	22.1	25.9	28.8	28.8	24.1	18.5	12.2	6.0	16.9	1906–1936
Hwaining	3.5	4.9	10.1	15.5	22.3	26.2	30.5	30.0	24.6	18.9	12.4	5.3	17.0	1932–1936
Chengtu	4.2	8.8	12.1	17.0	21.6	24.8	26.7	26.2	22.4	17.2	12.0	7.6	16.7	1932–1936
Ichang	4.5	6.6	12.0	17.5	22.7	26.2	28.9	28.8	24.4	18.9	13.3	7.0	17.6	1924–1936
Gutzlaff	4.4	4.6	7.8	12.4	17.2	21.6	25.8	27.0	23.8	19.4	14.0	8.1	15.5	1924–1936
North Saddle	5.4	5.3	8.3	12.6	17.2	21.6	25.8	26.9	23.6	19.3	14.4	9.1	15.8	1924–1936
Shanghai	3.2	4.1	8.0	13.5	18.7	23.1	27.1	27.0	22.8	17.4	11.3	5.7	15.2	1873–1936
Wuhsien	2.3	4.3	8.9	14.0	19.9	24.5	29.4	28.5	23.3	17.8	11.9	6.3	15.9	1930–1936
Wuhu	2.3	4.3	9.3	15.1	21.2	25.0	28.4	28.6	23.8	17.8	11.5	5.2	16.0	1924–1936
Woosung	3.9	4.3	8.4	13.6	19.1	23.3	27.7	27.7	23.4	18.0	12.4	7.1	15.7	1924–1936

Shaweishan	4.1	4.2	7.4	12.1	17.4	21.9	26.5	27.4	23.7	19.2	13.6	7.7	15.4	1924–1936
Wusih	1.9	3.6	8.1	13.5	19.6	24.3	28.9	28.1	22.8	17.1	11.4	5.7	15.4	1931–1936
Changshu	1.7	3.8	8.2	13.2	19.1	23.6	27.7	27.6	22.9	17.8	11.9	6.0	15.3	1930–1936
Nantung	1.6	3.0	7.4	13.0	18.7	22.8	26.9	26.9	22.4	17.3	11.2	5.0	14.7	1917–1936
Nanking	2.2	3.7	8.6	14.4	20.3	24.4	27.7	27.5	22.8	17.2	10.6	4.6	15.3	1905–1936
Chinkiang	2.2	3.8	8.8	14.8	20.8	24.9	28.4	28.2	23.6	17.6	11.5	5.1	15.8	1924–1936
Tungtai	0.8	2.4	6.7	12.9	18.9	22.7	27.4	27.1	22.3	16.1	9.8	3.8	14.2	1924–1936
Tungshan	− 0.9	1.6	7.7	13.7	20.2	25.7	28.2	26.8	22.0	15.7	8.2	2.0	14.2	1926–1936
Sian	− 0.8	2.3	8.6	14.6	20.6	26.5	28.1	26.0	20.8	14.5	7.3	1.2	14.1	1922–1936
Kaifeng	− 1.4	2.1	7.9	14.5	21.1	26.0	28.0	25.9	21.6	15.7	8.6	2.3	14.4	1932–1936
Langchow	− 7.5	−1.1	5.4	12.1	17.1	20.9	22.5	20.6	16.4	8.8	1.1	− 4.0	9.4	1933–1936
Tsingtao	− 1.4	−0.0	4.2	10.0	15.5	19.8	23.6	25.1	21.3	15.8	8.4	1.3	12.0	1900–1936
Taishan	−11.1	−7.3	− 3.1	4.5	11.6	15.4	18.2	17.0	13.0	7.1	− 0.7	− 6.4	4.9	1932–1936
Tsinan	− 1.7	1.5	8.3	15.8	22.6	27.0	28.2	26.4	22.2	16.2	7.6	1.0	14.6	1919–1936
S. E. Promontory ..	− 1.3	−0.8	2.9	8.2	13.6	18.2	21.9	24.3	21.3	15.7	9.0	2.0	11.3	1924–1936
N. E. Promontory ..	− 1.4	−0.8	2.7	7.9	13.3	18.0	21.0	24.1	21.4	15.7	9.0	1.9	11.1	1924–1936
Chefoo	− 2.0	−0.9	4.0	11.4	17.8	22.4	25.5	25.5	21.6	15.4	8.1	1.2	12.5	1924–1936
Yangkü	− 7.7	−3.0	4.1	11.8	18.8	22.9	25.2	23.1	17.7	10.4	2.4	− 4.8	10.1	1916–1936
Howki	− 2.4	−1.8	2.2	8.6	14.7	19.3	22.7	23.8	21.3	15.4	7.9	0.8	11.0	1924–1936
Tsingyüan	− 5.7	−1.4	5.6	13.9	20.4	25.8	26.9	25.2	20.2	13.2	4.2	− 2.9	12.1	1913–1936
Tangku	− 4.4	−2.0	4.0	12.2	19.0	23.8	26.6	25.9	21.5	14.2	5.2	− 2.1	12.0	1924–1936
Great Northern Port	− 4.2	−2.6	3.2	10.8	17.3	22.4	26.6	25.7	22.1	14.4	6.1	− 0.2	11.8	1931–1935
Peiping	− 4.6	−1.5	5.0	13.6	20.1	24.4	26.1	24.9	20.1	12.7	3.9	− 2.6	11.8	1841–1936
Chinwangtao	− 6.3	−4.2	1.4	9.3	16.0	20.7	24.4	24.4	19.9	12.7	4.0	− 3.5	9.9	1924–1936
Kungchuling	−15.6	−11.0	− 1.4	9.4	17.1	22.6	25.3	24.2	18.4	10.1	− 1.7	−11.3	7.2	1915–1936
Kuchar	−14.0	−4.5	6.6	13.2	18.6	22.0	23.9	22.2	17.1	9.0	0.4	− 8.3	8.8	1930–1931
Tiwha	−19.3	−11.0	− 1.3	7.6	16.9	22.5	23.9	20.8	14.3	6.9	− 2.0	−13.3	5.5	1930
Dairen	− 5.0	−3.5	1.9	9.3	15.2	20.3	23.5	24.6	19.8	13.6	5.2	− 2.2	10.2	1905–1929
Antung	− 9.6	−6.9	2.2	9.0	15.3	20.6	23.9	24.9	18.8	11.3	1.8	− 5.6	8.9	1928–1931
Newchwang	− 8.8	−7.3	1.5	9.5	16.4	22.3	25.2	24.7	19.4	11.0	1.7	− 6.5	9.1	1928–1931
Mukden	−13.0	−9.2	− 1.0	8.6	15.8	21.7	24.7	23.6	16.7	9.0	− 1.2	−10.2	7.1	1906–1929
Yenchi	−14.0	−11.1	− 3.6	6.2	13.0	18.4	22.7	22.2	14.9	7.0	− 3.1	−11.7	5.1	1914–1928
Changchun	−17.2	−12.7	− 4.3	6.5	14.3	20.0	23.4	21.8	14.7	6.4	− 4.4	−14.2	4.5	1909–1929
Jaomen	−19.0	−14.1	− 4.8	6.2	14.1	20.4	23.7	21.7	14.6	6.0	− 5.7	−15.0	4.0	1915–1928
Taipinling	−18.7	−14.5	− 7.6	3.4	10.7	16.0	19.9	19.2	12.1	4.2	− 7.0	−16.2	1.8	1909–1928
Mudankiang	−20.5	−16.0	− 6.6	5.2	12.6	18.1	22.0	20.8	13.2	4.7	− 7.0	−17.4	2.4	1909–1928
Imeipo	−19.0	−14.4	− 5.8	5.7	13.1	18.7	22.3	20.9	13.5	5.5	− 6.2	−16.1	3.2	1909–1928
Harbin	−20.4	−15.7	− 6.5	5.7	13.8	19.7	23.2	21.6	14.2	5.3	− 7.2	−17.4	3.0	1909–1928
Sansing	−21.1	−15.6	− 7.2	4.5	12.5	19.0	22.9	21.1	14.0	4.8	− 7.7	−17.1	2.5	1916–1928
Anda	−22.0	−16.7	− 6.8	5.0	13.4	20.1	23.7	21.3	13.8	4.5	− 8.6	−18.2	2.5	1914–1928
Tsitsihar	−20.8	−15.4	− 6.8	5.0	13.4	19.9	23.2	21.5	13.8	4.4	− 8.6	−18.0	2.6	1909–1928
Chelandan	−18.9	−14.3	− 6.8	4.3	12.7	18.3	21.8	19.5	12.0	3.4	− 8.7	−17.0	2.2	1909–1928
Bokedu	−22.6	−18.9	−11.0	0.5	9.3	15.3	19.1	16.3	9.0	0.6	−11.6	−20.1	−1.2	1914–1928
Mandoho	−27.7	−24.0	−15.4	−0.3	9.2	15.5	19.4	16.6	8.5	−0.7	−14.2	−24.7	−3.2	1909–1928
Khailar	−28.3	−24.3	−15.2	0.6	10.4	17.1	21.0	18.1	9.8	0.0	−14.2	−25.6	−2.6	1909–1928
Manchouli	−26.0	−22.3	−13.7	0.6	10.4	17.5	21.0	18.0	9.8	−0.1	−13.9	−23.6	−1.9	1909–1928
Aigun	−25.0	−22.2	− 7.7	2.6	11.7	17.9	22.5	20.4	12.2	3.3	−10.6	−22.5	0.2	1928–1931

TABLE 9. MEAN MONTHLY AND MEAN ANNUAL PRECIPITATION IN MM.

Place	*Jan.*	*Feb.*	*Mar.*	*April*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Year*	*Period*
Lamko	13.6	19.6	27.8	47.3	83.4	123.2	216.9	231.3	230.1	131.8	50.8	25.5	1201.3	1912–1936
Kiungshan	24.4	32.8	49.8	97.9	154.3	197.7	211.3	182.2	256.1	177.0	81.6	45.7	1510.8	1912–1936
Pakhoi	44.3	38.9	71.7	103.0	174.5	286.5	500.9	465.9	260.1	93.3	49.2	46.0	2134.3	1885–1936
Hongkong	27.0	39.1	74.5	130.5	291.0	396.0	391.7	370.0	291.9	125.9	37.5	26.3	2201.4	1853–1936
Lungchow	20.5	36.7	46.5	79.0	179.1	220.7	233.5	239.4	140.6	63.2	32.6	24.6	1316.4	1896–1936
Chilang Point	28.1	52.4	76.6	112.0	145.8	224.2	277.6	230.8	157.4	50.3	33.9	30.6	1419.7	1911–1936
Breaker Point	25.9	44.7	64.6	116.1	191.2	260.6	228.7	251.3	157.8	78.7	34.5	29.7	1483.8	1892–1936
Samshui	41.4	61.8	111.4	175.9	292.8	259.9	237.9	245.1	151.0	73.5	44.3	42.2	1737.2	1900–1936
Canton	44.1	69.9	91.6	150.2	256.1	272.5	256.3	243.9	135.3	59.4	40.8	35.8	1655.9	1907–1936
Lamocks	26.9	37.0	58.1	100.9	115.5	166.3	182.2	151.5	118.8	70.5	25.1	22.3	1075.1	1892–1936
Swatow	34.3	57.9	83.7	147.4	214.1	258.0	215.7	220.1	132.4	62.2	41.5	35.7	1503.0	1880–1936
Tsangwu	31.8	55.4	91.5	155.0	205.4	196.9	157.9	173.9	84.6	43.7	38.8	40.3	1301.5	1898–1936
Chapel Island	32.9	60.9	90.6	125.0	132.8	135.4	125.9	111.0	90.9	39.1	29.7	27.9	1002.1	1880–1936
Amoy	33.5	70.5	93.2	130.8	174.3	173.8	126.7	161.7	110.0	36.8	32.1	34.2	1177.6	1880–1936
Tengchung	12.0	36.9	37.7	64.3	126.9	240.4	318.7	277.6	151.9	162.3	41.8	15.3	1485.8	1911–1936
Ockseu	30.8	57.9	88.6	105.4	131.5	158.2	100.9	96.4	75.3	27.2	20.5	23.9	916.6	1886–1936
Kunming	5.0	20.5	23.1	33.1	111.0	207.5	261.4	246.9	158.3	75.6	41.2	7.2	1190.8	1929–1936
Turnabout	39.8	80.8	104.2	126.6	156.1	180.8	95.8	97.1	86.8	43.0	37.7	43.2	1091.9	1885–1936
Middle Dog	42.6	91.1	128.0	135.4	145.2	182.6	120.7	109.3	131.9	46.2	35.1	40.4	1208.5	1892–1936
Pagoda Anchorage ..	45.4	92.4	118.6	129.7	150.7	197.1	168.5	200.9	204.8	46.6	41.2	47.6	1443.5	1880–1936
Tungyung	20.9	57.3	74.4	77.2	107.9	116.5	54.0	80.8	77.1	33.8	22.9	19.3	742.0	1905–1936
Hengyang	60.8	130.7	95.9	193.8	214.8	262.2	67.2	108.1	79.1	67.3	108.6	67.4	1455.9	1933–1936
Yungkia	49.1	89.2	129.3	146.5	187.4	262.2	203.9	254.1	210.4	89.7	55.9	43.9	1721.6	1883–1936
Changsha	46.9	97.2	136.2	154.7	208.5	229.7	116.4	112.7	73.6	74.7	72.8	47.8	1371.2	1909–1936
Peiyushan	49.7	82.7	108.3	113.9	125.2	156.1	71.8	103.7	169.4	59.5	55.4	55.2	1150.9	1904–1936
Changteh	33.2	105.2	76.9	218.2	169.2	339.3	163.5	100.7	39.5	111.5	97.7	47.9	1502.8	1933–1936
Yoyang	37.0	75.0	126.5	161.1	192.3	194.6	119.1	107.0	82.6	83.8	98.5	43.9	1321.4	1909–1936
Chungking	18.0	19.9	37.7	98.2	143.9	183.9	137.9	124.3	145.2	110.1	49.2	20.9	1089.2	1891–1936
Kiukiang	60.5	82.2	139.5	176.3	171.7	220.1	142.0	121.2	88.6	86.3	64.0	45.6	1398.8	1885–1936
Chinhai	70.0	85.0	105.2	114.1	112.8	182.3	117.5	164.2	190.6	97.3	63.7	53.0	1355.7	1886–1936
Steep Island	44.7	54.5	84.2	92.1	98.1	145.3	66.2	54.3	83.1	59.8	46.0	32.5	860.8	1886–1936
Hangchow	72.0	91.6	117.3	133.3	137.1	226.8	134.9	194.0	162.2	80.8	71.6	58.9	1480.5	1904–1936
Hankow	45.0	49.7	92.6	149.9	171.4	231.0	181.3	106.3	76.0	74.6	48.6	30.9	1257.3	1880–1936
Hwaining	26.6	73.6	146.9	179.1	126.8	184.9	100.4	79.5	73.4	57.0	61.4	69.2	1178.8	1934–1936
Chengtu	14.8	18.7	35.8	58.3	99.6	161.5	273.4	438.0	167.0	54.2	19.5	11.9	1352.7	1934–1936
Ichang	21.6	30.5	52.0	101.2	125.6	157.0	224.4	179.4	104.0	73.7	34.5	17.4	1121.3	1882–1936
Gutzlaff	46.2	57.3	84.8	90.8	82.1	140.3	87.7	66.4	109.5	58.8	50.7	39.4	914.0	1886–1936
North Saddle	35.2	45.2	70.7	83.1	87.9	135.0	73.1	63.8	85.9	55.8	49.0	37.9	822.6	1886–1936
Shanghai	49.0	59.0	83.3	92.8	92.8	177.1	146.8	143.2	127.8	70.7	50.8	36.6	1129.9	1873–1936
Wuhsien	47.4	54.4	55.9	69.6	94.7	144.0	124.4	121.9	89.6	30.2	40.2	42.3	914.6	1921–1936
Wuhu	50.6	56.0	95.8	125.2	124.8	200.5	154.2	121.6	81.8	70.0	57.4	37.5	1175.4	1880–1936
Woosung	38.4	48.6	68.0	83.7	78.9	166.5	142.1	123.3	127.5	48.6	52.3	37.8	1015.7	1904–1936

Shaweishan	39.7	49.4	72.7	76.5	80.8	138.9	101.8	102.2	113.7	58.7	47.9	33.9	916.2	1886–1936
Wusih	37.0	45.6	55.8	98.7	101.7	131.6	72.9	99.2	120.2	45.8	46.2	50.7	905.4	1932–1936
Changshu	35.4	52.2	45.0	94.5	84.9	145.7	165.9	110.1	120.2	43.3	49.7	46.6	993.5	1930–1936
Nantung	28.2	37.4	50.3	66.7	64.1	150.0	174.3	131.3	123.9	25.3	39.8	38.8	930.1	1917–1936
Nanking	37.9	46.3	61.9	96.9	78.6	156.4	182.6	111.3	83.1	45.2	41.1	36.3	977.6	1905–1936
Chinkiang	40.2	44.0	68.7	90.1	87.4	165.4	182.6	121.9	95.3	45.6	45.2	31.6	1018.0	1886–1936
Tungtai	32.2	31.1	44.8	56.3	68.0	123.3	157.6	180.0	93.0	44.4	29.6	49.7	910.0	1924–1936
Tungshan	12.3	17.9	20.8	60.0	47.1	112.7	127.6	135.9	81.7	25.8	19.3	32.3	693.4	1929–1936
Sian	3.8	6.7	17.4	41.3	52.5	55.9	83.7	103.8	82.8	52.1	14.5	7.0	521.5	1922–1936
Kaifeng	11.7	8.0	20.3	24.2	58.4	44.4	216.5	63.5	71.4	12.5	32.4	17.6	580.9	1934–1936
Langchow	0.9	4.8	4.9	10.9	26.3	20.6	76.0	133.4	62.3	16.1	0.5	4.9	361.6	1933–1936
Tsingtao	11.2	7.9	19.1	30.9	43.1	82.5	143.4	147.1	84.4	36.7	22.2	17.6	646.1	1898–1936
Taishan	7.7	5.1	15.2	22.3	43.7	137.5	350.7	172.0	86.7	27.0	30.8	23.5	922.2	1933–1936
Tsinan	8.4	7.5	10.3	20.1	33.6	74.5	203.6	175.3	57.6	19.1	16.4	12.9	639.3	1916–1936
S. E. Promontory	8.3	9.2	18.9	38.3	46.0	76.4	166.4	149.4	85.1	29.6	30.2	18.2	676.0	1886–1936
N. E. Promontory	8.9	5.8	14.7	29.5	35.2	65.2	133.0	127.8	67.7	30.3	25.0	14.6	557.7	1886–1936
Chefoo	14.2	9.8	15.9	25.2	45.2	57.9	167.8	155.3	62.8	28.1	27.4	20.4	630.0	1886–1936
Yangkü	5.1	4.8	13.1	15.3	26.7	44.7	98.6	96.3	49.4	16.0	7.8	4.8	382.6	1916–1936
Howki	4.3	6.8	8.4	20.4	33.2	54.7	138.2	103.4	52.3	21.2	16.9	5.5	465.3	1880–1936
Tsingyüan	4.0	3.2	5.6	9.5	20.9	67.5	148.0	133.8	31.7	8.0	10.9	5.6	448.7	1913–1936
Tangku	4.1	3.3	7.5	11.2	27.0	61.2	182.9	132.8	39.6	12.9	12.9	3.1	498.5	1909–1936
Great Northern Port	13.1	6.2	7.9	10.8	71.8	77.4	186.4	166.0	38.1	10.3	10.2	5.8	604.0	1931–1935
Peiping	3.9	4.5	8.7	15.6	33.0	82.9	249.5	146.1	58.0	17.1	8.8	2.3	630.4	1841–1936
Chinwangtao	2.8	2.9	13.4	16.7	62.3	71.2	182.1	192.7	75.6	18.8	13.4	4.3	656.2	1908–1936
Kungchuling	5.1	4.8	11.5	19.0	53.4	99.5	173.3	139.7	59.8	38.4	13.9	4.4	622.8	1915–1936
Kuchar	1.6	1.8	4.3	3.3	1.3	34.1	18.4	8.5	5.3	0.0	0.3	6.4	85.3	1930–1931
Tiwha	4.0	36.9	0.0	40.3	75.7	9.8	23.3	64.8	16.6	46.8	8.5	18.3	345.0	1930
Dairen	12.9	8.2	18.3	24.2	44.1	45.4	162.3	130.3	102.3	27.9	24.4	12.0	612.3	1905–1929
Antung	14.2	9.3	27.0	36.2	83.6	55.9	266.4	261.4	128.5	58.7	44.2	22.1	1007.5	1928–1931
Newchwang	6.2	5.3	14.1	18.9	32.8	45.5	168.1	144.8	47.1	37.2	14.8	11.9	546.7	1928–1931
Mukden	5.3	7.3	18.7	26.6	58.8	87.8	162.4	151.4	77.7	38.7	23.9	9.1	667.7	1906–1929
Yenchi	5.0	5.0	14.0	15.0	49.0	74.0	96.0	111.0	93.0	39.0	14.0	6.0	522.0	1914–1928
Changchun	7.1	6.5	16.5	19.5	52.0	104.6	182.9	133.8	62.0	38.4	16.3	7.3	646.7	1909–1929
Jaomen	5.0	5.0	10.0	20.0	41.0	76.0	159.0	120.0	63.0	37.0	12.0	5.0	552.0	1915–1928
Taipinling	4.0	4.0	10.0	26.0	56.0	92.0	119.0	99.0	87.0	35.0	20.0	6.0	559.0	1909–1928
Mudankiang	3.0	4.0	10.0	25.0	52.0	87.0	116.0	108.0	69.0	33.0	16.0	5.0	528.0	1909–1928
Imeipo	8.0	9.0	16.0	27.0	55.0	117.0	184.0	133.0	72.0	47.0	27.0	11.0	706.0	1909–1928
Harbin	4.0	6.0	10.0	22.0	42.0	104.0	148.0	107.0	55.0	30.0	11.0	5.0	544.0	1909–1928
Sansing	3.0	6.0	7.0	19.0	53.0	79.0	125.0	125.0	71.0	36.0	7.0	7.0	537.0	1916–1928
Anda	1.0	2.0	4.0	10.0	35.0	61.0	117.0	120.0	56.0	12.0	5.0	2.0	425.0	1914–1928
Tsitsihar	2.0	2.0	5.0	10.0	29.0	68.0	101.0	77.0	40.0	11.0	6.0	2.0	354.0	1909–1928
Chelandan	3.0	3.0	5.0	17.0	34.0	73.0	116.0	106.0	70.0	17.0	8.0	2.0	454.0	1909–1928
Bokedu	2.0	2.0	2.0	10.0	28.0	85.0	107.0	89.0	56.0	9.0	5.0	2.0	397.0	1914–1928
Mandoho	4.0	5.0	4.0	10.0	25.0	64.0	73.0	81.0	63.0	12.0	6.0	5.0	350.0	1909–1928
Khailar	4.0	4.0	4.0	10.0	20.0	46.0	79.0	66.0	45.0	10.0	6.0	4.0	298.0	1909–1928
Manchouli	2.0	2.0	3.0	5.0	16.0	45.0	71.0	61.0	34.0	7.0	5.0	3.0	234.0	1909–1928
Aigun	3.4	4.5	5.8	6.5	25.9	124.2	143.1	142.8	101.5	23.7	15.5	3.5	600.4	1928–1931

POPULATION

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The following tables are compiled with a view to showing the demographical conditions of China. Table I is compiled from the statistical returns published by various provincial and municipal governments and other public institutions. It should be noted that a critical examination of all of the returns in the light of modern demographical knowledge was made before these figures were accepted.

Table II is compiled from miscellaneous sources which include official returns, reports of railway administrations, estimates of ethnologists, philologists, and geographers, opinions of missionaries and travelers, and so on. It should be noted that figures for many peoples, notably those in the Southwest, are incomplete or lacking. But, on the whole, 28,000,000 may be considered as an approximate estimate of non-Chinese speaking peoples in China.

Table III is a detailed revision of Table V in the first issue of the *Chinese Year Book*. It will be seen that the scope of the table has been enlarged; in classification, sex is given in addition to nationality, and localities are increased, as more returns on alien populations from various localities are now becoming available. By adding foreign soldiers and sailors stationed in this country, the alien population in China, both civilian and non-civilian, cannot exceed 1,600,000.

Thus, we may come to the tentative conclusion that 440,000,000 would be the maximum estimate for the population of China, of which 63.6 per mille represents non-Chinese speaking peoples and 3.6 per mille foreign nationalities.

With respect to the vital statistics of Chinese population, the reader is referred to the statement made in the *Chinese Year Book* for 1935–1936, p. 122:

> "For the present, statistics for age distribution and the birth and death rates are still fragmentary; data from local or regional surveys are indeed accumulating, but they are hardly sufficient to represent the conditions of the whole country. It is evident that in age distribution as well as in the birth and death rates, wide differences must occur not only in various districts but also in various classes in one locality. For the conditions of births and deaths, it may be asserted that natural and social factors, such as flood, drought, famine, pestilence, warfare and industrial changes must have a much greater influence upon them in this country."

*Province of Kiangsu	1931	104,962	6,278,261	16,302,369	15,153,196	31,455,565	5.0	107.6	299.69
Province of Chekiang	—	101,061	4,663,907	11,213,631	8,994,798	20,208,429	4.3	124.7	199.96
*Various Hsien	1928	100,840	4,562,861	10,928,767	8,794,620	19,723,387	4.3	124.3	195.59
*Municipality of Hangchow	1932	221	101,046	284,864	200,178	485,042	4.8	142.3	2,194.76
*Province of Anhwei	1933	143,447	3,832,813	12,036,359	9,984,232	22,020,591	5.7	120.6	153.51
Province of Kiangsi	—	168,236	3,938,113	8,881,961	6,842,451	15,724,412	4.0	129.8	93.47
*Various Hsien..	1928–29	168,173	3,896,870	8,751,643	6,766,391	15,518,034	4.0	129.3	92.27
*Municipality of Nanchang	1928–29	63	41,243	130,318	76,060	206,378	5.0	171.3	3,275.84
Province of Fukien	—	121,050	1,926,729	5,606,477	4,135,317	9,741,794	5.1	135.6	80.48
Various Hsien..	1929	—	1,810,814	5,256,919	3,874,538	9,131,457	5.0	135.7	—
City of Foochow	Nov. 1934	—	75,484	224,867	165,496	390,363	5.2	135.9	—
Municipality of Amoy ..	—	—	40,431	124,691	95,283	219,974	5.4	130.9	—
*Municipality	1935	—	33,262	102,430	77,294	179,724	5.4	132.5	—
International Settlement	?	—	7,169	22,261	17,989	40,250	5.6	123.7	—
Province of Kwangtung ..	—	223,844	6,106,576	16,954,454	14,451,603	31,406,057	5.1	117.3	140.30
Various Hsien..	1928–36	221,908	5,801,077	16,023,051	13,738,623	29,761,674	5.1	116.6	134.12
Municipality of Canton..	—	71	216,411	641,681	503,604	1,145,285	5.3	127.4	16,130.77
*Municipality	Aug. 1935		215,777	640,299	502,530	1,142,829	5.3	127.4	—
British Concession in Shameen	?	71	460	993	831	1,824	4.0	119.5	—
French Concession in Shameen	?		174	389	243	632	3.6	160.1	—
*Municipality of Swatow	1935	6	33,216	122,134	71,789	193,923	5.8	170.1	32,320.50

*Leased Territory of Kowloon	1931	959	18,245	50,147	48,758	98,905	5.4	102.8	103.13
Leased Territory of Kwangchouwan	1931	900	37,627	117,441	88,829	206,270	5.5	132.2	229.19
Province of Kwangsi	1934	219,876	2,638,091	7,481,760	5,903,455	13,385,215	5.1	126.7	60.88
Province of Yunnan (including Municipality of Kuenming)	1932	398,583	2,338,272	6,095,549	5,699,937	11,795,486	5.0	106.9	29.59
Province of Kweichow ..	—	176,480	1,604,366	3,551,059	3,471,745	7,022,804	4.4	102.3	39.79
Various Hsien	1931	—	1,582,092	3,490,270	3,415,936	6,906,206	4.4	102.2	—
Municipality of Kweiyang	1935	—	22,274	60,789	55,809	116,598	5.2	108.9	—
Province of Hunan	—	215,457	5,659,582	15,595,919	12,739,112	28,335,031	5.0	122.4	131.51
*Various Hsien	1929	215,448	5,606,319	15,409,846	12,613,593	28,023,439	5.0	122.2	130.07
*Municipality of Changsha	1929	9	53,263	186,073	125,519	311,592	5.9	148.2	34,621.33
Province of Hupei	—	183,725	5,600,558	14,290,296	12,260,968	26,551,264	4.7	116.6	144.52
Various Hsien (including Municipality of Wuchang)	1933	183,595	5,443,285	13,826,496	11,920,242	25,746,738	4.7	116.0	140.24
Municipality of Hankow	—	130	157,273	463,800	340,726	804,526	5.1	136.1	6,188.66
*Municipality	1935		152,950	443,090	328,840	771,930	5.0	134.7	—
Third Special Area ..	1935	130	1,195	8,252	2,978	11,230	9.4	277.1	—
French Concession ..	1935		1,790	8,327	5,134	13,461	7.5	162.2	—
Japanese Concession ..	1935		840	2,848	2,708	5,556	6.6	105.2	—
Floating population ..	May 1930	—	498	1,283	1,066	2,349	4.7	120.4	—
Province of Szechwan ..	—	403,634	9,549,651	25,459,258	21,364,407	46,823,665	4.9	119.2	116.01
Various Hsien	1933–35	—	9,407,216	25,024,117	21,060,856	46,084,973	4.9	118.8	—
Municipality of Chengtu	1934(?)	—	81,535	252,414	188,574	440,988	5.4	133.9	—
*Municipality of Chungking	1934	—	60,900	182,727	114,977	297,704	4.9	158.9	—
Province of Sikang	1935(?)	472,704	232,909	511,806	536,285	1,048,091	4.5	95.4	2.22
*Province of Hopei	1929	139,717	4,995,370	14,039,589	12,700,802	26,740,391	5.4	110.5	191.39
Province of Honan	1933	169,782	6,041,469	17,585,321	15,038,609	32,623,930	5.4	116.9	192.15
Province of Shantung ..		152,496	6,731,708	18,436,620	16,100,287	34,536,907	5.1	114.5	226.48

*Various Hsien..	1931	152,136	6,632,213	18,138,351	15,926,277	34,064,628	5.1	113.9	223.91
*Municipality of Tsinan ..	1935	360	99,495	298,269	174,010	472,279	4.7	171.4	1,311.89
*Province of Shansi ..	1934	161,842	2,170,759	5,942,760	4,938,930	10,881,690	5.0	120.3	67.24
*Province of Shensi ..	1935(?)	195,061	1,818,138	5,497,837	4,614,393	10,112,230	5.6	119.1	51.84
Province of Kansu ..	—	380,863	1,022,342	3,327,407	2,753,152	6,080,559	5.9	120.9	15.97
Various Hsien..	1931	380,861	1,001,318	3,265,836	2,712,035	5,977,871	6.0	120.4	15.70
*Municipality of Lanchow	1934	2	21,024	61,571	41,117	102,688	4.9	149.7	51,344.00
Province of Tsinghai	1935(?)	728,198	224,842	651,013	544,041	1,195,054	5.3	119.7	1.64
Province of Ninghsia.. ..	—	302,451	89,600	366,755	300,135	666,890	7.4	122.2	2.20
*Various Hsien..	1935	—	87,562	353,307	296,133	649,440	7.4	119.3	—
Etsin Gol Torgot Banner	?	—	122	296	154	450	3.7	192.2	—
Alashan Hoshot Banner	?	—	1,916	13,152	3,848	17,000	8.9	341.8	—
Province of Suiyuan	—	304,058	428,873	1,320,670	835,859	2,156,529	5.0	158.0	7.09
*Various Hsien..	April 1935	—	388,474	1,161,250	753,898	1,915,148	4.9	154.0	—
Olanchab League	1933	—	9,928	39,225	18,875	58,100	5.9	207.8	—
Yeghe Jo League	1933	—	17,937	75,447	35,839	111,286	6.2	210.5	—
Suiyuan Tumet	1930	—	10,049	37,179	23,257	60,436	6.0	159.9	—
Chahar Right Wing Four Banners	1929	—	2,485	7,569	3,990	11,559	4.7	189.7	—
Province of Chahar	—	258,815	385,243	1,027,351	755,562	1,782,913	4.6	136.0	6.89
*Various Hsien	1933	—	370,094	981,113	730,505	1,711,618	4.6	134.3	—
Chahar Left Wing Four Banners	1929	—	2,719	7,508	3,482	10,990	4.0	215.6	—
Silingol League	(?)	—	6,691	22,639	14,161	36,800	5.5	159.9	—
Four Herdsman Banners	1929	—	5,739	16,091	7,414	23,505	4.1	217.0	—
Provinces of Liaoning, Kirin, Heilungkiang, Jehol, and the Special District of Chinese Eastern Railway	—	1,285,069	5,677,580	18,721,543	15,146,756	33,868,299	6.0	123.6	26.36
*Four Provinces and Special District	1934	—	5,422,744	17,837,699	14,533,000	32,370,699	6.0	122.7	—
Leased Territory of Kinhsien	1934	3,519	171,479	596,318	455,040	1,051,358	6.1	131.0	298.77

South Manchurian Railway Zone	1934	—	83,357	287,526	158,716	446,242	5.4	181.2	—
*Province of Sinkiang.. ..	1928	1,641,554	534,194	1,344,367	1,109,026	2,453,393	4.6	121.2	1.49
*Municipality of Nanking	1934	115	144,136	446,997	285,085	732,082	5.1	156.8	6,365.93
Municipality of Shanghai..	—	528	747,605	2,133,381	1,570,049	3,703,430	5.0	135.9	7,014.07
Municipality	Nov. 1935	495	407,721	1,162,644	882,818	2,045,462	5.0	131.7	4,132.25
*International Settlement	Oct. 1935	23	237,714	686,125	473,650	1,159,775	4.9	144.9	50,425.00
French Concession.. ..	Sep. 1934	10	102,170	284,612	213,581	498,193	4.9	133.3	49,819.30
*Municipality of Peiping ..	—	718	303,769	958,633	602,394	1,561,027	5.1	159.1	2,174.13
Municipality of Tientsin ...	—	91	260,408	711,499	478,197	1,209,696	4.6	142.8	13,293.36
*Municipality	1935	83	229,449	626,393	444,679	1,071,072	4.7	140.9	12,904.48
British Concession.. ..	1934		10,456	28,736	18,073	46,809	4.5	159.0	
French Concession... ..	(?)	8	10,814	31,365	19,225	50,590	4.7	163.1	17,328.00
Italian Concession	(?)		1,664	4,711	2,922	7,633	4.6	161.2	
Japanese Concession ..	(?)		8,025	20,294	13,298	33,592	4.2	152.6	
*Municipality of Tsingtao ..	1935	552	105,332	310,138	214,277	524,415	5.0	144.7	950.03
*Municipality of Siking (Sian)	1935(?)	15	30,898	129,975	58,354	188,329	6.1	222.7	12,555.27
*Administrative Area of Weihaiwei	1931	663	35,366	94,505	87,954	182,459	5.2	107.4	275.20
Outer Mongolia	1928–30	1,612,912	170,075	487,912	451,388	939,300	5.5	108.1	0.58
†Tibet	—	904,999	153,061	388,791	361,209	750,000	4.9	107.6	0.83
GRAND TOTAL..	—	11,173,558	86,440,596	237,903,962	200,503,965	438,407,927	5.1	118.7	39.24

*Present population.
†Estimate.

TABLE 2. STATISTICS OF NON-CHINESE-

	Hulun Buir 呼倫貝爾	*Heilung-kiang* 黑龍江	*Kirin* 吉林	*Liaoning* 遼寧
Palaeo Asiatics 古亞洲族	—	—	—	—
Giliak 費雅哈	—	—	5,000	—
Tungus 通古斯族	—	—	—	—
Manchu 滿洲	—	58,400	—	—
Sibe 錫伯	—	4,400	—	—
Solon 索倫	8,000	3,900	—	—
Orochon 鄂倫春	625	2,300	—	—
Goldi 赫哲	—	—	1,180	—
Mongol 蒙古族	—	—	—	—
Old Barga or Chipchin 陳巴爾呼	13,200	4,600	—	—
New Barga 新巴爾呼	5,400	—	—	—
Daghor 達呼爾	716	82,900	—	—
Khalkha 哈爾哈	—	49,400	30,100	229,800
Kalmuck, or Olöt 額魯特	500	3,200	—	—
Altai-Urianghai 阿爾泰烏梁海	—	—	—	—
Buriat 布萊雅	750	—	—	—
Tartar 韃靼, 老羌夷	—	—	—	—
Turkish[2] 突厥族	—	—	—	—
Yakut 雅庫特	250	100	—	—
Urianghai, or Tuba 烏梁海	—	—	—	—
Sola 撒拉回	—	—	—	—
Uigur or Chantu 唯吾爾, 即纏回	—	—	—	—
Hasak 哈薩克	—	—	—	—
Burut 布魯特	—	—	—	—
Kirghiz 吉爾吉斯	—	—	—	—
Iranian 伊蘭族	—	—	—	—
Tajik 塔吉克	—	—	—	—
Tibeto-Burman 藏甸族	—	—	—	—
Hsifan 西番	—	—	—	—
Go-lok 果洛	—	—	—	—
Kam-pa 康巴, 即康番	—	—	—	—
Tsang-pa 藏巴, 即藏番	—	—	—	—
Lo-lo 猓猓	—	—	—	—
Mosu 摩些	—	—	—	—
Lutze 怒子	—	—	—	—
Lisu 傈僳	—	—	—	—
Shan, or Tai 撣族, 或泰族	—	—	—	—
Nama 那馬, 即民家	—	—	—	—
Loi or Li 黎	—	—	—	—
Payi 擺夷	—	—	—	—
Mon-khmer 僰克族	—	—	—	—
Miao 苗	—	—	—	—
Yao 猺	—	—	—	—
Hsia 畲	—	—	—	—
TOTAL	29,441	209,200	36,280	229,800
Others	—	—	—	—
Naturalized white Russians	—	—	—	—
GRAND TOTAL	—	—	—	—

SPEAKING PEOPLES IN CHINA[1]

Jehol 熱河	*Chahar* 察哈爾	*Suiyuan* 綏遠	*Ninghsia* 寧夏	*Outer Mongolia and Kobdo* 外蒙古及科布多	*Tanu-Urianghai* 唐烏努梁海	*Sinkiang* 新疆
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
131,835	—	—	—	—	—	11,000
	—	—	—	—	—	20,000
—	—	—	—	—	—	15,000
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
458,757	71,295	170,959	—	639,900	—	200,000
			17,450	64,800	—	
—	—	—	—	—	—	
—	—	—	—	56,700	—	—
—	—	—	—	—	—	12,000
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	48,600	70,000	—
—	—	—	—	—	—	—
—	—	—	—	—	—	1,480,000
—	—	—	—	—	—	250,000
—	—	—	—	—	—	200,000
—	—	—	—	—	—	50,000
—	—	—	—	—	—	—
—	—	—	—	—	—	13,000
—	—	—	—	—	—	29,000
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
590,592	71,295	170,959	17,450	810,000	70,000	2,280,000
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—

TABLE 2. STATISTICS OF NON-CHINESE.

	Kansu 甘肅	*Tsinghai* 青海	*Tibet* 西藏	*Sikong* 西康
Palaeo Asiatics 古亞洲族	—	—	—	—
Giliak 黃雅哈	—	—	—	—
Tungus 通古斯族	—	—	—	—
Manchu 滿洲	—	—	—	—
Sibe 錫伯	—	—	—	—
Solon 索倫	—	—	—	—
Orochon 鄂倫春	—	—	—	—
Goldi 赫哲	—	—	—	—
Mongol 蒙古族	—	—	—	—
Old Barga, or Chipchin 陳巴爾呼	—	—	—	—
New Barga 新巴爾呼	—	—	—	—
Daghor 達呼爾	—	—	—	—
Khalkha 喀爾喀	—	} 136,800	—	—
Kalmuck, or Ölöt 額魯特	—		—	—
Altai-Urianghai 阿爾泰烏梁海	—	—	—	—
Buriat 布萊雅	—	—	—	—
Tartar 韃靼, 老尕夷	—	—	—	—
Turkish[2] 突厥族	—	—	—	—
Yakut 雅庫特	—	—	—	—
Urianghai, or Tuba 烏梁海	—	—	—	—
Sola 撒拉回	—	16,566	—	—
Uigur or Chantu 唯吾爾, 即纏回	—	—	—	—
Hasak 哈薩克	—	—	—	—
Burut 布魯特	—	—	—	—
Kirghiz 吉爾吉斯	—	—	—	—
Iranian 伊蘭族	—	—	—	—
Tajik 塔吉克	—	—	—	—
Tibeto-Burman 藏甸族	—	—	—	—
Hsifan 西番	256,000	166,319	—	—
Go-lok 果猪	—	398,700	—	—
Kam-pa 康巴, 即康番	—	—	—	680,200
Tsang-pa 藏巴, 即藏番	—	—	750,000	—
Lo-lo 猓猓	—	—	—	2,000
Mosu 摩些	—	—	—	} 1,000
Lutze 窓子	—	—	—	
Lisu 傈僳	—	—	—	
Shan, or Tai 撣族, 或泰族	—	—	—	—
Nama 那馬, 即民家	—	—	—	—
Loi or Li 黎	—	—	—	—
Payi 擺夷	—	—	—	—
Mon-khmer 憎克族	—	—	—	—
Miao 苗	—	—	—	—
Yao 猺	—	—	—	—
Hsia 番	—	—	—	—
TOTAL	256,000	718,385	750,000	683,200
Others	—	—	—	—
Naturalized white Russians	—	—	—	—
GRAND TOTAL	—	—	—	—

[1] This table is not comprehensive, as figures of many peoples, especially in South-West, are incomplete and defective, and the statistics of Tan (蜑) in South and those of aborigines in Kiangsi and Fukien are wholly unavailable.

[2] The Tungan who are Chinese-speaking Turkish, are not included here. They are distributed as follows: 137,000 in Ninghsia, 350,000 in Sinkiang, 2,000,000 in Kansu, 120,000 in Tsinghai.

SPEAKING PEOPLES IN CHINA[1] (*Continued*)

Szechwan 四川	*Yunnan* 雲南	*Kweichow* 貴州	*Hunan* 湖南	*Kwangsi* 廣西	*Kwang-tung* 廣東	*Chekiang* 浙江	*Total* 總計
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
162,715	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—		—	—	—
551,022	—	—	—	10,000	—	—	—
—	300,000	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	2,000,000	—	4,400,000	—	—	—
—	300,000	—	—	—	—	—	—
—		—	—	—	493,500	—	—
—		—	—	—	—	—	—
	8,000,000[3]	—	—	—	—	—	—
31,492		2,300,000	74,200	10,000	—	—	—
—			304,000	50,000	60,936	—	—
—	—	—	—	—	—	44,126	—
745,229	8,600,000	4,300,000	378,200	4,470,000	554,436	44,126	26,014,593
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	5,054[4]
—	—	—	—	—	—	—	26,019,647

[3] Including Lolo.
[4] They live in the Three Eastern Provinces.

TABLE 3. STATISTICS OF FOREIGN POPULATION IN CHINA, MAINLY, TAKEN IN THE 23rd AND 24th YEARS OF THE REPUBLIC, (1934–1935)[1]

Localities	*Date*	*British*		
		Male	*Female*	*Total*
Three Eastern Provinces and Jehol				
Liaoning	June, 1935	253[2]	241[2]	494[2]
Kirin				
Heilungkiang				
Jehol				
Special District of Chinese Eastern Railway Zone				
The Leased Territory of Kinshien	June, 1935	—	—	—
The South Manchurian Railway Zone	June, 1935	—	—	—
TOTAL	—	—	—	494
Outer Mongolia	1928	—	—	—
Tanu-Urianghai	?	—	—	—
Sinkiang	1928	1,280	987	2,267
TOTAL	—	—	—	2,267
Municipalities and Cities along the Sea Coast				
Municipality of Tientsin	1930	199	116	315
British Concession	1934	—	—	1,504
French Concession	?	—	—	—
Italian Concession	?	—	—	—
Japanese Concession	?	—	—	—
Administrative Area of Weihaiwei	1931	29	23	52
Municipality of Tsingtao	Dec., 1935	148	105	253
Municipality of Shanghai	Nov., 1935	—	—	—
International Settlement	Sept., 1935	5,379[9]	3,557[9]	8,936[9]
French Concession	Sept., 1934	—	—	2,695[11]
City of Foochow	Nov., 1934	54[14]	43	97[14]
Municipality of Amoy	1935	—	—	—
International Settlement (Kulangsu)	?	—	—	—
Municipality of Swatow	Dec., 1935	54	22	76
Municipality of Canton	1932	—	—	—
British Concession of Shameen	1934	—	—	—
French Concession of Shameen	?	—	—	—
The Leased Territory of Kowloon	1931	1,020	81	1,101
The Leased Territory of Kwangchouwan	1931	—	—	—
TOTAL	—	—	—	15,029

American			*French*			*German*		
Male	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*
134	92	226	110	75	185	256	203	459
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	226	—	—	185	—	—	459
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	3	—	3	—	—	—
—	—	—	—	—	3	—	—	—
180	166	346	23	22	45	211	146	357
—	—	267	—	—	55	—	—	85
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	1	1
102	103	205	7	6	13	170	138	308
—	—	—	—	—	—	—	—	—
1,061	956	2,017	109	103	212	652	461	1,113
—	—	1,792	—	—	2,410[12]	—	—	725
45	74	119	14	6	20	15	4	19
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
24	18	42	6	8	14	9	3	12
63	93	156	—	—	—	64	47	111
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	266	—	—	—
—	—	4,944	—	—	3,035	—	—	2,731

Russian			*Japanese*			*Others*		
Male	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*
10,230	11,042	21,272	430,262[3]	360,924[3]	791,186[3]	1,248	1,150	2,398
—	—	—	—	—	159,632[5]	—	—	1,321
—	—	—	—	—	210,841[6]	—	—	1,068
—	—	21,272	—	—	1,161,659	—	—	4,787
—	—	90,000	—	—	—	—	—	—
—	—	12,000	—	—	—	—	—	—
8,450	5,408	13,858	—	—	—	150	123	273
—	—	115,858	—	—	—	—	—	273
478	511	989	99	96	195	102	78	180
—	—	1,454	—	—	90	—	—	578
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	20[7]	17[7]	37[7]	1	8	9
293	385	678	6,690[8]	4,837[8]	11,527[8]	22	13	35
—	—	—	—	—	—	—	—	—
1,683	1,334	3,017	10,553	9,689	20,242[10]	1,810	1,568	3,378
—	—	8,262[13]	—	—	280	—	—	2,188
3	2	5	1,564[15]	1,083[15]	2,647[15]	64	61	125
—	—	—	5,765[16]	4,694[16]	10,459[16]	—	—	—
—	—	—	—	—	—	—	—	—
1	1	2	351	214	565	10	4	14
—	—	—	—	—	—	26	15	41
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	16	7	23
—	—	—	—	—	—	—	—	4
—	—	14,407	—	—	46,042	—	—	6,575

No Nationality			*Unknown*			*Grand Total*		
Male	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*
21,686[4]	22,673[4]	44,359[4]	—	—	—	464,179	396,400	860,579
—	—	—	—	—	—	—	—	160,953
—	—	—	—	—	—	—	—	211,909
—	—	44,359	—	—	—	—	—	1,233,441
—	—	—	—	—	—	—	—	90,000
—	—	—	—	—	—	—	—	12,000
56	40	96	—	—	—	9,939	6,558	16,497
—	—	96	—	—	—	—	—	118,497
11	1	12	—	—	—	1,303	1,136	2,439
—	—	—	—	—	12	—	—	4,045
—	—	—	—	—	980	—	—	980
—	—	—	—	—	375	—	—	375
—	—	—	—	—	6,535	—	—	6,535
—	—	—	—	—	—	50	49	99
—	—	—	—	—	—	7,432	5,587	13,019
—	—	—	—	—	10,149	—	—	10,149
—	—	—	—	—	—	21,247	17,668	38,915
—	—	—	—	—	547	—	—	18,899
—	—	—	—	—	—	1,759	1,273	3,032
—	—	—	133	49	182	5,898	4,743	10,641
—	—	—	—	—	250	—	—	250
—	—	—	—	—	—	455	270	725
—	—	—	—	—	—	153	155	308
—	—	—	—	—	626	—	—	626
—	—	—	—	—	316	—	—	316
—	—	—	—	—	—	1,036	88	1,124
—	—	—	—	—	—	—	—	270
—	—	12	—	—	19,972	—	—	112,747

Localities	*Date*	*British*		
		Male	*Female*	*Total*
Inland Municipalities and Cities				
Municipality of Nanking	1934	38	23	61
Municipality of Peiping	1935	137	114	251
Municipality of Siking (Sian)	1930	12	5	17
Municipality of Hangchow	1935	—	—	—
Municipality of Nanchang	1935	—	—	—
Municipality of Wuchang	1934	11	17	28
City of Hangyang	1934	10[18]	21[18]	31[18]
Municipality of Hankow	1935	115	102	217
Third Special Area	1935	94	61	155
French Concession	1935	28[19]	19[19]	47[19]
Japanese Concession	1935	15[21]	1[21]	16[21]
Municipality of Changsha	1933	—	—	—
Municipality of Chengtu	1935	38[23]	21[23]	59[23]
Municipality of Chungking	1935	23	7	30
Municipality of Kweiyang	1935	—	—	—
Municipality of Tsinan	1935	33	41	74
Municipality of Lanchow	1934	5	6	11
TOTAL	—	—	—	997
Provinces				
Kiangsu	1935	—	—	—
Chekiang	1932	50	42	92
Anhwei	1933	—	—	—
Kiangsi	1935	—	—	9
Fukien (47 Hsien only)	1929	—	—	—
Hunan	1933	—	—	—
Hupei	1929	76	56	132
Szechwan	1935	43[26]	50[26]	93[26]
Hopei	1929	92	70	162
Shantung	1931	11	14	25
Shansi	1934	51	51	102
Shensi	1930	8	9	17
Ninghsia	1935	—	—	3
Suiyuan	April, 1935	—	—	5
Chahar	1934	13	11	24
TOTAL	—	—	—	664
Other 8 provinces and the remaining parts of Fukien (estimate)	—	—	—	—
GRAND TOTAL	—	—	—	—
Aliens with sexes Specified	—	9,319	5,916	15,235
Aliens not specified as to sexes ..	—	—	—	4,216
TOTAL (except Tibet)	—	—	—	19,451

American			*French*			*German*		
Male	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*
55	64	119	6	—	6	68	40	108
298	245	543	107	110	217	115	79	194
12	7	19	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
21	46	67	—	—	—	10	11	21
2	4	6	—	—	—	—	—	—
102	81	183	7	5	12	76	48	124
17	18	35	2	1	3	5	2	7
15	8	23	295[20]	21[20]	316[20]	17	13	30
4[22]	2	6[22]	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
14	12	26	7	11	18	—	—	—
15	11	26	15	9	24	11	1	12
—	—	—	—	—	—	—	—	—
46	53	99	13	4	17	50	31	81
1	2	3	—	—	—	10	15	25
—	—	1,155	—	—	613	—	—	602
—	—	—	—	—	—	—	—	—
45	46	91	30	6	36	9	13	22
—	—	—	—	—	—	—	—	—
—	—	3	—	—	3	—	—	1
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
32	33	65	28	19	47	23	15	38
17	24	41	25	13	38	1	6	7
167	107	274	61	25	86	73	79	152
70	62	132	25	13	38	84	51	135
32	48	80	12	7	19	39	13	52
4	6	10	10	18	28	—	—	—
—	—	5	—	—	—	—	—	—
—	—	5	—	—	1	—	—	1
10	7	17	16	11	27	6	6	12
—	—	723	—	—	323	—	—	420
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
2,588	2,388	4,976	931	493	1,424	1,974	1,426	3,400
—	—	2,072	—	—	2,735	—	—	812
—	—	7,048	—	—	4,159	—	—	4,212

Russian			*Japanese*			*Others*		
Male	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*
25	23	48	66[17]	57[17]	123[17]	21	12	33
114	133	247	631	414	1,045	660	530	1,190
—	—	—	—	—	—	—	2	2
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	5	4	9
—	—	—	4	—	4	—	2	2
126	188	314	146	102	248	117	96	213
32	31	63	30	36	66	19	14	33
49	62	111	17	10	27	28	21	49
2	2	4	736	853	1,589	6	16	22
—	—	—	—	—	—	—	—	—
1	—	1	1[24]	—	1[24]	9	15	24
6	—	6	21[25]	12	33[25]	5	3	8
—	—	—	—	—	—	—	—	—
—	1	1	1,064	796	1,860	2	4	6
—	—	—	—	—	—	5	2	7
—	—	795	—	—	4,996	—	—	1,598
—	—	—	—	—	—	—	—	—
2	1	3	—	3	3	8	4	12
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	5
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
6	7	13	27	20	47	69	54	123
—	—	—	4[27]	2[27]	6[27]	7	4	11
15	10	25	16	13	29	62	34	96
3	—	3	622	89	711	2	1	3
11	7	18	2	2	4	99	72	171
4	—	4	1	1	2	24	10	34
—	—	—	—	—	—	—	—	18
—	—	17	—	—	3	—	—	57
45	38	83	20	9	29	89	48	137
—	—	166	—	—	834	—	—	667
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
21,579	19,186	40,765	458,712	383,973	842,685	4,686	3,975	8,661
—	—	111,733	—	—	370,846	—	—	5,239
—	—	152,498	—	—	1,213,531	—	—	13,900

No Nationality			*Unknown*			*Grand Total*		
Male	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*
—	—	—	—	—	—	279	219	498
—	—	—	—	—	—	2,062	1,625	3,687
—	—	—	—	—	—	24	14	38
—	—	—	64	65	129	64	65	129
—	—	—	—	—	70	—	—	70
—	—	—	—	—	—	47	78	125
—	—	—	—	—	—	16	27	43
—	—	—	—	—	—	689	622	1,311
—	—	—	—	—	—	199	163	362
—	—	—	—	—	—	449	154	603
—	—	—	—	—	—	763	874	1,637
—	—	—	—	—	223	—	—	223
—	—	—	—	—	—	70	59	129
—	—	—	—	—	—	96	43	139
—	—	—	—	—	20	—	—	20
—	—	—	—	—	—	1,208	930	2,138
—	—	—	—	—	—	21	25	46
—	—	—	—	—	442	—	—	11,198
—	—	—	—	—	458	—	—	458
11	12	23	—	—	—	155	127	282
—	—	—	219	116	335	219	116	335
—	—	—	—	—	165	—	—	186
—	—	—	259	171	430	259	171	430
—	—	—	—	—	533	—	—	533
—	—	—	—	—	—	261	204	465
—	—	—	—	—	—	97	99	196
—	—	—	—	—	—	486	338	824
—	—	—	423	117	540	1,240	347	1,587
—	—	—	—	—	—	246	200	446
2	—	2	30	23	53	83	67	150
—	—	—	—	—	—	—	—	26
—	—	—	—	—	—	—	—	89
3	9	12	—	—	—	202	139	341
—	—	37	—	—	2,514	—	—	6,348
—	—	—	—	—	3,748	—	—	3,748
—	—	—	—	—	—	—	—	—
21,769	22,735	44,504	1,128	541	1,669	522,686	440,633	963,319
—	—	—	—	—	25,007	—	—	522,660
—	—	44,504	—	—	26,676	—	—	1,485,979

1. Sources:
   - Returns by various Provincial and Municipal Administrations.
   - The China Year Book, 1935.
   - Japan-Manchukuo Year Book.
   - Shanghai Municipal Council: Report for the Year 1935.
   - Conseil d'Administration municipale de la concession française de Changhai: Compte-rendu de gestion pour l'exercice 1934.
   - Report on the Census of the Colony of Hongkong, 1931.
   - Annuaire statistique de France, 1931.
   - Shen Pao Year Book, 1936.
   - Encyclopaedia Britannica, 15th Ed., Article on "Mongolia."
   - Conolly, Violet: Soviet Economic Policy in the East, p. 212.
2. Including 9 Indians (7 male, 2 female); 61 Canadians (29 male, 32 female).
3. Including 701,161 Coreans (376,429 male, 324,732 female).
4. All White Russians.
5. Including 2,950 Coreans.
6. Including 29,354 Coreans.
7. Including 30 Coreans (16 male, 14 female).
8. Including 628 Coreans (310 male, 318 female).
9. Including 2,341 Indians (1,843 male, 498 female).
10. Including 618 Coreans.
11. Including 12 Irish Free State citizens; 47 Indians.
12. Including 980 Tonkinese.
13. Including 2 Georgians.
14. Including 1 Indian.
15. Including 2,316 Formosans (1,387 male, 929 female).
16. All Formosans.
17. Including 10 Coreans (4 male, 6 female).
18. Including 1 Indian.
19. Including 7 Indians (4 male, 3 female.)
20. Including 245 persons of French nationality (243 male, 2 female).
21. All Indians.
22. Including 2 Filipinos.
23. Including 39 Canadians (27 male, 12 female).
24. All Coreans.
25. Including 1 Corean.
26. Including 2 Canadians (1 male, 1 female).
27. Including 5 Coreans (3 male, 2 female).

LANGUAGES AND DIALECTS

F. K. Li (李方桂)

In the vast territory of the Chinese Republic are found not only many dialects but also many languages of diverse structures, spoken by peoples of different cultures and customs. This constitutes a problem in which students of politics and education have to be interested, because language is the only instrument by means of which knowledge and ideas are introduced and through which organization and education of the masses are to be carried on. The National Language (國語) Movement with its hope of linguistic unification, the simplification of Chinese writing, the Romanization Movement, the giving of an orthography to language not having a writing of their own, the possibility of providing reading material as an aid to mass education, for speakers of languages and dialects very different from the National Lanauage—all these are problems which require a thorough knowledge of the linguistic situation in China.

But this condition in China is a very complicated one. Aside from the Chinese with its numerous dialects, there are many other languages, our knowledge of which is of an extremely uncertain quality. Some of them have been adequately studied, some of them are scarcely known to us, and many of them have not been sufficiently recorded. The material of these languages is therefore scanty, their history unknown, and their relation with other groups very vaguely understood. For this reason we need not only specialists in Chinese dialects to clarify the dialect situation in China, but also specialists in other linguistic stocks to furnish us with material for a better classification of the languages now spoken in China and for a better knowledge of the distribution of these languages.

The following description of the languages in China groups them into branches and families, and names under each group some of those characteristics which distinguish it from the other groups. We need, therefore, a few words of introduction about the classification of these languages. Languages are classified into families, with the assumption that they are historically connected. Among a group of languages we find some similarities or correspondences in the word forms, in the grammatical elements such as the prefixes, the suffixes, the infixes, the vocalic alternations, etc., and in the general structure. These similarities or correspondences sometimes can be formulated into definite and exact statements. Particularly in the domain of sounds these statements are known as sound laws. With the relations among them thus formulated, it is apparent that these similarities cannot be due to chance or mere borrowing, but are due to the fact that these languages are descendants of a common parent speech. As time goes on, this parent speech splits into various dialects and through successive evolutions will develop into such different languages as English, Russian, and Bengali. Sometimes the changes that these languages have undergone are far-reaching. The farther they have differentiated from each other the more difficult it is to trace their relations, unless ancient documents which reveal the older state are available. With languages which have no records and which are known only in modern forms, we encounter a great difficulty in establishing their relations. Many languages in China not only do not possess records of their own, but are known to us very fragmentarily. Their classification is therefore tentative.

INDO-CHINESE FAMILY

One of the largest families of speech in China is known as the Indo-Chinese (Tibeto-Chinese or Sinitic) family. Languages of this family are spoken throughout China Proper and Tibet, and extend into the Three Eastern Provinces (Manchuria) and Sinkiang, as well as to places outside of China such as French Indo-China, Burma, and Siam. One of the characteristics of this family is the tendency towards monosyllabicism. The Tibeto-Burman branch of this family still possesses some of the prefixes, sometimes asyllabic and sometimes syllabic, but the Chinese and the *Tai* group have early lost all active use of the prefixes. It is probable that prefixes, suffixes, vocalic changes, and consonantal alternations have been in use in primitive Indo-Chinese to form causatives, denominatives, and to modify the meaning of the stem in general such as in classical Tibetan: *hgeṅs-pa*, *bkaṅ* (perfect), *dgaṅ* (future), *khoṅ* (imperative) "to fill," but such derivative processes have long been dead in most languages of this family, so that we have only inflexible monosyllabic stems such as are found in Chinese now.

The tendency to develop a system of tones is another characteristic of this family. We do not know whether tones existed in the primitive Indo-Chinese speech, and it is doubtful whether tones existed in classical Tibetan, but modern Chinese, modern Tibetan, Burmese, and the *Tai* languages all have tones. These tones are further influenced by the nature of the initial consonant and are divided into two main categories: those with an original voiced initial consonant and those with an original voiceless initial consonant. Such has been found to be the case with Chinese, Tibetan, Burmese, and the *Tai* languages, and is considered as the most powerful argument for the common origin of these languages.

Another phonetic tendency in common with this family of languages is the unvoicing of the original voiced initial consonants but this has not been carried out in all dialects. It happens in most Chinese dialects, except the *Wu* (吳語) and the *Hsiang* (湘語), in practically all the *Tai* languages, and in many Tibeto-Burman languages, so that what was originally a voiced initial is only detected in the nature of the tone.

Aside from these there are of course many points in the vocabulary which seem to be common in this family. Exact correspondences of sounds, however, have not been worked out. Four main branches are known in this family: Chinese, *Tai*, *Miao-Yao*, and Tibeto-Burman.

A. Chinese.—Chinese is the most important member of this family. The earliest records consist of numerous bone and tortoise shell inscriptions of around 1400 B. C. which are being systematically excavated in Honan. The reading of these inscriptions still presents many difficulties. Our knowledge of the archaic phonological system is largely derived from a study of the rimes in archaic texts, principally the Shiking, and of the phonetic compounds of the written characters (諧聲字). It has been shown that initial consonant clusters such as *gl-*, *bl-*, *ml-*, etc. and many final consonants such as *-b*, *-d*, *-g*, *-p*, *-t*, *-k*, etc. existed in archaic Chinese, but up to about 600 A. D., when we have the system of ancient Chinese well represented by the rime books such as the Tsie-yün (切韻), the initial consonant clusters were already simplified and final *-b*, *-d*, *-g*, dropped. From that time on the Chinese language has gone through a series of evolutions such as the unvoicing of the initial sonants, the dropping of final *-p*, *-t*, *-k*, and the simplification of rimes. The modern Peiping dialect, which is taken as the national language (Kuoyu 國語) has now only some 400 possible syllables; and each syllable may have theoretically four tones. This phonetic simplification, which causes the existence of many homonyms, is counter-balanced by a great increase in the use of compounds, so that what was formerly expressed by one syllable must now be expressed in the colloquial by two or more syllables.

We may divide the Chinese dialects into the following groups:

1. The Northern Mandarin group occupies a large area in North China, in the provinces of Hopei, Shansi, Shensi, Kansu, Honan, Shantung and extends into Sinkiang, Inner Mongolia, and Manchuria in the north and into Hupeh, Anhwei, and Kiangsu in the south. Is is characterized by the unvoicing of the ancient voiced stops, affricates, and spirants, and by the disappearance of the "entering tone" (入 聲). There are as a rule only four tones: *ying-ping, yang-ping, shang*, and *chu* (陰平, 陽平, 上, 去). The Peiping dialect (Pekinese) is the best known of all the dialects. Further division into smaller groups is possible.

2. The Eastern Mandarin group is spoken along the lower Yangtze in the provinces of Anhwei and Kiangsu. It is differentiated from the Northern group by the existence of the "entering tone" as a short tone, but the original final consonants *-p*, *-t*, and *-k*, which accompanied the "entering tone," are lost. It presents therefore five tones

3. The Southwestern Mandarin group is a very uniform type of speech spoken in Szechwan, Yunnan Kweichow, and parts of Hupeh, and, Kwangi. It has no "entering tone" just as the Northern group.

4. The *Wu* group of dialects (吳語) is spoken south of the Yangtze in Kiangsu, Chekiang and in the east (in a few districts) of Kiangsi. It is characterized by the preservation of the ancient voiced stops, etc. as aspirated voiced consonants and by the preservatoin of the "entering tone," with the loss, however, of the final *-p*, *-t*, *-k*. It often presents six or seven tones.

5. The *Kan-Hakka* group (贛客家語) is spoken principally in the provinces of Kiangsi and Kwangtung. It is characterized by the change of the ancient voiced stops, etc. into aspirated surds in all four tones (aspirated only in *ping-sheng* in the three Mandarin groups). The "entering tone" is preserved and the final *-p*, *-t*, *-k* are more or less preserved according to dialects, and there are often six or seven tones. The Northern or *Kan* group has the tendency to pronounce all aspirated surds as voiced in connected speech. The *Hakka* group preserves the final consonants, such as *-m*, *-p*, *-t*, *-k*, much better. Settlements of *Hakka* people can be found in various districts in Kwangtung and Kwangsi.

6. The *Min* group (閩語) can be further divided into two sub-groups. The Northern group is spoken in the northern part of Fukien and the Southern group is spoken in the southern part of Fukien, in the eastern part of Kwangtung, in Hainan Island, and in parts of the Leichow Peninsula. It is characterized by the change of the original voiced stops, etc, as unaspirated surds, even in *ping-sheng* where the aspirated pronunciation is the prevalent one, by the preservation of the original palatal plosives *t'*, *t'ᶜ*, *d'ᶜ*, (知, 徹, 澄) as dental plosives, and by the preservation of final *-p*, *-t*, *-k* (sometimes in modified forms). It has as a rule seven tones. The Hainan dialects present many phonetic peculiarities, possibly under the influences of an aboriginal speech, presumably a *Tai* language.

7. The Cantonese group (粵語) is spoken in the provinces of Kwangtung and Kwangsi. It is characterized by the preservation of the final consonants *-m*, *-p*, *-t*, *-k*. It presents a system of eight, nine or more tones. The distinction of long and short vowels as in Cantonese is also a special feature. Certain distinctions of tone depend on the length of the vowel.

8. The *Hsiang* group (湘語) is spoken principally in Hunan. The ancient voiced stops, etc, are as a rule kept as truly voiced consonants; the final *-p*, *-t*, *-k* are usually lost, but it often presents a system of six or seven tones.

9. Certain isolated groups, such as the dialects spoken in the southern part of Anhwei, certain dialects in Hunan and in the northeastern part of Kwangsi may be mentioned here.

Aside from the phonological features specific to the groups mentioned above, there are also elements of vocabulary more or less peculiar

to each of these groups, but these are too minute to be gone into here. Among these various groups some are mutually intelligible, while some are quite unintelligible.

B. Tai.—The *Tai* group of languages is another important branch of the Indo-Chinese family, closely related to the Chinese. The *Tai* languages possess four tone categories analogous to the *ping*, *shang*, *chu*, and *ju* of Chinese. These four tone categories are each further divided into two according to whether the initial consonant was originally voiced (low initial) or voiceless (high initial), so that the modern *Tai* languages often possess eight, and sometimes nine or more tones as a further development according to vocalic lengths (I have counted those tones with a final *-p*, *-t*, or *-k* separately). It has two special plosives (*'b-*, *'d-*, or *m-*, *l-* according to dialects) which are treated as high linitials. Initial consonant clusters such as *kl-*, *pl-*, etc. are preserved by some dialects to this day, i. e. Siamese, and the *Tai* language of *Wuming* (武鳴) and *Lungan* (隆安) in Kwangsi, but original voiced stops, etc. have practically all become voiceless in the modern dialects. Word order in *Tai* is also slightly different from the Chinese, the modifying word following the modified. For instance, "good man" in Chinese becomes "man good" in *Tai*. The earliest *Tai* monument is an inscription of *Rama-Kamheng* of Siam in the 13th century. In China most of the *Tai* languages have no writing of their own, except some in Yunnan which employ either the *Shan* alphabet (derived from Burmese) or one closely related to the Southern *Tai* alphabet.

We may divide the *Tai* branch into two main divisions:

1. The *Chuang* group (獞語) consists of many dialects spoken in a great part of Kwangsi and in the southern part of Kweichow. The language of the *Shu Li* (熟黎), spoken in the northern part (*Linkao* (臨高), *Chengmai* (澄邁), and *Chungshan* (瓊山) of Hainan Island also belongs here, but the *Li* (黎) dialects in the center and in the south of the island seem to be quite different from the ordinary *Tai* languages. Their relation to this branch is therefore doubtful. The languages of this group are characterized by the lack of aspirated surds such as *p'-*, *t'-*, *k'-*, the preservation of the distinction between original **k'-* and **x-*, **g-*, and **ɣ-*, and by the preservation of an original high initial (some sort of *r-*) as *r-* (in *Wuming* 武鳴), *l-* (in *Tienchow* (田州), ȣ (in *Dioi* of Kweichow), or *ɣ-* (in *Chienchiang* (遷江)), which appears as *h-* in *Shan*, Siamese, *Lao*, *Nung*, etc. The development of vowels also shows many peculiar features.

2. The Southwestern group consists of some of the best known of the *Tai* languages and lies mostly outside of China. We may divide this group into four sub-divisions: (1) *Ahom*, once spoken in Assam, (2) *Kamti* and *Shan*, etc. spoken, in Burma and in Yunnan, (3) Siamese and *Lao* spoken in Siam and French Indo-China, (4) *Tai Blanc*, *Nung*, *Tho*, etc. spoken in French Indo-China and in the southwestern part of Kwangsi. This group is characterized by the preservation of all aspirated consonants such as *p'-*, *t'-*, *k'-*, by the change of the original guttural spirants **x-* and **ɣ-* into stops, by the appearance of the high liquid initial (some sort of *r-*) as *h-* (except *Ahom* where *r-* is preserved), and by a very uniform system of vocalic correspondences. In Yunnan, aside from the *Shan* dialects, some dialects of group (3) and of group (4) may be spoken in the southern part of the province, while some of the *Chuang* (獞) dialects may exist in the eastern part. I am also informed that a *Tai* dialect is spoken in the northwestern part of Hunan, but the details are not available.

C. Miao-Yao. The *Miao-Yao* (苗, 猺) branch of the Indo-Chinese family is monosyllabic like the Chinese and is known to possess tones, but the phonologic system and the relation between the *Miao* and *Yao* are not sufficiently known. This grouping is therefore tentative. Word order resembles the *Tai*. It is spoken by fairly primitive groups of mountaineers. Aside from the occasional use

of Chinese characters, there is no writing of its own.

1. The *Miao* group is spoken under various tribal names in the southwestern mountain regions of Hunan, in a large part of Kweichow, in the northeast of Kwangsi, and is found scattered here and there among the mountains of Yunnan, French Indo-China, and Siam. It is characterized by the dropping of the final consonants, so that only *-ng* and rarely *-n* are allowed to stand in final positions. The number of tones varies from five (cf. M. F. Savina, *Dictionnaire Miao-tseu-Français*) to eight (cf. J. Esquirol, *Dictionnaire 'ka-nao Français et Français-'ka-nao*).

2. The *Yao* group is also spoken under various tribal names in the northwestern mountain regions of Kwangtung and is scattered among the various mountain regions of Kwangsi, Yunnan, French Indo-China, and Siam. It preserves the final consonant better than the *Miao;* final *-m, -n, -ng, -p, -t, -k* are all allowable. It is greatly influenced by the *Tai* and the Chinese.

D. Tibeto-Burman.—This branch of the Indo-Chinese family is one which presents most clearly the use of prefixes, whether syllabic or asyllabic, alternations of voiced and voiceless consonants, and the use of suffixes such as presented by the classical Tibetan. Tones depend upon whether the initial is voiced or voiceless and are further influenced by the existence of prefixes, but the system of tones seems to be much simpler than that of Chinese or *Tai* (cf. Y. R. Chao's Phonetic Notes to Love Songs of the Sixth Dalailama Tshangs-dbyangs-rgya-mtsho, *Monograph Series A, no. 5* of the Institute of History and Philology, Academia Sinica). Word order is as a rule subject-object-verb, in contrast to the Chinese and *Tai* type of subject-verb-object. Four divisions are known:

1. The Tibetan group is spoken principally in Tibet and Sikang, and extends into Chinghai and the western part of Szechwan. The earliest record of this group is dated from the ninth century, the alphabet being derived from the *devanagari* form of the Hindu alphabet. A great amount of literature, largely Buddhistic, exists. Three main groups of dialects may be distinguished. The Western group, *Balti, Ladak*, etc., preserves more or less the prefixes, the initial consonant clusters, and the final stops *-b, -d, -g*. The Central dialects, including the dialect of *Lhasa*, are characterized by the loss of prefixes, by the simplification of consonant clusters, and the dropping of final consonants. The Eastern dialects, the *Khams*, preserve very faithfully the prefixes and the final consonants. Belonging to the Tibetan group are some Tibeto-Himalayan dialects and some North Assam dialects spoken along the southern border of Tibet. Some form of the Tibetan dialect extends into Chinghai, Szechwan, and Yunnan.

2. *Katchin* of the *Bodo-Naga-Katchin* group is spoken in the northwestern border of Yunnan.

3. Speakers of some dialects of the Burmese group may be found in western Yunnan under various tribal names. The classification of these dialects remains to be done.

4. Among the *Lolo* group, the *Lolo*, with its dialects, is spoken in a large portion of Yunnan, in the northwest of Kweichow, and also certain parts in the south of Sikang. It decends into French Indo-China and Siam. The *Lolo* has an independent syllabic writing of its own, for details of which see P. Vial, *Dictionnaire Français-Lolo*. The *Moso* is spoken in the northwest of Yunnan, and extends to Sikang. It possesses two systems of writing, one hieroglyphic and the other syllabic like the *Lolo*. The Minkia and some minor dialects may also belong to this group. This group is characterized by great simplification of the phonetic system, such as the complete dropping of the final consonants and the rarity of diphthongs. Word order resembles the Tibetan.

AUSTRO-ASIATIC FAMILY

Of this large family proposed by P. W. Schmidt to which the *Munda*, the *Mon-Khmer*, and the Annamite belong, we may only mention the

Mon-Khmer group of which there are representatives in China. The earliest records of this group are some *Khmer* inscriptions of the seventh century and a *Mon* inscription of the eleventh century, the alphabets being derived from the Hindu sources. This group of languages has no tones, and makes use of prefixes and infixes for the derivation of words. The stem is generally monosyllabic; the word order is subject-verb-object.

The dialects of this linguistic group spoken in China are the *Palaung*, the *Wa*, etc. along the Yunnan-Burmese border. The *Palaung* has been well described by Mrs. L. Milne in her *Elementary Palaung Grammar* and her *A Dictionary of English-Palaung and Palaung-English*. The language has no tones, and possesses a number of prefixes which are both syllabic and asyllabic, such as *p-*, *pan-*, *ra-*, *kar-*, for example: *yām* "to die," *p-yām* "to kill," *pan-p-yām* "the killing, one who is killed."

A special series of initials *hl-*, *hr-*, *hm-*, and *hn-* exist. This language shows close contacts with the *Tai* branch of the Indo-Chinese family.

ALTAI FAMILY

All along the northern territory of China from Sinkiang (Chinese Turkestan) through Mongolia to the Three Eastern Provinces (Manchuria) is spoken this family of languages. It extends further southwest to Asia Minor and northeast to Siberia up to the Arctic coast. This family consists of three main branches of languages, namely, the Turkish, the Mongolian, and the Tungus. The relation of the three groups has not been established with certainty, although phonetic structure, syntax and vocabulary all show great resemblances. The exclusive use of suffixes either derivative or syntactical is one of the characteristics, so that the stem or root always remains at the beginning of a word. The suffixes are loosely joined one after another according to a definite order—for example, Turkish *baba* (father) *-lar* (plural) *-um* (our) *-dan* (from) "from our fathers."

A specific phonetic feature is known as the vocalic harmony. The principle in short is that in a word all vowels must be either front vowels such as *i*, *y*, *e*, *o*, or back vowels such as *ï*, *u*, *a*, *o*, for instance Turkish *sev-il-dir-eme-mek* "not to be able to cause to be loved" and *jaz-il-dir-ama-mak* "not to be able to cause to be written." Different dialects of course present slight different rules for vocalic harmony. This harmony may further influence the consonants, i.e. palatals in the neighborhood of front vowels and velars in the neighborhood of back vowels.

Word order is subject-object-verb; the verb always staying at the end of the sentence. Modifying words are placed before the modified.

A. Turkish.—This branch of the *Altai* family is spoken in China in Sinkiang, in the northwest corner of Mongolia, and in certain parts of Kansu. The Turkish dialects are divided into several groups, but the differences among them are very slight. The Eastern dialects are characterized by the wide application of the rules of vocalic harmony and by the existence of only surds in initial and final positions and only voiced consonants in medial positions. Dialects spoken in the northwest corner of Mongolia (*Tang-nu Uriankhai*) belong to this group. The Central dialects possess voiced initials and have an indifferent *i* in regard to vocalic harmony. They are spoken chiefly in Chinese Turkestan, such as *Tarantchi*, dialects of Hami, of Aksu, of Kashgar, of Yarkand, etc. The dialects spoken in the northern part of Sinkiang, such as the *Kirghiz*, belong to the Western group. The Southern group of the Turkish dialects is not represented in China. Our oldest texts are some Siberian inscriptions from the 8th century, a Turkish-Arabic vocabulary from the 11th century, and a Latin-Persian-Turkish vocabulary from the 14th century. Several forms of writing have been known to be in use, including the *Runiform*, the *Uigur*, the *Brahmi*, the *Tibetan*, etc., but most dialects have adopted the Arabic alphabet.

B. Mongolian.—The Mongolian language is centralized in Mongolia

and extends to Central Asia in the west, to Siberia in the north, to Manchuria in the east, and to the northern provinces in the south. We find here, as in Turkish, the use of suffixes; the vocalic harmony, although distorted in certain ways, is still observable. There are several divisions of the Mongolian, although the differences among them are very slight. The *Khalkha* group occupies a vast area in Mongolia (Outer Mongolia); the *Buriat* group is spoken chiefly in Siberia but also in certain parts in northern Mongolia and in the western part of Heilungkiang; the *Kalmuck* group is spoken in western Mongolia and in the northern part of Sinkiang; the Southern (or Eastern) group is spoken in Chahar, Suiyuan, Jehol, Ninghsia, and in some parts in Manchuria; some Mongolian dialects are spoken in Chinghai, and Kansu; another group is spoken outside of China in Afghanistan.

The difference among these groups is slight. The most important one lies in the treatment of the palatal affricates *dž-* and *tš-* of the literary Mongolian. The Southern group preserved the palatal position, the *Khalkha* changes them to *dz-* and *ts-* except before *i*, the *Buriat* changes *tš-*, *ts-* into *š-* and *s-*, the *Kalmuck* changes *dz-* into *z-*.

The Mongols adopted the so-called Uigur alphabet in the 13th century. It is still in use now with slight modifications. It runs from the top to the bottom like the Chinese, but begins the line from the left side of the page. During the 13th and 14th centuries another alphabet known as the *hphags-pa*, derived from the Tibetan alphabet, was in use, but was soon discarded.

C. Tungus.—The *Tungus* branch is spoken in eastern Siberia and northern Manchuria. An exact classification of the dialect is impossible on account of the lack of material. It is generally known to consist of two groups: the Northern group and the Southern group. *Manchu, Gold, Oroch, Dahur*, and *Solon*, which form the Southern group, are spoken in the provinces of Heilungkiang and Kirin. *Manegir* and *Birar*, of the Northern group, are spoken in Heilungkiang also. Most dialects of this branch are spoken in Siberia. A small group of *Manchu* speakers is found also in Ili in Sinkiang, being the descendants of earlier Manchu garrisons.

The best known language of this group is *Manchu*. The writing is derived in the 16th century from *Mongolian* with slight modifications. The vocalic harmony presents great fluctuations in *Manchu;* we may however summarize it briefly thus:

Back vowels: a, o, ō
Front vowels: ä, u
Indifferent vowel: i

CONCLUSION

In the above description of various languages in China I have purposely avoided many of the tribal names particularly of the southwest, which are very numerous and confusing. I am indebted to many authors for this brief account, but many points about the Chinese and the *Tai* dialects are from recent investigations and unpublished sources. Aside from the living languages in China, there are several languages which have left records but are no more in existence. Among them we may mention *Tokharian* (吐火羅), an Indo-European language which was once spoken in Chinese Turkestan. It seems to form an independent group among the Indo-European languages. It was written with a kind of Hindu alphabet, and we possess a number of texts, mostly fragmentary. Another important language was *Si-hia* (西夏), once spoken in Kansu. It was written with a kind of character evidently modeled after the Chinese but very complicated. The deciphering of these texts, largely Buddhistic, is still in the early stages, but the language seems to belong to the *Lolo* group. Others such as the language of the *Ki-tan* (遼) are still less well known, although some inscriptions in characters similar to the *Si-hia* have been found.

RELIGION

Religiously the Chinese are very eclectic. In proportion to the total population the number of *bona fide* Buddhists, Taoists, Christian, or Confucianists has been and is comparatively small. The average Chinese has long been and still is a Buddhist, a Confucianist, and a Taoist with no sense of incongruity or inconsistency.

Associated with this eclecticism is a certain tolerance. The existence of a greater amount of religious toleration in China may have been because the practically minded Chinese have been eager to take advantage of every possible benefit from each of the religions which have come to their attention. It may have been because of the desire to build a mankind-embracing culture, and of the concomitant talent for absorbing other cultures.

Still another characteristic of Chinese religious life has been its optimism. There is little of the despair of human existence, of the pessimism about the worth of human life, and of the desire to be rid of personality which one finds in much of Indian thought.

Closely related with the optimistic attitude toward the universe is the strong ethical note in much of Chinese religion. Confucianism emphasizes man's duty to man and praises such virtues as loyalty, filial piety, sincerity, kindness and not doing to another what one does not like to have done to oneself. Buddhism has strongly reinforced this ethical note and has taught that suffering is a certain consequence of unrighteousness. Taoism has also contributed toward making Chinese religion moral.

A further characteristic of the religious attitude of the Chinese has been this-worldliness. The welfare of the living has been stressed in the teachings of Confucius and his disciples.

Under the republic to-day there is no established religion, but under the Ching Dynasty and for many centuries before that period the Chinese Government used to recognize three religions: the *Ju Chiao*, the *Shih Chiao* and the *Tao Chiao*. The last named is Taoism. The term, *Shih Chiao*, is one applied to Buddhism. The words *Ju Chiao*, mean the religion of the learned. Not infrequently it is called *Kung Chiao*, or Confucian Religion. Mohammedanism and Christianity are of a later adoption. In the following pages each of the above-mentioned religions will be treated in some detail.

* * *

CONFUCIANISM

Confucianism is largely a Western name, although we speak of *Kung Chiao* (孔教), Confucian Teaching, or *Ju Chiao* (儒教), Teaching of the Learned. Indeed, the question is sometimes debated whether Confucianism is a religion at all. To some it is but a system of ethics. Perhaps the answer depends in part upon a definition. If one calls religion "any system of faith and worship," then Confucianism may be said to contain religious elements, even though it includes other features.[1]

[1] It is by no means clear whether what is usually known as the worship of ancestors should be classified under Confucianism, since the erection of temples and the holding of ceremonies in honor of ancestors long antedated Confucius.

To know what Confucianism is, it is essential to study its sacred books. These are commonly referred to as the "Four Books" and the "Five Classics." The Four Books are (1) the Analects, that is to say the sayings of Confucius as collected by his disciples (2) the Great Learning, a treatise written probably by Tsengtzu (曾子), a disciple of Confucius; (3) the Doctrine of the Mean, by Tsussu (子思), a grandson of the sage, and (4) the works of Mencius.

The Five Classics are (1) the *Yi Ching*, or Book of Changes, used in divination; (2) the *Shu Ching*, or Book of History; (3) the *Shih Ching*, or the Collection of Poetry; (4) the *Li Chi*, or Book of Rites, and (5) the *Ch'un Ch'iu*, or Annals.

Another arrangement makes 13 in all instead of nine. This is done by including two other collections of Annals and two other collections of Rites, also an ancient dictionary and the work known as the Classic of Filial Piety. The Doctrine of the Mean and the Great Learning in that case are not counted, as they are included in the Book of Rites.

Among the noteworthy sayings which fell from Confucius' lips, the following may be quoted as examples:

> Do not unto others what you do not like done unto yourself.
>
> Sorrow not that men do not know you, but sorrow that you do not know men.
>
> If you have faults, do not fear to abandon them.
>
> To see the right and not do it, that is cowardice.
>
> Over-passing is like coming short of the mark.

As a religion, Confucianism has no order of priesthood, that is to say, there is no body of officials set apart from secular life, devoted solely to the performance of religious functions. The emperor, in the days of the empire, was the head of the state, and officiated as the high priest of his people at the most important sacrifices. Every civil and military officer of the government had duties to perform in connection with the state worship. In the provinces the principal civil official of the district presided over the services at the local altars and temples.[1] His subordinates assisted, and at the worship of Confucius all the scholars of the district, who had received degrees, were expected to participate. There was, however, a Board of Rites at Peking (Peiping), charged with general oversight of religion and education, and there were also a Court of Sacrificial Worship and a Board of Music, which were responsible for the details of the worship. The Imperial College of Astronomy, too, had important functions to discharge in connection with the religious services.

On May 31, 1934, the Standing Committee of the Central Executive Committee of the Kuomintang designated August 27, the birthday of Confucius, as a national holiday, and ordained that senior officials of the Government should participate in the sacrificial ceremonies at Chufu.

In conclusion it may be said that the influence of Confucianism has been largely beneficial. It has promoted peace and good order in society and encouraged moral living in the individual. It has allowed the widest latitude in philosophical speculation. It places no obstacle in the way of research nor prevents the acceptance of the conclusions of modern science.

* * *

TAOISM

Taoism as a Philosophy.—Taoism is both a philosophy and a religion. As a philosophy it is traced to Laotzu (老子), who was born in 604 B.C. near

[1] Every territorial division, such as the *hsien*, the city, and the province has a Confucian Temple, usually known as the *Kung Miao*, the *Wen Miao*, or *Hsueh Kung*. Especially famous temples are at Chufu, the home of the sage, where a lineal male descendant maintains ceremonies to him and cares for his grave.

the modern city of Kweiteh, Honan. He was a profound thinker, a political philosopher of keen insight, and an ethical teacher of very high order. He did not pose as a saint, had no thought of founding a religion, and could have had no sympathy with the modern conglomeration of shamanism, sorcery, astrology, necromancy, demonaltry and magic which passes for a religion. It was not until 700 years after his death that he was canonized and that a temple was built for his worship.

In the *Tao Te Ching* (道德經), a classic commonly attributed to his authorship, the Taoist philosophy finds its roots. The book treats of two subjects, *tao* and *te*. *Tao* is the fundamental principle of the philosophy which it teaches, and *te* is the practical exemplification of that principle in conduct. *Tao* means the "way." *Te* is commonly translated "virtue." When one walks in the "way" the result is right conduct, or virtue.

Laotzu began his work with a brief discussion of the one great problem of philosophy: to discover the unity underlying all diversity, the changeless that lies behind all change, the infinite surrounding the finite, the eternal principle of the universe. This he called *Tao*. In the first chapter of the book he said:

> The eternal principle which lies behind the phenomenal world is undefinable. Undefined, it lies at the beginning of the universe. To define it is to limit it. As the source of the whole world it is defined. It limits itself. Free from all attributes it is seen as the Absolute. Possessed of attributes it is seen as limited. These two, the Absolute and the Limited, have a common origin. Their common origin we call the abyss. It is indeed the abyss of abysses and the doorway to all mystery.

In his political theories Laotzu seemed to be a philosophical anarchist. This would hardly be a fair judgment, however, for while he sought to reduce government to the minimum he did not deny that government was needed. "The holy man's method of government," he said, "is to empty the people's hearts and fill their stomachs; to weaken their desires and strengthen their bones." For him the welfare of the people was the true object of government. He disliked, however, to see the people struggling for wealth and official position and taking in display. "The lust of the flesh, the lust of the eye and the pride of life," were things he condemned. "Riches, honor and pride," he said, "leave a heritage of ill fortune." "Horse-racing and hunting disorder the mind, and the scramble for wealth mars the character of man." He did not think, however, that matters were to be improved by legislation, for he said: "The more warnings and prohibitions there are in the world, the poorer the people become." "The more laws and commands there are, the greater the number of thieves and robbers." Therefore, the holy man says: "I do nothing and men themselves reform; I suppress desire and men themselves become simple in their tastes."

"Do nothing," was his motto—"Do nothing, and all will be done." He loved paradox. "The *Tao* is ever inactive, yet there is nothing which it does not accomplish." "Whosoever endeavors, fails; he who seizes, loses. The holy man does nothing, so fails in nothing. He seizes nothing and therefore, loses nothing. He desires to be free from desire, and not to prize things that are hard to get." Again he said: "There is no sin greater than desire; there is no misfortune greater than not to know when one has enough. There is no fault greater than greed of gain." This policy of suppressing desire and allowing things to take their course, he believed to be the way of nature—the way of the *Tao*. He taught that gentleness would accomplish more than force. Real goodness he likened to water, which seeks the lowly place and benefits all sorts of creatures. "There is nothing more yielding than water, but nothing can equal it in attacking the hard." "Weakness conquers strength; the soft overcomes the hard."

Laotzu was an altruist, for he said: "The holy man keeps himself in the background, and therefore, he comes to the front. He puts self aside, and

therefore, his own interests are preserved." He rises to a greater height than Confucius. The latter opposed the teaching that one should return good for evil. "What, then, will you return for good?" he asked. Laotzu, on the other hand, said: "I am good to the good; I am also good to the bad, for virtue is goodness. With the faithful I am faithful; with the unfaithful I am also faithful; for virtue is faithfulness." "Requite enmity with kindness." He hated war. "Even the best weapons," he said, "are unlucky instruments. They are not the instruments of the perfect man. Only when unavoidable does he use them."

By his philosophy he sought to make men masters of themselves. Thus he taught as follows: "Whosoever knows men is knowing, but he who knows himself has understanding. He who subdues others is strong, but he who conquers self is mighty. He who knows sufficiency is rich." But the method by which one attains this self-control is not to be a method imposed upon one from without by laws and commands. It is the self-determined choice of the soul, which, knowing *Tao* to be the source of all things and the only true way of life, seeks to live in harmony with that living Word and to walk in that high Way.

Beside the *Tao Te Ching*, a widely revered work, of which the authorship is unknown and copies have been gratuitously distributed, is the *Kan Ying Pien* (感應篇), Book of Rewards and Punishments. In this piece of literature a high standard of morality is taught which reinforces much of that inculcated by Confucianism and Buddhism. The following are some of its beautiful passages:

> There are no gateways to calamity or blessing save those which men open for themselves. The recompense of good and evil follow as naturally as the shadow follows the substance.
>
> Enter the right path; avoid the wrong path. Do not walk in the way of evil.
>
> Be compassionate towards all creatures.
>
> First correct yourself, and then convert others.
>
> Have pity upon the orphaned; assist the widow; respect the aged; be kind to children.
>
> Be grieved by the misfortunes of others and rejoice in their good luck.
>
> Do not publish the faults of others nor praise your own goodness.
>
> Bear insult without hatred; accept kindness as unexpected; bestow charity without seeking reward; give to men without regret.

The greatest of Laotzu's disciples was Chuangtzu (莊子), the great idealist, who lived in the fourth century B.C. He was a contemporary of Mencius, but the two men do not appear to have met.

After the passing of Chuangtzu, the Taoist philosophy began to degenerate. Men of smaller mind than Chuangtzu could not live in the rarefied atmosphere in which he delighted. They came down to lower levels. Forgetting the lofty ethics of Laotzu, some of them fastened upon what he had written about caring for the animal soul and regulating the ch'i (氣), or vital vapor, and sought by a regimen of mental and physical calisthenics to rejuvenate themselves. By holding the breath (which is called ch'i), by preserving the bodily secretions, and by suppression of desire, by retirement from the world, avoidance of all violent emotions and the cultivation of passivity, they thought to attain to immortality.

Others gave to the *Tao* and its operations a physical instead of a metaphysical interpretation. They found in it the final substance out of which all things are made. Chuangtzu's idealism, which reconciled all contradictions in a higher unity, which identified all diversities in the all-pervading one, was transformed into the grossest sort of materialism, in accordance with which all substances were considered as modifications of the one original matter. They reasoned that as a base of all the various metals there must exist a common substance, from which any or all of them can by manipulation be produced. Thus, one might take a quantity of lead and, by divesting it of certain qualities, reach the primal substance, which, by the addition of other qualities could be converted into gold. So alchemy was born.

Taoism as a Religion.—As early as the middle of the second century A.D. Taoism had ceased to be a philosophy only, and had become a religion as

well. In A. D. 166 a temple was erected to Laotzu. The Old Philosopher became a god. Chang Liang (張良), who retired from office when the founder of the Han Dynasty died (B. C. 194), was declared to have been one of the patriarchs of the Taoist sect, and his descendant in the eighth generation A. D. 34), Chang Tao-ling, who was declared to have lived to be 123 years of age, was proclaimed as the first Taoist pope. From that day to this the descendants of this Chang Tao-ling have held the headship of the sect. In A. D. 423 the emperor conferred upon the pope of that day the title of Tien Shih (天師) or Heavenly Preceptor, a title still used by his successors. In A. D. 748 the papal authority was limited to members of the family of Chang Tao-ling, and in 1016 the pope was granted a large domain in the province of Kiangsi. The White Deer Grotto, on the Dragon-Tiger Mountain, is still the papal seat. This, in fact, was the home of Chang Tao-ling, and it was here, according to tradition, that he discovered the elixir of immortality. After reaching the age of 123 years, it is said, he ascended to Heaven, bequeathing the secret to his son.

At present, the only individuals who can in the strict sense be termed Taoists are the professionals, or *tao shih* (道士). Some of them are anchorites who through meditation and ascetic practices seek immortality. Others are celibates living in monastic communities. However, the majority of *tao shih* marry and do not live in communities but in their own homes and support their families on fees received for saying services for the dead.

* * *

BUDDHISM

C. KUAN (關炯)

The saying of the lord Buddha that all things in the world are always changing may be applied to the modern Buddhist religion in China. At the present time, two aspects of modern movements in Chinese Buddhism may be noted; one aspect is the change in administrative conditions, and the other is the change that is taking place in the current of thought among Buddhists of today. As to Buddhist administration, the constitution of the China Buddhist Association (中國佛教會) was amended in 1936; from this it is possible to see how the association is working to unify administrative practice and, at the same time, how the Central authorities are also giving attention to Buddhist affairs. This is an important change in the course of the revival movement in Chinese Buddhism.

As for the current of thought, it may be noted that the contemporary Buddhist scholars are moving in three directions—to Tibet, to Ceylon and to Japan. The high philosophy of the Tibetan School and its systematic courses of training, the strict discipline of the Ceylonese or Southern School, and the activity of Japanese Buddhists of today—each of them is considered by Chinese scholars to be useful, if not essential, to Chinese Buddhism. In recent years many Buddhist students have gone to such places with the object of bringing back further teachings for the benefit of China. No doubt China will gain many things from these sources, but it does not follow that China will adopt any one of these particular systems, for nearly 1,800 years ago China had well established her own Buddhist culture, and today, she is the greatest center of Buddhism.

A. The China Buddhist Association.—The eighth annual meeting of the National Conference of Chinese Buddhist Representatives, which was held

from November 15 to 18, 1936, made important amendments to the constitution of the China Buddhist Association, which is now translated as follows:

THE CONSTITUTION OF THE CHINA BUDDHIST ASSOCIATION

Section 1. General Rules

(1) The China Buddhist Association will be organized by the Buddhists of the whole country of the Republic of China.

(2) The object of the association will be to link up and bring together the Buddhists of the whole country, to emphasize the salvation spirit of the Mahayana teaching, to redact the Buddhist disciplinary rules, to propagate Buddhism and to work for the benefit of human society and for all beings.

(3) The main association building will be in Nanking; and if necessary, an office may be established in Shanghai.

(4) The association shall establish branch associations in the respective provinces, municipalities, (including special municipalities and common municipalities) and districts. The provincial branch association shall be known as "The —— Provincial Branch Association of the China Buddhist Association"; the municipality branch association shall be called "The —— Municipality Branch Association of the China Buddhist Association"; the district branch association shall be called "The —— District Branch Association of the China Buddhist Association." The association, when necessary, may establish branch associations in the areas of the several famous Buddhistic mountains in the country, which shall be called The —— Mountain Branch Association of the China Buddhist Association, and of which the organization is to be equal to a provincial branch association. (The rules for organization of the said branch associations shall be specified elsewhere).

A district or municipality branch association, when any new problem arises or if there is an emergency, is permitted to communicate directly with the central association, and at the same time should notify the provincial branch association to which it belongs.

(5) The association will be under the direction of the people's training department of the executive committee of the Central Kuomintang, and under control of the Ministry of the Interior. The provincial, the special municipality and the mountain branch associations, shall be under the direction and control of the central association and the local governments and local Kuomintang headquarters; the district, and the municipality branch associations will be under the direction and control of the provincial branch associations and the local governments and Kuomintang headquarters.

Section 2. The Work of the Association

(6) The work of the association is as follows: (*a*) Compilation and application of Buddhist disciplinary rules, (*b*) propagation of Buddhism, (*c*) research work of The Three Peoples' Principles, (*d*) establishment of Buddhist educational institutions, (*e*) encouragement of productive labor (so far this does not conflict with the principles of Buddhism and its teaching), (*f*) arrangements for the protection of the properties of Buddhist temples, (*g*) direction to Buddhist temples in protecting Buddhist art and literature and other relics and famous sacred places, (*h*) charity and public welfare work, (*i*) to assist the government in enlisting and making statistics of the population of the Buddhist temples, also in listing the properties, especially Buddhist objects of art and literary works, (*j*) any other matters connected with Buddhism, either to be promoted or discarded if found undesirable. If any rules should be required in undertaking any of the above works, they should be made, enacted and submitted to the government and the Kuomintang party for record.

(7) The condition of the activities of the association and branch associations should be collectively reported to the Government and the Kuomintang headquarters, and to the higher association.

(8) The entrance and ordination of Sangha (Bhikkus and Bhikkunis) shall be performed according to the Regulations for the Entrance and Ordination of Sangha, which will be specified elsewhere.

Section 3. Members

(9) Members of the association are of two classes; viz:—(*a*) Sangha members (Bhikku or Bhikkuni) (*b*) faithful members (laymen or Laywomen) who are faithful Buddhists.

(10) All Bhikkus and Bhikkunis shall be enlisted as members of the Association; laymen and laywomen may freely join the association, according to the rules for enlisting members (which shall be specified elsewhere). A Bhikku or a Bhikkuni, under special circumstances, may be permitted to refrain from enlisting as a member of the association. Such special permission can be obtained only after investigation by the local branch association, and subject to the approval of the central association, and the approval shall be reported to the Ministry of the Interior for record.

(11) Those who come under the following classifications should not be enlisted as members of the association—(*a*) if he or she does not belong to Chinese nationality, (*b*) if the person, with obvious speeches and actions, infringes the principles of Buddhism or takes part in activities which would attempt to destroy the Buddhist religion, (*c*) if the person, with obvious speeches and actions, infringes The Three Peoples' Principles, (*d*) if the person is under sentence of criminal penalty, or has not recovered his or her dispossessed civil rights, (*e*) if he or she is found to have any kind of abnormality, (*f*) if the person is of bad habit which can not be cured and brings obstruction to the Buddhist disciplines or civil laws, and (*g*) if the person is under legal age. Any one who has been enlisted as a member of the association, when found under any of the above classes,

shall be dismissed, and if found to have infringed Buddhist discipline or civil laws, shall be punished according to the Buddhist rules or shall be sent to the local government for trial.

(12) The duties of members are as follows: (*a*) to obey and to follow the Buddhist discipline and all regulations and rules, that are enacted by the association. (*b*) to study Buddha's doctrines earnestly and to teach other followers, and to help in spreading Buddhism, (*c*) to serve earnestly for the cause of education, charity, and public welfare work undertaken by the association, and (*d*) to pay membership fee regularly and to subscribe to general activities, according to the regulations of the association.

(13) The rights of members are as follows: (*a*) all members shall have the right to elect and to be elected, (*b*) the Sangha member, who has been ordinated as Bhikku or Bhikkuni for not less than five years, shall be eligible to be elected as the chief of any of the Buddhist temples.

(14) The membership certificates and badges for the members will be supplied and forwarded by the central association.

Section 4. The Organization and the Scale of Duties

(15) The highest organ of the association will be known as "The National Conference of Chinese Buddhist Member Representative"; when the conference is not in session, the executive committee will be the highest organ. (Rules governing the election of the said representatives will be specified elsewhere.)

(16) Rules and Regulations which shall be enacted by the conference and results of the election of the executive, and the supervisory committee shall be reported to the Central Government and to the Kuomintang respectively for record. This report shall be submitted within half a month after the close of the conference, and also shall be published in the association's monthly report.

(17) An executive committee of 49 members and 24 probationary members will be elected by the conference. A chairman and a vice chairman and a standing committee of 11 members shall be chosen from members of the executive committee.

(18) The executive committee will be responsible to the Conference for putting into effect the resolutions passed by the conference, and for conducting all affairs of the association, and for directing all branch Associations, aiding them in their activities and undertakings.

(19) The executive committee, if necessary, may establish separate departments for office administration (rules for office will be specified elsewhere).

(20) The standing committee shall be responsible to the executive committee for putting into effect the resolutions passed and the rules handed over by the committee, and for attending to the daily affairs of the association. The chairman and the vice-chairman (they should be Sangha members) represent the association, internally and also externally.

(21) A supervisory committee including 23 members and 11 probationary members should be elected by the Conference. A chairman should be elected from the committee which will take the responsibility of supervising the executive committee in the discharge of their work.

(22) The number of lay-members of the executive and supervisory committees shall not exceed half of the total number; the number of laymembers of the standing committee must not exceed one-third of the total number.

(23) The tenure of office for members of the executive and supervisory committee shall be for two years only; they shall be eligible for reelection.

(24) Should a vacancy occur in the Sangha membership of the executive or the supervisory committee, it shall be filled in regular order (according to seniority) by a Sangha probationary member; and if a vacancy occurs in the lay-member-ship, a layman probationary member shall be elected in regular order, also according to seniority.

(25) Special committees may be established by the decision of the executive committee, if necessary. Rules for the organization of the committees shall be specified elsewhere.

(26) For transacting the business of the association, a competent staff shall be appointed or employed according to decision of the standing committee.

Section 5. Meetings

(Articles 27-34, concerning the seasons and the regulations of meetings are here omitted).

Section 6. Finance

(35) The funds of the association for office expenses, and expenses of general activities, shall be collected from the following sources: (*a*) *Membership fee.* All Sangha member shall pay one dollar yearly as their membership fee but if any member is unable to pay, he may be exempted after investigation by the local branch association and subject to the approval of the central Association. All faithful members shall pay five dollars yearly as their membership fee. Six-tenths of the total income from the said membership fees shall be taken by the local (district or municipality) branch associations for their office expenses; two-tenths shall be sent to the provincial branch association; and two-tenths of the total income from the membership fees collected by the special municipality branch association or by the mountain branch association shall be sent to the central association; (*b*) *Subscriptions for general activities.* Rules shall be framed (according to article 10, The Regulations for Controlling Temples) for the collection of subscriptions from temples, which shall be undertaken by a special committee organized by local branch associations. The income from such subscription shall be distributed as above, and shall be used only for purposes of charity, public welfare and Buddhist education, and shall not be expended for any other purpose. (*c*) *Special subscription.* The association, when it is necessary and if proposed by the executive committee and approved by the government, may collect special subscriptions.

(36) The supervisory committee shall have authority to examine at any time all accounts of the association which after examination shall be reported to the conference meeting by a temporary committee composed of from three to five members of the conference, who are not members of the executive and the supervisory committees.

Section 7. Supplement

(37) The amendment of this constitution may be made upon resolution passed by the conference, and after approval is granted by the Central Kuomintang and by the Central Government.

(38) This constitution will come into effect after the approval of the Central Kuomintang and the Government.

The number of branches of The China Buddhist Association in different provinces now totals more than 500.

B. Movement of National Protection and Peace Mission.—This particular movement is a new aspect of modern Chinese Buddhism. In January, 1937, a Chinese Buddhist Association for the National Protection and Peace Mission (中國佛教徒護國和平會) was established in Shanghai, supported by many Buddhists. The principle of the association, as its name already indicates us, is to work, from the standpoint of Buddhists, for the protection of Chinese culture and for the maintenance of internal and international peace. Rev. Ta-pei (大悲) and Rev. Chang-Shin (常惺) are respectively chairman and vice-chairman, and Mr. Chao Pu-tsu (趙樸初), the original promoter, is the general secretary.

At the same time another Sangha known as the National Protection Movement is active in Shasi (沙市). Special magazines have been issued and distributed by this organization.

In March, 1937, Rev. Tai-Rsu (太虛) and several foreign Buddhists of Shanghai proposed the organization of an International Buddhist Peace Society, and a preparatory organ was established at Shanghai.

C. Tibetan Buddhism.—In December, 1936, the Commission on Mogolian and Tibetan Affairs of the Executive Yuan decided to grant a scholarship to those inland Bhikkus studying Buddhism in Tibet, and also to those Tibetan Bhikkus studying in inland places. Each year, before the end of June, two inland Bhikku-students are to be dispatched by the committee, through examination and after selection by the China Buddhist Association, and two Tibetan Bhikku-students will be selected and dispatched by the local government of Tibet to inland points for the study of Chinese Buddhism. The term of the scholarship is for five years only. Rev. Man-du (滿度) and Rev. Lung-kuo (隆果) were the first two students sent to Lhasa in 1937.

The famous Tibetan scholar, Venerable Lama Hsijao-Chiachuo (喜饒嘉錯), was invited by the Government in the spring of 1937 to deliver a series of lectures at five national universities. This was the first time a Tibetan Instructor have been provided for Chinese university students.

In addition to the Tibetan texts mentioned in the Chinese Year Book for 1936–37, several other valuable books have been translated from Tibetan into Chinese by Archaryas Nun-Hai (能海) and Fa-Tsun (法尊) and by General Tang Hsiang-ming (湯薌銘).

D. Activities with Japanese Buddhists.—The Sino-Japanese Buddhist Association (中日佛教會) and the Sino-Japanese Mantra Teaching Association (中日密教會) are two newly established institutions formed by the Buddhists of these two countries. Two Buddhist monks were sent to Japan for study in 1936; two were sent also in the spring of 1937.

E. Activities with India, Ceylon, Siam and Philipine.—Besides sending two groups of Buddhist students to Siam and Ceylon for the purpose of studying southern Buddhism, (see Chinese Year Book for 1936–37) Chinese Buddhists have also given a Dharmadana to those countries by sending four complete sets of Tripitaka (a photographic reproduction of the Chisha Edition, Sung dynasty), one to the Siamese Government, one to the Sino-Indian culture Association, India, and one to the Buddhists of Ceylon through the Ceylonese Bhikku Narada, in 1936. Another set was sent to the Calcutta University, it having been donated by the Publication Society

(影印宋版藏經會) through General Chu Chin-lan (朱慶瀾). In addition Mr. Tai Chi-tao (戴季陶), President of the Examination Yuan, granted a large number of Chinese Buddhist books to the International University founded by Dr. Rabindranth Tagore and known as "Visha Bharati" (Bengal, India).

In 1936 a piece of land was bought by Chinese Buddhists near the site of the great University of Nalanda (near Patna, India) where the great master Hsuan-Chuang (玄奘) spent a number of years, and Buddhists of China are now preparing to build a Buddhist temple.

A society for studying Chinese Buddhism was started six years ago, in Manila by the Chinese residing in the Philippine Islands. Many books on Buddhism were brought from the Hung-hua Society (弘化社) of Soochow and widely distributed. A Buddhist Temple which is to be named the "Ta-chen Shing-Yuan Temple" (大乘信願寺) will be built there. Mr. Tai Chi-tao, while on his way back from Europe in October, 1936, was requested by the above society to lay the cornerstone of the temple.

F. The Protection of Buddhist Temples and Ancient Buddhist Arts and Literature.—In January, 1937, The China Buddhist Association issued a circular note to all its branch associations urging that any temples under the control of Buddhist monks and nuns having improper names or having statues which were not Buddhistic should be changed according to Buddhist teachings. The Association will not grant any help to the temples if they are defaced or occupied by others than Buddhists. This particular rule has been made so as to correct and to prevent improper beliefs and practices.

In accordance with the request of the Bodhi Society in March, 1936, the National Military Council sent a circular order to all army commanders of the country enjoining protection of Buddhist temples and sites, and that destruction of Buddhist works of art and/or literature should be strictly forbidden.

The Pai-Ma Temple (白馬寺) of Loyang, the first Buddhist temple in China, which was in ruins for many years, is now enjoying a renascence (see *Chinese Year Book* for 1935–36). Reconstruction of the main building was completed before the end of 1936, and this temple is now one of the great centers of the Zen School. In February, 1937, The China Buddhist Association appointed Rev. Bhikku Teh-hao (德浩) as the abbot of this ancient temple, he having been in charge of its affairs for the past five years.

The famous Buddha statues in Lungmen, Honan, have been greatly damaged in recent years and many have been stolen. The National Commission for Preservation of Ancient Relics and Monuments has made a thorough investigation and report to the Government. General Chiang Kai-shek, President of the Executive Yuan, has decided to restore this ruined cave. The restoration work will be carried on by the Honan Provincial Government.

In December, 1936, a great number of ancient Buddhist architectural remains, other objects of arts and various relics were found by the China Architectural Society. These are being repaired and will be protected by the Commission for Preservation of Ancient Relics and Monuments.

The building for the Dharma Library of the Pure Karma Buddhist Association, Shanghai, was completed in the winter of 1936. The greater part of this library building will be used as a Buddhist museum, which will possess ancient Buddhist arts of various kind and rare literary works. Mr. Yeh Kung-Chuo (葉恭綽), the promoter and the principal donor of the building, was elected as the first president of the library committee.

G. Publications.—(*a*) *Translations:*—Most of the translation work that has been done during the past year has been largely from the Tibetan texts. The most important of these texts was the "Hsien Kuan Chuang Yen Lun" (現觀莊嚴論) (The Sastra of the Glories of Immediate Insight) which was written by master Tsong Kha-Pa and translated by archarya Nun-Hai.

(*b*) *Magazines:*—Many Buddhist

magazines were started in 1936, such as the *Wei-miao-sun* (微妙聲) a monthly published by the Bodhi Society, the *Giao-chin Monthly* (覺津) published by the *Giao-chin Temple*, the Buddhist Monthly (佛教月報), published in Tientsin, the Hsien-shih (現實旬刊) published every ten days, and the *Jen-chien-giao* (人間覺) monthly, published in Amoy, the *Buddhist Monthly* published in Szechwan and so forth. Among these, the *Wei-miao-sun* monthly is a most scholarly magazine, the editor of which is Mr. Kao Kuan-ju (高觀如).

(c) *Printing of Buddhist Tripitaka:* —Following the reprinting of the Tripitaka of Chi Sha edition, Sung dynasty, and that of the Imperial edition of Chin dynasty, which were undertaken in 1935 and 1936 respectively, the Peiping Sutra Circulation Society is undertaking to collect all of the Buddhist books carved and printed by the Sutra printing works in Nanking, Yangchow, Hangchow, Soochow, Tientsin, Peiping and Changchow, so as to make a handy edition Tripitaka, as the Sutras carved by those printing works come near to the standard of the Tripitaka of the Imperial edition. This work the Peiping Sutra Printing Works has undertaken to complete before the end of 1938. The books are of uniform size, because the blocks, although carved in different places, follow the same plan as that promoted by the late Mr. Yang Jen-Shan (楊仁山) 60 years ago. The price of the Tripitaka of this handy edition will be $800 for the whole set.

H. Charity Work.—The service for calamitous areas (災區救護團) was organized by the China Buddhist Association in 1936 and branch headquarters were founded in Shanghai, Pooto, Wusih, and Hankow. Hundreds of Buddhist monks have joined this service and are receiving training.

In May 1937, Rev. Bhikku Hungshan (弘傘), member of the executive committee of the China Buddhist Association, who has been devoting himself in famine and flood relief work for the last ten years, was appointed by the Executive Yuan, as the special delegate for the control of famine relief affairs in Szechwan.

* * *

MOHAMMEDANISM

Origin.—Mohammedanism, like all the other great religions, had its inception in Asia. It was founded by Mohammed in Arabia and gradually spread abroad until to-day it is a worldwide religion and is the prevailing religion in southwestern Asia and northern Africa. Its following is conservatively estimated at 250,000,000 and out of this number some 48,000,000 are Chinese. The real name of this religion is Islam, the name assigned to it by its founder. In China it is commonly known as the religion of the "Huis." This nomenclature is derived from the fact that it is the religion of nearly 90% of the Hui Ho people (a tribe of Ouigours), who have maintained contact with the Chinese people ever since the Tang dynasty.

Advent into China.—Mohammedanism made its advent in China in 651 A. D. when the governments of the Islam nations began to pay their tributes to Emperor Kao Tsung of the Tang dynasty following the visit of Wahb-Abi-Kabha, an uncle of Mohammed. From thenceforth the religion gradually gained a following in China simultaneously with the growth of commerce. With the passing of the years more and more Mohammedans immigrated to China. By the year 690 several tens of thousands of Mussulmans were residing in China. The advent of Islam into China was made via the water route from the Arabian Sea across the Indian Ocean and through the Strait of Malacca to the coastal provinces of Kwangtung, Fukien and Chekiang. The magnificent mosques in these three provinces are the best evidence of the greatness of Islam in these early days. The Huai

Sheng Mosque in Canton was the first Mohammedan house of worship built in China. Later on the Moslems came to China by the overland route through Persia and Afghanistan into Sinkiang and from there gradually made their way eastward and settled in the northwestern provinces of China, particularly in Shensi and Kansu. In 755 A. D. the Caliph Abu Grafar sent an expedition of 4,000 Arabian soldiers to China at the request of the Chinese Government to assist in the quelling of a rebellion and they rendered meritorious service in that connection. Most of these soldiers remained in China, and some of the Mohammedans of to-day are their direct descendants.

Commercial Activities.—The Arabians are great traders and navigators and are encouraged by their government to engage in these commercial and marine pursuits. During their heyday they practically controlled the carrying trade and commerce between Europe, Asia and Africa and went as far south as the South Sea Islands of Sumatra and Borneo. Their activities were confined to commerce and the propagation of the tenets of Mohammed and they were free from any political or territorial ambitions. From the South Seas these mariners and traders came to China, where they were well received. Many of these Arabians became port officials and collectors of customs at different ports of China and were instrumental in the promotion of trade between China and the foreign states. The majority of the residents in Amoy and Chuanchow having the surname or Pu are said to be the direct descendants of these Moslem officials.

Islam Under the Manchu Rule.—Although the number of Mohammedans did not diminish under the Manchu rule, their activities were greatly curtailed with the succession of the Manchus to the Chinese throne. The oppressive policies of the new rulers were not conducive to the development of Islamism. It was only during the last years of the liberal Emperor Kuang Hsu that a Mohammedan delegate, Wang Houyang, made a trip to Turkey and obtained an audience with the Sultan who, as the Caliph, was the supreme head of the Islam church. As a result of this visit several high ranking Moslems were sent to China to preach the principles of Mohammed, to improve the education system among the Mohammedans and to establish primary schools for the Mussulman children.

Islam Under the Republic.—After the establishment of the republic, the Chinese Mohammedan Mutual Progress Association was formed for the purpose of uniting all the Mohammedans in the different localities to promote the interests both of the nation and of the religion. Branches of the association were formed in every Chinese community wherein the association was able to establish a primary school for Mohammedan children. It also devoted its best efforts towards the establishment of normal schools and the publication of magazines and the general improvement of the condition of Mohammedans.

In more recent years the Chinese Mohammedan Educational Association was formed. Among the activities of the new institution have been the translation of the Koran into Chinese, the establishment of Mohammedan normal schools, the dispatch of students to Cairo for advance study, the sending of a petition to the ruler of Egypt to send learned Mussulmans to China to teach Arabic language and other branches of learning, the importation of Koran and other Mohammedan literature from India, Egypt, Mecca, and Turkey to China and the conduct of meetings, which are open to the general public, at regular intervals and at regular places to preach the precepts of Islamism. A renaissance of Mohammedanism in China may be truly said to have been instituted.

Prominent Mohammedans.—As the customs of the Mohammedans differ widely from those of the Chinese, there is a tendency on the part of the followers of Islam to keep to themselves, and they have formed a foreign element not readily assimilable into the otherwise homogeneous mass of the Chinese people. However from time immemorial they have always enjoyed

the same privileges as their countrymen and there has never been any discrimination against them. Indeed many of them have risen to high positions in Chinese officialdom both before and after the formation of the republic.

Translation of the Koran into Chinese.—In the early days of Mohammedanism in China, no attempt was made to translate the Koran into the Chinese language and the teaching of the tenets of the Islam was undertaken by those who were thoroughly conversant with the Arabic language. It was in the reign of the Emperor Tung Chih that a translation of this holy book into Chinese was made by Mr. Ma Kung-fu. This translation comprised 20 volumes but unfortunately 15 of these were lost and only five were left to posterity. These five precious volumes were not published until 1927, when their owner, Mr. Chao Chen-hou, brought them to Shanghai on his pilgrimage to Mecca and showed them to the Mohammedan Educational Association and was persuaded by the association to have them published. During recent years several efforts have been made to publish the Koran in the Chinese language.

DISTRIBUTION OF MOHAMMEDANS AND MOSQUES IN CHINA

	No. of Persons	*No. of Mosques*
Sinkiang	2,350,950	2,045
Kansu	3,518,920	3,891
Ninghsia	753,400	655
Chinghai	1,186,590	1,031
Three Eastern Provinces	7,533,680	6,570
Jehol	278,950	241
Suiyuan	384,620	253
Chahar	195,050	175
Hopei	3,379,410	2,942
Honan	3,094,800	2,703
Shensi	4,129,090	3,612
Shansi	1,589,570	1,931
Shantung	2,890,430	2,513
Yunnan	4,568,290	3,971
Kweichow	519,160	449
Szechwan	2,615,330	2,275
Kwangsi	280,180	429
Kwangtung	558,450	201
Hunan	1,302,900	932
Hupeh	1,587,080	1,134
Kiangsi	286,590	205
Chekiang	357,300	239
Anhwei	2,288,580	1,515
Kiangsu	1,963,170	1,302
Fukien	471,750	157
TOTAL	48,104,240	42,371

A LIST OF FAMOUS MOSQUES

Name	*Location*
Huaishen Sze (懷聖寺)	Canton
Imperial Bestowed Chingcheng Sze (勅賜清眞寺)	Sian
Chilin Sze (麒麟寺)	Chuanchow, Fukien
Chinchiao Sze (淨覺寺)	Nanking
Lipai Sze (禮拜寺)	Nanking
Fenghuang Sze (鳳凰寺)	Hangchow
Hsienhê Sze (仙鶴寺)	Yangchow
Imperial Bestowed Lipai Sze (勅賜禮拜寺)	Peiping
Imperial Bestowed Chingcheng Sze (勅賜清眞寺)	Peiping
Imperial Bestowed Pushou Sze (勅賜普壽寺)	Peiping
Imperial Bestowed Faming Sze (勅賜法明寺)	Peiping
Yungshou Sze (永壽寺)	Peiping
Chingcheng Sze (清眞寺)	Peiping
Talipai Sze (大禮拜寺)	Tientsin
Laolipai Sze (老禮拜寺)	Lingching, Shantung
Talipai Sze (大拜禮寺)	Taiyuan
Hsita Sze (西大寺)	Lanchow
Tungta Sze (東大寺)	Tsining

A LIST OF MOHAMMEDAN ORGANIZATIONS

Name	*Location*
Chinese Mohammedan Mutual Progress Association (中國回教俱進會本部)	Peiping
Chinese Mohammedan Mutual Progress Association, Affiliated Associations of (中國回教俱進會支部)	Various provinces and hsien
United Chinese Mohammedan Association (回教公會)	Nanking and other cities
Mohammedan Association (回民公會)	Peiping
Chinese Mohammedan Educational Association (中國回教學會)	Shanghai
Chinese Mohammendan Student Association (中國回教青年學會)	Nanking
United Mohammedan Association (回教聯合會)	Tientsin
Hongkong Philanthrophy Society (香港博愛社)	Hongkong
Tsanghsien Mohammedan Youth Association (滄縣回教青年會)	Tsanghsien, Hopei
Chinese Mohammedan Educational Promotion Committee (回民教育促進委員會)	Nanking
Kansu Mohammedan Educational Promotion Association (甘肅全省回教教育促進會)	Lanchow
Chinghai Mohammedan Educational Promotion Association (青海回教教育促進會)	Sining
Mohammedan Youth Association (回族青年會)	Peiping
Islam Evangelic Society (伊斯蘭佈道會)	Taiyuan
Islam Correspondence Society (伊斯蘭通信社)	Taiyuan

A LIST OF MOHAMMEDAN SCHOOLS

Name	*Location*	*Date of Establishment*
Chengta Normal School (成達師範學校)	Peiping	1925
Tsung Shih Middle School (崇實中學)	Chincheng, Shansi	1926
Islam Normal School (伊斯蘭回文師範學校)	Shanghai	1928
Northwest Middle School (Including Primary School) (西北公學中小學)	Peiping	1928
Ming Teh Middle School (明德中學)	Kunming	1929
Chieh Chin Middle School (備進中學)	Paoching, Hunan	1931
Mo Hsing Middle School (穆興中學)	Hangchow	1931
Crescent Girls' Middle School (新月女子中學) ..	Peiping	1935
Mo Yuan Vocational Middle School (穆源職業中學)	Chinkiang	—
Middle School attached to the Chinghai Mohammedan Educational Promotion Association (青海回教教育促進會第一附中)	Sining	—

A LIST OF MOHAMMEDAN PUBLICATIONS

Name	*Location*	*Date of first Publication*
Chen Tsung Pao (震宗報)	Peiping	1927
Yi Kuang Pao (伊光報)	Tientsin	1927
Tien Fang Monthly (天方學理月刊)	Canton	1929
Mo Kuang Bi-Weekly (穆光半月刊)	Peiping	1929
Yueh Hua (月華)	Peiping	1929
Shensi Mohammedan Association Monthly (陝西回教公會月刊)	Sian	1930
Islam Student Magazine (伊斯蘭學生雜誌)	Shanghai	1931
Tu Chu Monthly (突崛)	Nanking	1934
Chengta Normal School Publication (成師校刊) ..	Peiping	1934
Jen Tao (人道)	Shanghai	1934
Wen Hua Weekly (文化週刊)	Nanking	1934
Hua Tsu Weekly (華族週刊)	Hankow	1935
Chen Hsi (晨熙)	Nanking	1935
Kunlun Monthly (崑崙)	Chinghai	1935
Islam Youth (回教青年)	Chinghai	1936
Islam Youth Monthly (回教青年月報)	Nanking	1936
Ta Kuang Monthly (塔光)	Canton	1936
Northwest Weekly (西北周報)	Peiping	1936
Hui Pao (回報)	Chinkiang	1936
Ku Lan Jih Pao (古蘭日報)	Nanking	1937
Chingcheng Chiao Publication (清真教刊)	Hongkong	1937
Chinese Mohammedan Student Association Monthly (中國回教青年學會會報)	Nanking	1937

CATHOLICISM

JOSEPH ZI TSUNG-CHE, S. J. (徐宗澤)

Just when the Catholic religion was first introduced into the Chinese Empire is still a matter of conjecture. Immemorial tradition has it that St. Thomas, the apostle, after establishing the gospel of Christ in India, pushed farther on to the shores of Sinim, but there exist no written documents to support this ancient tradition. During the fifth year of the reign of T'ien Chi (明天啓), 1625, there was discovered at Sianfu (西安府), in the province of Shensi, a stone slab (大秦景教碑), on which was chiselled the following notation:

> "During the T'ang dynasty, in the ninth year of the reign of Cheng Kuan, a man named Alopen (阿羅本) came with some of his friends to preach the religion (景教)."

Under the T'ang, therefore, the Catholic religion was propagated in China, according to the testimony of this ancient stele. The evangelists of that day, however, did not bring with them the Catholic doctrine in its pristine purity. They belonged to the Nestorian sect, which persisted in denying that Mary was the Mother of God and in calling her "Christokos," but not "Theotokos."[1]

Later on, during the Yuan dynasty, Franciscan missionaries were sent out from Rome to the far distant Middle Kingdom, and, with an archiepiscopal see at Peking, succeeded in establishing Christian communities in various parts of the vast empire. Disaster overtook this splendid enterprise and blotted out almost all trace of the fruitful Christianizing efforts of these intrepid evangelists. It remained for the Jesuits to effect a permanent footing for the Catholic faith in China. By their masterly attainments and their apostolic daring, they won prestige and patronage at the Imperial Court for the ancient faith, during the declining years of the Ming and the first decades of the Manchu conquerors, and laid the foundations for its present flourishing condition. From that time on, the history of the Catholic religion in China has been one of constant progress and expansion—often slow, to be sure, in view of the many unfriendly forces marshalled against it, but ever marching steadily on in its mission of bringing the gospel of Christ to the Chinese millions.

Nomination of an Apostolic Delegate.—The Roman Catholic church is hierarchical in character, that is, it contains various grades of jurisdictional authority. Supreme magisterial power is vested in the Pope, whom the church regards as the successor of St. Peter and the vicar of Jesus Christ; while assisting him in the spiritual government of the church and in the care of the faithful scattered throughout the world are the cardinals, archbishops, bishops and priests.

Naturally, since the first standard-bearers of Christ came from the West, the first bishops to govern the newly-founded Christian communities were drawn from among their number. In the Ch'ing dynasty, however, in the 24th year of the Emperor K'ang Hsi's (康熙) reign, a Chinese priest, Lo Wen-tsao (羅文藻), a native of Fooanhsien (福安縣), Fukien Province, received episcopal consecration—the first Chinese to be elevated to the episcopacy. It must be noted, however, that from the beginning the European missionaries worked zealously towards the formation of an indigenous clergy, and their efforts in this line were always heartily seconded by Rome.

With the steady increase in the number and attainments of native priests, the sovereign pontiffs cherished the idea of appointing Chinese bishops to assume governing positions in the

[1] On the Sianfu stele, cf. the testimony of Seniedo, Diaz, etc.; D'Elia; "Les Missions en Chine" T'ousèwei, 1934, pp. 5 seq.; Tisserand, in the "Dictionnaire de Théologie Catholique" (Vacant), under the subject "Nestoriens."

mission church; and Pope Benedict XV, in a masterly encyclical, "Maximum Illud," issued on November 30, 1919, insisted in no uncertain terms on the furtherance of this typically Catholic means of Christian evangelization. Death overtook the great pontiff (January 22, 1922) before the realization of his desire could be effected. On his accession to the papal throne, the new Pope, Pius XI, immediately took steps to carry out his predecessor's wish; and on August 9, 1922, His Grace, Celse Costantini (剛恆毅), Archbishop of Theodosia, was named the first apostolic delegate to China. He arrived in Hongkong on November 8 of the same year.

The Council of China.—In the early months of 1924, His Holiness, Pope Pius XI, intrusted to His Grace, the Apostolic Delegate, the important task of assembling together, in the city of Shanghai, all the prelates of the church then resident in China in order to legislate on matters pertaining to the prosperity and welfare of the mission. This general assembly was called the Plenary Council of China. Of the 115 church leaders taking part in the proceedings of this august body, 49 were bishops, the council, imposing in its spiritual authority and solemnity, demonstrated the universality of the Roman Catholic Faith, inasmuch as the members had originally come from different regions of the earth—from Asia and Europe and the Americas—and thus represented a large number of various nationalities. Representatives of the religious orders and congregations established in China also took part in the deliberations. Among them were Dominicans (多明我會), Franciscans (方濟各會), Jesuits (Society of Jesus 耶穌會), Augustinians (奧斯定會), members of La Société des Missions Etrangères de Paris (巴黎外方傳教會), of the Pontifical Institute of Milan (密良外方傳教會), Vincentians (味增爵會), fathers of the Immaculate Heart of Mary (Scheut 聖母聖心會), and representatives of the Society of the Divine Word (聖言會).

Pontifical Letters on Nationalism.—On February 28, 1926, Pope Pius XI issued an encyclical letter, "Rerum Ecclesiæ," similar to that of his predecessor, Pope Benedict XV and in the same year, June 15, dispatched to the bishops of China a second letter, "Ab Ipsis Pontificatus," in which he refuted the charge that missionaries of foreign nationalities were laboring in China in the interests of their respective countries, and urged all bishops and priests to collaborate towards the realization of the ideas set forth in his first letter. Two years later, in August 1, 1928, the sovereign pontiff sent a telegram to the Chinese people, in which he dealt a second time with the question of nationalism and which exercised a widespread influence for good on the mission field.

Consecration of the Chinese Bishops.—Acting on his plan to create a native governing body wherever possible, the Pope elevated six Chinese priests to the episcopacy in 1926, and, in order to lend importance to the occasion, summoned them to Rome to receive consecration at his own hands. These six newly-appointed bishops were: Rev. Philip Chao (趙懷義), of Peiping, secretary to the Apostolic Delegate, Archbishop Costantini, named vicar apostolic of Süanhwa (宣化), in Hopei; Rev. Louis Ch'en (陳國砥), native of Luan (灤安), in Shansi, named vicar apostolic of Fenyang (汾陽), in Shansi; Rev. Joseph Hu (胡若山), native of Tinghai (定海), Chekiang (浙江), named vicar apostolic of Taichow (台州); Rev. Simon Chu (朱開敏), native of Tsingpoo (青浦), Kiangsu, named vicar apostolic of Haimen (海門), in Kiangsu; Rev. Melchior Suen (孫德楨), of Peiping, named vicar apostolic of Lihsien (蠡縣), Hopei; Rev. Odoric Ch'eng (成和德), a native of Laohokow (老河口) in Hupeh, named vicar apostolic of Puchi (蒲圻), Hupeh.

Accompanied by the Apostolic Delegate, the newly-nominated bishops left Shanghai on September 10, 1926, and, amid all the splendor of Catholic ritual, were consecrated in the Church of St. Peter, Rome, on October 28 of the same year. This event was of far-reaching importance in the history of the Catholic penetration of China.

Rome witnessed a second consecration of Chinese bishops in 1933 when

the Holy Father personally conferred episcopal power on three nominees: Rev. Joseph Fan (樊恆安), vicar apostolic of Tsining (集甯), in Mongolia; Rev. Joseph Ts'ui (崔守恂), vicar apostolic of Yungnien (永年), Hopei; and Rev. Matthew Li (李容兆), vicar apostolic of Yachow (雅州), Szechwan. The number of native Chinese bishops is now 24. The following is a list of these vicars apostolic and the territory under their jurisdiction (vicariate):

Province	*Vicariate*	*Name of Bishop*	*Date of Consecration*
Mongolia ..	Chihfeng	Luke Chao	1932
	Tsining	Joseph Fan	1933
Hopei ..	Ankwo	Melchoir Suen	1926
	Chaohsien	John Chang	1932
	Paoting	Joseph Tseu	1931
	Suanhwa	Joseph Tchang	1933
	Yungnien	Joseph Ts'ui	1933
Shantung ..	Lintsing	Gaspar Hu	1931
	Yangku	Thomas Tien	1934
Shansi	Fenyang	Francis Lieu	1930
	Hungtung	Peter Ch'eng	1932
Shensi	Chowchih	Yean Chang	1932
	Fengsiang	Silvester Wang	1933
Kiangsu	Haimen	Simon Chu	1926
	Nanking	Paul Yu	1936
Honan ..	Chumatien	Peter Wang	1933
Szechwan ..	Shunking	Paul Wang	1930
	Wanhsien	Francis Wang	1930
	Yachow	Fabien Yu	1936
Hupeh	Puchi	Joseph Chang	1929
	Siangyang	Francis Y	1936
Chekiang	Taichow	Joseph Hu	1929
Kwangtung	Canton	Boniface Yang	1931
Yunnan	Chaotung	Daurien Tchen	1935

The results achieved by Catholic evangelization work among the Chinese during the last decade must be attributed in great measure to the indefatigable efforts of the sovereign pontiff's official representative, Archbishop Celse Costantini. His health did not hold up under the strain of his great mission, however, and he was forced to return to Europe. On December 4, 1933, a successor, in the person of Archbishop Mario Zanin (蔡甯), was appointed to take over the functions of the apostolic delegation in China.

A graphic indication of progress in the expansion of the kingdom of Christ in China can be gathered by comparing the statistics of ecclesiastical divisions and church personnel at the beginning of the last decade (1923) with those at the end (1934). The figures for 1923, carefully compiled by the Bureau of Sinologue Studies of Zikawei, are as follows:

Regions	*Ecclesiastical Divisions*	*Vicariates*	*Vicars and Prefects Apostolic*	*Priests*		*Christians*
				European	*Chinese*	
1st	Hopei, Honan, Manchuria, Mongolia	16	16	556	669	1,218,738
2nd	Sinkiang, Kansu, Shensi, Shansi, Shantung	16	16	492	251	440,154
3rd	Honan, Hupeh, Hunan, Kiangsi, Chekiang, Kiangsu, Anhwei	22	22	829	470	915,890
4th	Kweichow, Szechwan, Yunnan, Tibet	13	13	218	300	228,825
5th	Fukien, Kwangtung, Kwangsi, Amoy, Swatow, Hongkong	15	15	253	157	227,027

The figures furnished by the Zikawei Sinologue Bureau for the year 1934 show that the original five ecclesiastical regions have been increased to 20. Under the heading "seminarians" are enumerated not only candidates for the secular clergy, but also members of the various religious orders and congregations who are making their philosophical or theological studies in the houses of their respective institutes.

Regions	*Vicariates*	*Bishops*	*Priests*		*Seminarians*		*Sisters*		*Christians*
			European	*Chinese*	*European*	*Chinese*	*European*	*Chinese*	
1. Mongolia	5	5	147	90	—	25	53	115	134,052
2. Manchuria	5	5	250	95	33	—	213	247	190,792
3. Hopei	13	12	237	439	83	325	176	756	780,435
4. Shantung	10	5	217	102	40	41	286	246	250,528
5. Shansi	7	7	105	66	14	21	50	74	117,144
6. Shensi	8	3	88	73	10	71	29	189	74,667
7. Kansu	4	2	82	10	21	—	61	21	24,815
8. Kiangsu	4	40	125	119	132	42	295	400	261,446
9. Anhwei	3	2	124	7	70	14	37	126	110,460
10. Honan	8	6	158	47	18	3	71	191	133,459
11. Szechwan	8	9	119	229	7	3	86	214	174,642
12. Hupeh	7	5	184	73	24	15	183	259	152,210
13. Hunan	7	4	100	21	5	5	55	52	66,216
14. Kiangsi	5	4	90	85	7	—	35	91	105,264
15. Chekiang	4	3	50	118	3	5	57	181	96,835
16. Fukien	6	3	92	33	8	—	63	6	82,215
17. Kwangtung	9	10	220	713	67	40	389	359	132,117
18. Kwangsi	2	1	41	11	1	—	12	59	12,695
19. Kweichow	3	3	57	49	2	—	23	42	35,381
20. Yunnan	3	2	42	20	6	7	9	54	18,802
TOTAL	121	94	2,636	1,822	547	689	2,120	3,626	2,934,175

Practically all of the European and American missionaries laboring in the Chinese mission field belong to religious orders and congregations, while the majority of native priests belong to the secular clergy. To the Chinese secular clergy have been confided the following ecclesiastical districts:

1. Mongolia: Chihfeng, Tsining
3. Hopei: Chaohsien, Süanhwa, Yungnien, Paoting
4. Shantung: Lintsing, Yangku
5. Shansi: Fengyang, Hungtung
6. Shensi: Chowchih
8. Kiangsu: Haimen, Nanking
10. Honan: Chumatien
11. Szechwan: Shunking, Wanhsien Yachow
12. Hupeh: Puchi, Siangyang
17. Kwangtung: Macao
20. Yunnan: Chaotung

A list of the various religious institutes and the territories assigned to them is as follows:

Religious Institute	*Vicariates and Prefectures Apostolic*
Augustinians	13. Hunan: Changteh, Yochow, Lichow.
Augustinian Recollects	10. Honan: Kweiteh.
Dominicans	16. Fukien: Amoy, Foochow, Funing, Kienning, Tingchow.
Society of St. Francis Xavier of Parma	10. Honan: Chenchow, Loyang.

Capuchin Minors	2. Manchuria: Ilan.
	7. Kansu: Chinchow, Pingliang.
Conventual Minors	6. Shensi: Hingan.
Franciscans	4. Shantung: Changtien, Chefoo, Iduhsien, Tsinan, Weihaiwei.
	5. Shansi: Luan, Shohchow, Taiyuan, Yütze.
	6. Shensi: Fengsiang, Sanyüan, Sian, Tungchow, Yenan.
	12. Hupeh: Hankow, Hwangchow, Ichang, Laohokow, Wuchang.
	13. Hunan: Changsha, Hengchow, Yungchow.
Jesuits	3. Hopei: Sienhsien, Taming.
	8. Kiangsu: Shanghai, Süchow.
	9. Anhwei: Anking, Pengpu, Wuhu.
Lazarists	3. Hopei: Ankwo, Chengting, Peiping, Shuntch, Tientsin, Yungping.
	14. Kiangsi: Kanchow, Kian, Nanchang, Yukiang.
	15. Chekiang: Hangchow, Ningpo, Taichow.
Pontifical Institute of Milan	6. Shensi: Hanchung.
	10. Honan: Kaifeng, Nanyang, Weihwei
	17. Kwangtung: Hongkong.
	2. Manchuria: Tsitsihar.
Foreign Missions of Bethlehem	12. Hupeh: Hanyang.
Foreign Missions of St. Colomban	14. Kiangsi: Kienchang.
	2. Manchuria: Fushun.
Foreign Missions of Maryknoll (U. S. A.)	17. Kwangtung: Kaying, Kongmoon.
	18. Kwangsi: Wuchow.
	2. Manchuria: Kirin, Mukden.
Foreign Missions of Paris	11. Szechwan: Chengtu, Chungking, Ningyüan, Suichow, Tatsienlu.
	17. Kwangtung: Canton, Pakhoi, Swatow.
	18. Kwangsi: Nanning.
	19. Kweichow: Kweiyang, Lungan.
	20. Yunnan: Yunnanfu.
Foreign Missions of Quebec	2. Manchuria: Szepingkai.
Passionists	13. Hunan: Shenchow.
Fathers of the Sacred Heart of Jesus	20. Yunnan: Talifu.
Missionary Society of the Sacred Heart of Jesus	9. Kweichow: Shihtsien.
Society of the Sacred Hearts of Jesus and Mary (Picpus)	17. Kwangtung: Hainan.
Salesians of Don Bosco	17. Kwangtung: Shiuchow.
Salvatorians	16. Fukien: Shaowu.
Missions of China of Scarboro Bluffs (Canada)	15. Chekiang: Chuchow.
Scheut Congregation	1. Mongolia: Jehol, Ninghsia, Siwantze, Suiyuan, Urga.
	5. Shansi: Tatung.
Society of the Divine Word	4. Shantung: Tsingtao, Yenchow.
	7. Kansu: Lanchow, Sinkiang.
	10. Honan: Sinyang.
Fathers of Saint Stimates	3. Hopei: Yihsien.

Works of Mercy.—Of great importance in the eyes of the Roman Catholic church are works of corporal mercy. It is a fact which no well-informed person would think of questioning, that the untiring charity of the Catholic church in the alleviation of suffering constitutes one of the most splendid phenomena in the history of the human race.

That her activity in China has been faithful to these traditions is attested by the few statistics which follow:

There are in China today, under the auspices of the Roman Catholic church, 415 orphanages within whose hospitable walls 3,087 boys, 24,781 girls and 73,217 infants are cared for. Some 236 Catholic hospitals and homes for the poor take care of 90,452 invalids and 6,331 old people; while last year in the 1,002 dispensaries maintained for the poor, 9,864,527 persons received medical advice and treatment.

Educational Works.—Inestimable is the debt which Western civilization

owes the Roman Catholic church for the leading rôle it has played in the intellectual progress of humanity. The whole culture of the Western World is impregnated with Catholic traditions. It was the Catholic church that preserved to humanity all the treasures of the ancient learning of the early Western World. For 13 centuries all the educational works of Europe were carried on by it alone, and the greatest minds the Occident has produced, such as Augustine or Thomas Aquinas, have been her sons.

It is to be expected, then, that in China the Catholic church should be actively engaged in educational enterprises. Again the facts prove this to be so. Although handicapped by lack of finances, the church has made great sacrifices in order to contribute to the intellectual progress of China. Thus today its educational enterprise in China is crowned by three prominent institutions of higher studies: the Catholic University in Peiping with 796 university students and 219 preparatory students; the Institute of Technology with 139 university students and 414 preparatory students; and Aurora University with 386 university students and 275 preparatory students.

Below the universities is a system which includes 58 middle schools for boys, with a total enrollment of 11,335, and 45 middle schools for girls, with an enrollment of 7,267.

In the 2,985 Catholic primary schools for boys there is a total of 123,389 pupils, while 60,285 girls are receiving their primary education in the 1,298 girls' primary schools. To these figures must be added the 11,535 kindergartens and elementary schools maintained by the Catholic church for the impressive total of 229,539 children, indicating the interest of the church in the training of the child.

Publications and Journals.—A great variety of subjects, topics of the day, social questions and questions of a more purely intellectual appeal, are treated in such Catholic publications as *the Catholic Review, the Messenger of the Sacred Heart, the Digest of the Synodal Commission,* and *the Ave Maris Stella.*

Various Other Works.—It is impossible to describe all of the phases of activity which the Catholic church carries on in China and all of which is devoted to the spiritual, intellectual, and physical progress of the country. Every phase of life is touched. Thus, scattered here and there all over China are to be found various kinds of social work-homes. A number of schools of agriculture, a few maternity hospitals, and several leprosy hospitals, testify to the interest of the church in the material betterment of the people and in the care of the suffering and afflicted. Forty workshops and 16 printing shops provide employment for a small army of men, while contributing also to the vocational training of the young.

Among the church's notable contributions in the intellectual sphere especially worthy of note are the museum of Aurora University, known as the Musée Heude, the museum of the Institute of Technology, the library, and observatory of Zikawei, Shanghai.

The two museums contain an abundance of natural, scientific, artistic and literary treasures. The great contributions which the Zikawei Library and Observatory have made to the progress of science and culture in the Orient are so well-known that it is unnecessary to refer to them except in passing. Perhaps the importance of the library is less known to the general public than that of the observatory. A faint idea of the wealth of information and knowledge which it contains may be gathered from the fact that upon its shelves are to be found some 2,400 books which treat of geographical subjects alone. When one reflects that geography is but one of a hundred topics which form the subject matter of the books and manuscripts in the library, it is easy to imagine what intellectual richness lies within its walls.

Books of Reference: *Annuaire des Missions Catholiques de Chine, 1935,* Bureau Sinologique de Zikawei—*Les Missions Catholiques en Chine,* par P. D'Elia, s.j. Imprimerie de T'Ousewei, *Revue Catholique.*

THE CHRISTIAN MOVEMENT IN CHINA UNDER PROTESTANT AUSPICES

TIMOTHY TING-FANG LEW (劉廷芳)

The title of this chapter is deliberately chosen. The devolution of missions has been going on at an increasing though uneven speed in recent years, and a number of Chinese Protestant churches of national scope are emerging gradually. At the present stage it is therefore neither correct to describe the work still as merely Protestant Missions, nor is it accurate yet to call it that of Protestant churches in China.

The term "The Christian Movement in China under Protestant Auspices," though cumbersome and awkward, is more accurate and inclusive for three reasons: First, it embraces both missions and churches at the present stage of transition. Second, an increasing number of Chinese Christians regard Christian work in China as a movement rather than the mere establishment of any stereotyped institution. And third, the term "movement" indicates that the work has a much wider and more far-reaching influence on the life of the nation than that found within the narrow limits of the organized churches. For the sake of brevity we shall use the shorter form "Protestant Christian Movement" throughout this chapter.

The Protestant Christian Movement in China has among other characteristics five distinct features which compel attention: First, it is characterized by its complex, international personnel and financial support. The Movement began in 1807 when the London Missionary Society sent its first missionary to China. In 1934 there were represented in China, carrying on active work under Protestant auspices 17 British societies, 64 American and Canadian societies, 23 European societies, two Australian societies, and one International society with 30 others unclassified. These 137 societies had 7,663 missionaries in China in 1923 and had established 1,149 resident stations. The Revolution of 1926–1927, the recent financial depression in the West, the rise of Communism in certain parts of China and other factors have reduced the number of missionaries to 6,150 in 1935 and the number of stations to 1,130. This body of missionaries has come from no less than a dozen different nationalities representing a wide variation of historical, geographical, and cultural backgrounds.

Secondly, the Protestant Christian Movement in China is characterized by its wide denominational representation. In 1922, when the great survey of Protestant Missions was made, there were in the field five Anglican, nine Baptist, four Congregational, 17 Lutheran, eight Methodist, 10 Presbyterian, two Reformed, five Interdenominational, and 33 unclassified groups. This last item includes such a variety of denominations as the Advent Christian, Apostolic Faith, Assembly of God, Church of God, Friends, Holiness Movement, Faith Mission, Mennonites, Pentecostal Assemblies of the World, Seventh Day Adventists, United Brethren, United Evangelical, Church of the Nazarene, Hephzibah Faith Mission, Bethel Mission, Ebenezer Mission and others. Practically all of these are still working in China today.

Thirdly, the Protestant Christian Movement in China is characterized by its comprehensiveness in Christian thought. These 6,000 or more missionaries have brought over to China the denominational traditions which had shaped their own theological thinking. They are, with very rare exceptions, loyal to the theological position which their own churches and boards represent. The leading forms

of thought structure of all of the evangelical churches of the West are represented in China, including even some of the minor unimportant and non-essential variations. Besides the denominational thought variations there are also conservative and liberal, progressive and radical, fundamentalistic and modernistic attitudes that cut through all denominational lines. During the last two or three years Humanism, Barthianism and Buchmanism (Oxford Group Movement) have also found a reception among the missionaries. These different forms of Christian thought have been enthusiastically received by some, violently opposed by others, and critically studied and examined by the more sober and careful people. All forms of thought and practice are represented and each has won its own followers and trained up enthusiasts among the Chinese. Each missionary in sincerity does his bit to advance the cause of Christ according to the truth as he sees it.

Fourthly, the Protestant Christian Movement in China is characterized by its activity in practical service. It is customary to describe the work of the Protestant Christian Movement in China in three phases—evangelistic, educational and medical. One of the denominations actually formed its highest internal organization by such threefold representation from each of its ecclesiastical districts. The evangelistic phase includes much. In its broad sense it includes practically everything, but in a narrower sense when used parallel with the other two —educational and medical—it refers only to the various normal functions which a church performs in the West. This is the chief work of the mission and of the employed Chinese workers as well. In personnel and time evangelistic work involves most of the missionaries and Chinese workers. The medical and educational work is however more appreciated and better understood by the Chinese in general. From the early days the Protestant Christian Movement in China has been interested in social service. It initiated, or participated with non-Christians in such reforms as anti-foot binding, anti-girl slavery, anti-opium, anti-concubinage, famine relief and so forth. In recent years the scope of social service has widened to include special missions to the lepers, the blind, the ricksha coolies, the workers in industrial towns and so forth. During the last few years, by explicit encouragement or direct invitation by the government authorities and the public, it has begun to take part in the work of rehabilitation of "areas reclaimed from banditry," and in that of general rural reconstruction.

Fifthly, an outstanding characteristic of the Protestant Christian Movement in China is its steady success in co-operative enterprises. With so many individual differences, denominational, national, and cultural, in thought, practice and outlook, they have been in the main, however, united in their common faith in Jesus Christ and in their efforts to serve Him. This common faith and loyal devotion is nowhere better illustrated than in various co-operative enterprises throughout the country in the fields of education, medical service, and other forms of social work. Men of different theological backgrounds have worked together in harmony and in good fellowship. And, as the result of these co-operative enterprises, a number of national organizations have been formed with interdenominational and international representation. These national organizations are advisory, not legislative in character. By voluntary co-operation and without any coercion they have worked successfully in bringing people together to exchange ideas, to study problems, to share experiences, and to promote and to further union enterprises.

In the light of these five characteristics, this chapter will present some salient facts concerning recent developments of the movement, and will describe some of the organizations in which the growth of the movement has recently found expression.

Statistics of the Chinese Constituency.—Among the statistics concerning the Protestant Christian Movement in China, the most difficult to obtain are those concerning the Chinese constituency. One reason for this is that

the Protestant Christian Movement includes over 100 mission organizations holding a variety of views as to what constitutes church membership. Some practice infant baptism and, like the Roman Catholics, would count as members of the church infants so baptized. Others do not practice infant baptism and include in their statistics only people baptized at the age of discretion, or adults. Some have confirmation, others do not. Some practice neither baptism nor confirmation. The second source of difficulty is the "turning over of the responsibility for the local collection of figures (by church authorities) to those less statistically minded." One of the best-known statisticians of the Protestant Christian Movement in China is Rev. Charles L. Boynton, the statistical secretary of the National Christian Council, and author of the "Handbook of the Christian Movement in China," from which the figures on the next page are taken.

In dealing with the statistics of Chinese Christian membership one should bear in mind three distinct things: the first is the number of baptized Christians; the second is the active communicants of the church, and the third is the Christian community. The baptized Christians may not necessarily be communicants, and the total community which can be called Christian is larger in number than the total number of communicants and baptized Christians. Roughly speaking, there are about half a million communicants in the whole of the Protestant Communion in China, but the total Christian community numbers about one million.

The National Christian Council (N. C. C.).—The National Christian Council of China, as in the case of 27 such councils in other lands, owes its existence to the World Missionary Conference held in Edinburgh in 1910. Soon after that conference there was organized the China Continuation Committee under the able leadership of its two secretaries, Messrs. E. C. Lobenstine and Cheng Ching-yi. It served the country as a clearing house for information and an advisory body for promotion and advance, and culminated in the great National Conference of 1922, the largest and most representative gathering the Protestant Christian Movement had held in China thus far. Over 1,000 delegates including Chinese and foreign missionaries in equal representation, came from different parts of China representing nearly all denominations and societies. As the result of this conference the National Christian Council was organized. All but one or two of the leading Christian groups joined the Council, from which, for various reasons three others have since withdrawn. During 13 years since its organization, the National Christian Council performed significant service in promoting unity and co-operation. The Council has held annual meetings from 1922 to 1928 and since 1929 full meetings have been held every two years. An executive committee elected by the council meets four or five times during the biennium, and an *ad interim* committee formed of the members of the executive who reside in East China within convenient travelling distance from Shanghai, where the head office is located, meets about once a month. The Council maintains a staff of several secretaries who look after the different phases of its work. They spend part of their time in travel to keep in touch with their constituency or to promote and attend conferences. At headquarters an information service is maintained, literature prepared and distributed, and a constant stream of visitors seen.

The eleventh full meeting of the Council, the fourth biennial, was held in Shanghai from May 5 to 11, 1937. It was attended by 64 official delegates, five of whom had been co-opted. The majority of the delegates were Chinese. Church bodies were represented at the Council to the extent of 74% and national organizations to the extent of 26%. The religious groups from which they came comprised 58% of the entire Protestant community of China.

This biennial meeting coincided almost exactly with the 15th Anniversary of the formation of the National Christian Council. Of the delegates

Group	Mission-aries	Chinese evang. workers	Resident mission stations	Organized churches	Communicants	Baptisms (1 year)	Sunday schools	Sunday scholars
Adventist	218	669	23	243	15,469	2,111	675	20,812
Anglican	569	970	109	739	34,612	3,119	457	24,894
Baptist (CCC)	(98)	(372)	(9)	(390)	(9,782)	(623)	(50)	(1,802)
Others	395	1,763	57	398	59,204	5,643	449	26,906
Brethren	109	44	34	4	2,065	342	4	702
Congregational (CCC)	(191)	(487)	(23)	(413)	(15,057)	—	(124)	(6,269)
Others	85	189	9	218	14,258	—	91	3,769
Disciples	38	238	5	16	2,127	198	37	2,515
Evangelical	18	70	6	46	2,942	295	34	2,006
Friends	28	6	9	11	1,412 (*a*)	106 (*a*)	18	880
Holiness and Pentecostal	193	189	71	35	9,416	147	32	2,757
Lutheran (LCC)	256	714	92	378	21,853	1,631	190	6,794
Others	185	425	42	106	6,813	—	144	6,496
Mennonite	37	5	10	—	1,999	—	—	1,000
Methodist	465	1,712	69	956	78,491	4,265	980	52,677
Presbyterian and Reformed (CCC)	(525)	(2,382)	(52)	(443)	(58,113)	(3,771)	(320)	(21,688)
Others	238	759	40	256	32,757	3,033	200	10,029
United Brethren (CCC)	(10)	(22)	(2)	(8)	(906)	(56)	(3)	(342)
United Ch. of Canada (CCC)	(231)	(263)*	(21)	(196)*	(7,557)*	(810)*	(87)	(10,374)
China Inland Mission	1,359	3,810	359	1,281	85,345	8,670	464	20,099
Church of Christ in China	1,159*	3,877(*b*)	—	2,421	123,043	13,299	584(*b*)	40,475(*b*)
Other Churches, etc.	464	570	150	145	14,471	826	86	6,324
Chinese Home Miss. Society	—	21	—	28	1,596	—	—	—
Independent Churches	—	—	—	—	5,000	—	—	—
TOTALS	5,816	14,502	1,207	7,281	512,873	43,685	4,445	239,164

Notes.—(*a*) As Friends do not baptize, the figures given are those of "members" and "members added"; (*b*) the figures are not those appearing in the Church of Christ reports, but the sums of items reported by constituent members.
* Figures are for one only of three districts of this mission (Szechwan).

who attended the National Christian Conference at which the decision to organize the council was taken in 1922, 26 Chinese and nine Western members were present at this meeting. Of the original Executive Committee, three were members during the biennium just closed and were in attendance. These three and eight members of the Council present both at the first meeting in 1923 and again in 1937 are all Chinese. The meeting was notable as the first annual or biennial meeting of the Council at which there was not felt the guiding hand of any secretaries present at the 1923 meeting (Bishop Roots, still an honorary secretary, was absent from that meeting on leave). These two sets of facts have been noted because they seem to be symptomatic of two things: first, that the Council has vindicated its claim to be primarily an organization representative of the Chinese Christian community, and second, that it has attained sufficient stability to pass easily into the hands of a second generation of leaders.

The two years also saw important changes in staff. Dr. C. Y. Cheng resigned as general secretary on December 31, 1933. During the same month Mr. T. H. Sun was given leave of absence to found the *Christian Farmer*, and this was followed by his resignation at the meeting of 1935. Mr. F. L. Chang resigned at the same time, after having been loaned to the National Economic Council for more than a year. Dr. Y. Y. Tsu had left the Council's staff at the end of 1934. Dr. H. H. Tsui was contemplating a resignation which became effective on May 31, 1935, just after the biennial meeting. Rev. E. C. Lobenstine retired on June 24, 1935, after more than 22 years of continuous service with the China Continuation Committee and the National Christian Council.

The work of the staff was carried on by a committee of secretaries including Messrs. L. D. Cio, C. L. Boynton, S. C. Miao, R. D. Rees, T. C. Kuan, and others, until Dr. W. Y. Chen (陳文淵) of Fukien Christian University, was elected to the general secretaryship and assumed his office in the summer of 1936.

The three commissions which were set up within the framework of the Council in 1935 made their reports. The Commission on Christian Medical Work and the Council on Medical Missions of the Chinese Medical Association, have carried on their work with their usual vigor. The Commission on the Life and Work of the Churches proved to have been born somewhat hastily and under such circumstances that it did not realize much of what was expected of it. A radical overhauling of this Commission's personnel and program was made at the biennial meeting.

The Council elected its new officers for the next biennium as follows: Dr. Wu Yi-fang, chairman, Bishop J. Curtis, and Bishop Lindel Tsen, vice-chairmen. It voted to call Dr. T. C. Bau (鮑哲慶), secretary of the Chekiang Shanghai Baptist Convention, who has been serving as part-time secretary for the Commission on Life and Work of the Churches, to be a full-time secretary for that commission.

Closer association with other national Christian councils has been made possible by the participation of the N.C.C. in two meetings of the executive of the International Missionary Council, at Northfield in 1935 and at Old Jordans, in England, in 1936. The former meeting was attended by Dr. C. Y. Cheng, vice-chairman of the I. M. C. and by Mr. T. H. Sun and Rev. E. C. Lobenstine, all former secretaries of the N. C. C. Dr. Cheng's return was speedily followed by a visit from Rev. Wm. Paton, secretary of the I. M. C. (in November, 1935). The presence of these two at the November meeting of the Executive Committee focussed the attention of the Committee on its part in a world-wide movement, initiating preparations for the World Conference to be held in the Far East in 1938. This was followed up by the visit of the Chairman of the N.C.C., Dr. Wu Yi-fang and Dr. C. S. Miao as China's representatives to London in June, 1936, to urge the claims of China as host to this gathering, re-

sulting in a decision to hold the 1938 meeting at Hangchow. Committees were appointed to make preparations for this Conference. The Executive Committee invited Rev. E. H. Ballou of the American Board to join the staff of the N. C. C. with the specific task of planning and preparation for this conference.

The China Christian Educational Association (C.C.E.A).—The central agency for Christian education in China is the China Christian Educational Association with headquarters at 169 Yuen Ming Yuen Road, Shanghai. The association is organized on the basis of three councils and a general board. The councils concerned are the Council of Higher Eudcation, the Council of Secondary Education and the Council of Religious Education, besides which a number of regional associations participate.

The Council of Higher Education is made up of three representatives of each of the Christian colleges and universities. It holds biennial conferences and in recent years has held an annual meeting. This body discusses the problems of higher education in all its phases. At the biennial conferences in the past different sections were organized to discuss the problems of administration, and the teaching of different subjects.

The Council of Secondary Education is made up of representatives of delegates from regional associations, representing different parts of the country, together with selected members who have been co-opted. The latter are men and women who are actually engaged in secondary educational work. The Council usually holds an annual meeting.

The Council of Religious Education deals with the question of religious education in colleges and schools.

The regional associations were set up 13 years ago on the lines of church boards of education in different parts of China and consist of the North China, East China, Central China, West China, the Kwangtung and the Fukien associations.

The General Board is made up of representatives of each of the three councils and of the regional associations, and "co-opted members." It forms the apex of the association. Each council has its own officers and the General Board has its own president and vice-president. The presidency of the General Board has been held by President F. L. Hawks Pott of St. John's University (1922–1925), Dr. T. T. Lew of Yenching University (1925–1928), President F. C. Yen of the National Central Medical College (1928–1931), President C. J. Lin of Fukien Christian University (1931–1933), President Y. C. Yang of Soochow University (1933–1935), President C. J. Lin of Fukien Christian University (1935–1937).

In May, 1934, at the last meeting of the General Board a significant step was taken in adding to its membership responsible mission administrators and church leaders whose work is not primarily educational but whose positions command the support of their respective constituencies. This step was taken to effect further co-operation between the educational and evangelistic workers throughout the church. The work of the regional associations is closely integrated with that of the national association and the main effort of the latter has recently gone into the reorganization of these regional associations. The first nation-wide staff meeting composed of secretaries of the national and regional associations was held in May, 1935, and developed a united program of work for the ensuing year. The Council of Higher Education held its last annual meeting in January, 1934, 50 persons being present. The main work was the review of the correlated programs. This is now in the form of a five-year agreement covering the period 1934-1938. The Council of Secondary Education is putting special emphasis upon the improvement of the professional status of teachers, development of better programs of religious activities, and the working out of a co-operative program for consideration on a basis of nation-wide planning. It also has a number of technical boards dealing with physics apparatus, middle school libraries, school architecture, and the

like. The second annual meeting was held in May, 1935, at which there were joint sections with the Council of Youth Workers and large emphasis was put upon the religious life in the Christian schools. Under the auspices of the council, a conference of the middle school principals was held in April, 1937. Altogether 117 schools were represented and it proved to be a very important conference.

Since 1931 the Council of Religious Education has combined with the Standing Committee on Religious Education of the National Christian Council to form what is known as the N. C. C. R. E. (National Committee for Christian Religious Education in China).

The association has been hard at work to secure a Chinese general secretary since Dr. C. S. Miao's resignation of his position to take up the general secretaryship of the N. C. C. R. E. Dr. Ho Yuan-tang, professor of education at Lingnan University and principal of the True Light Middle School at Canton, was elected to succeed Dr. Miao and began his services in 1937.

National Committee for Christian Religious Education (N. C. C. R. E.).—The N. C. C. R. E. was created in July, 1931. For some years interest in religious education has been growing. There was a strong desire that advance should be made not only in schools and colleges but in the church and the home. The need was made more urgent by the government limitations on religious teaching in educational institutions.

In 1930 leaders in the Methodist Episcopal Church and the Church of Christ in China conferred together and, with administrative officials of seven other church or mission groups, sent a joint invitation to the World's Sunday School Association to cooperate in devising more adequate means for meeting the new situation. Existing agencies which had done good work in the past did not seem adequate for the present need.

On the strength of this appeal, the World's Sunday School Association sent Dr. Jesse Lee Corley to China in October, 1930. With him were associated Rev. S. S. Ding, Miss Alice Gregg, Dr. C. S. Miao and Rev. R. D. Rees, who formed a deputation which during the following nine months visited many centers and conferred with many people in China, from Canton to Manchuria. Four things were achieved by this deputation during 1931: (1) at the biennial meeting of the N. C. C. at Hangchow in April a definite policy was approved by the representatives of 19 church denominations and eight Christian organizations; (2) an All-China Conference was convened at Shanghai in July, when workers in all fields of religious education were brought together for mutual consultation and work, resulting in the formation of a religious education fellowship; (3) a report entitled "Religious Education in the Chinese Church," in which the needs of the situation were clearly stated and a comprehensive plan of advance was laid down, was published in both Chinese and English; (4) a permanent agency was created whereby officially appointed representatives, numbering one or two from each co-operating body, might carry on the work together for the future. This was named the National Committee for Christian Religious Education in China. Its basis was interdenominational, enabling the churches and Christian organizations to co-operate, in loyalty to all they held to be true and with mutual respect for each other's doctrines and standards, in the promotion of the functions enumerated above.

The N. C. C. R. E. is integrated with both the National Christian Council and with the China Christian Educational Association and derives from both the authority for its existence. It serves as the Standing Committee on Religious Education of the N. C. C., and as the Council of Religious Education of the C. C. E. A. In July, 1932, the World's Sunday School Association, which is now the international agency for co-operation in the field of religious education, decided to recognize the N. C. C. R. E. as the affiliated unit for China and one of the 48 national member organizations of the Association.

The N. C. C. R. E. is now running on a budget of some $27,000 local currency. This budget includes the full salary of one Chinese, two foreign secretaries and an assistant Chinese secretary, office rent and expenses, travel expenses of secretaries, travel expenses of committee members, grants to training conferences, expenses of groups producing fresh curriculum literature, the printing of new materials in experimental form, the printing of promotional literature, and a small appropriation to the W. S. S. A.

The main work of the N. C. C. R. E. has been the production of fresh curriculum material. It mobilized workers and groups for the purpose of producing in print the fruits of their work in experimental form and making this available for fellow workers, secured their criticisms, revised the material, and finally handed it over to a publisher for distribution in the usual way. Groups have been working and producing new materials for work with children, middle school students, rural youth, adult inquirers, and parents in the church and in the home. The committee also accepted the responsibility of the work of the Hsia Ling Erh Tung Hui (夏令兒童會 formerly known as the D. V. B. S.). Another function of the committee is the training of teachers and workers in religious education. It promotes and co-ordinates regionally and nationally the local training work of its member organizations. It sponsors several regional short-term schools. In these schools, which are interdenominational, local leaders have the opportunity to discover what materials are available, to discuss how best to use them, to consider how the work of local training can best be done, and to lay plans for co-operative work within that region. The officers of the organization from its inauguration in 1931 to 1935 have been Dr. T. T. Lew, chairman, Rev. Frank Price and the Rt. Rev. Lindel Tsen, vice-chairmen. Its executive secretaries are Dr. C. S. Miao and Rev. R. D. Rees, and its associate secretary is Miss Mabel R. Nowlin. Sixteen national churches and national organizations have duly elected representatives to this Committee.

The outstanding event of the year in connection with the N. C. C. R. E. was the national survey of Christian leadership. The annual meeting of 1935 was enlarged into a special conference on training for service in the Chinese church, at which conference the survey team made a report which was to be roughly discussed by the members of the N. C. C. R. E., together with the representatives of all of the leading theological schools in China and a number of leading church and mission administrators who had been invited to attend the conference. The officers of the conference were Dr. T. T. Lew, honorary chairman, Rev. Frank Price, chairman, and Dr. T. C. Bau and the Rt. Rev. Lindel Tsen, vice-chairmen. A report is being published which can be secured from the office of the N. C. C. R. E., 169 Yuen Ming Yuen Road, Shanghai.

Many items of progress were reported at the annual meeting in Nanking, one such item being the publication of a new quarterly magazine called *Religious Education* under the editorship of Dr. S. C. Miao and a board of nine editors.

The officers elected for the N. C. C. R. E. for the ensuing year (1937–8) are as follows: Bishop Tsen, chairman, Rev. Frank Price and Dr. T. T. Lew, vice-chairmen, Dr. C. S. Miao, general secretary, Rev. R. D. Rees, secretary, Miss Mable Nowlin, associate secretary.

To carry out the recommendations of the Kuling Conference, a program of training for lay service was undertaken. A further meeting was held at Nanking which made arrangements for curriculum on the lay-training program.

The committee is making steady progress in the production of curriculum literature for religious educarion. It carries the Church Vocation Work with Children (Hsia Ling Erh Tung Hui). Some 812 schools were held during the summer, carried on by 2,438 volunteers, and 25,983 children received instruction.

Higher Education.—The Protestant Christian Movement has given con-

siderable attention to educational work. A beginning was made before the end of the 19th century in higher education. Significant progress has been made since 1910. The twelfth annual statistics 1936–1937, prepared by E. H. Cressy, secretary of the C. C. E. A., show that there are now in China, based on Chinese Government standards, nine universities, four colleges of arts and science, and three colleges of medicine. The following table shows the official organization and enrollment. With one exception, all have been registered with the Government according to the government regulations. The schools of religion, theological colleges, and seminaries are not registered, because the Government has no provisions for their registration.

ACADEMIC YEAR 1936–1937

Organization and Enrollment

Cheeloo University:		567
College of Arts	214	
College of Science	238	
College of Medicine	115	
Fukien Christian University:		169
College of Arts	42	
College of Science	103	
College of Rural Reconstruction	24	
Ginling College:		259
College of Arts and Science	259	
Hangchow Christian College:		537
College of Arts	274	
College of Science	263	
Hua Chung College:		207
College of Arts	60	
College of Science	108	
College of Education	39	
Hwa Nan College:		96
College of Arts	41	
College of Science	55	
Lingnan University:		560
College of Arts and Science	333	
College of Engineering	64	
College of Medicine	53	
College of Agriculture	100	
University of Nanking:		908
College of Arts	268	
College of Science	278	
College of Agriculture	362	
St. John's University:		578
College of Arts	304	
College of Science	95	
College of Civil Engineering	94	
College of Medicine	82	
College of Theology	3	
University of Shanghai:		629
College of Arts	263	
College of Science	226	
College of Commerce	140	
* Downtown College of Commerce		503

Soochow University:		667
College of Arts	215	
College of Science	198	
College of Law (Soochow)	54	
Comparative Law School (Shanghai)	200	
West China Union University:		440
College of Arts	113	
College of Science	170	
College of Medicine & Dentistry	157	
Yenching University:		807
College of Arts and Letters	285	
College of Natural Sciences	286	
College of Public Affairs	236	
Woman's Christian Medical College:		29
Colleges of Theology:		171
* Cheeloo School of Theology	19	
Lutheran Theological Seminary	44	
Nanking Theological Seminary	65	
* Shanghai Theological Seminary	5	
Union Theological College (Canton)	27	
Yenching School of Religion	20	
GRAND TOTAL		7,136
COUNTED TWICE		38
		7,098

The working budgets of these higher institutions are as follows:

WORKING BUDGET

Yenching University	$926,000*
Lingnan University	620,000
Cheeloo University	500,000
University of Nanking	320,000
St. John's University	289,000
West China Union University	261,000†
University of Shanghai	190,000
Soochow University (estimated)	167,000†
Hua Chung College	147,000
Fukien Christian University	122,000
Hangchow Christian College	113,000
Ginling College	103,000
Hwa Nan College	66,000

The total teaching semester hours are:

TOTAL TEACHING SEMESTER HOURS (1934–1935)

Yenching University	1,817
University of Nanking	1,742
Cheeloo University	1,416
West China Union University	1,378
University of Shanghai	1,160
Lingnan University	1,098
St. John's University	1,088
Soochow University	1,006
Ginling College	822
Hua Chung College	676
Hangchow Christian College	646
Fukien Christian University	502
Hwa Nan College	328

In the academic year 1934–1935 the Central Government of China appropriated $720,000 to subsidize 31 private institutions of higher learning which in the judgment of the Government deserved governmental aid. Of these 31 institutions, 12 were institutions under the Protestant Christian Movement auspices. The names of these institutions with the amounts assigned are as follows:

University of Shanghai	$20,000
University of Nanking	30,000
Ginling College	12,000
Soochow University	10,000
Hangchow Christian College	8,000
Fukien Christian University	12,000
Hwa Nan College	8,000
West China Union University	20,000
Lingnan University	35,000
Central China College	15,000
Boone Library School	5,000
Yenching University	60,000
Cheeloo University	30,000

In the academic year 1935–1936, the grants were repeated with different figures for some of the institutions as follows:

University of Shanghai	$18,220
University of Nanking	26,737
Ginling College	10,814
Soochow University	11,407
Hangchow Christian College	6,814

* 1934 figures.
† 1933 figures.

Fukien Christian University ..	9,110
Hwa Nan College	6,814
West China Union University..	18,220
Lingnan University	27,330
Central China College	13,962
Boone Library School	4,852
Yenching University	53,475
Cheeloo University	23,665

There are on the faculties of these colleges and universities 937 teachers, of whom 723 are full-time workers. The total number of Chinese is 744, and that of missionaries 193.

An important survey of the alumni has been made recently. This has shown, among other important facts, that there are about 10,411 living alumni, their occupations up-to-date being as follows:

Teaching	3,504
Further Study	1,143
Business	940
Public Life	878
Medicine	675
Social and Religious Work.. ..	490
Agriculture and Forestry	389

It is significant to note that 95% of the graduates from Christian Colleges had jobs during the last year, when non-employment of college graduates in the country became an alarming problem to the authorities.

Secondary Education.—The work in secondary education has been more extensive and the complete statistics are not easily obtained. The Council of Secondary Education of the C. C. E. A. sent out blanks to be filled by the schools. In its published report in 1936 the following facts were given:

Number of Students. Enrollment is reported by 235 schools which have 47,940 pupils, of whom 14,961, or 31%, are in senior middle schools and 32,979, or 69%, in junior middle schools.

Distribution of Schools. The following table indicates the number of schools in the several provinces in the order of the number of middle school students. The figures for total schools include the schools which have not reported:

CHRISTIAN MIDDLE SCHOOLS IN CHINA, 1935–1936

(*Distributed by Provinces*)

Province	*Total Students*	*Total Schools*
Kiangsu	9,933	43
Hopei	8,605	24
Kwangtung	6,722	26
Fukien	4,817	44
Shantung	4,234	25
Chekiang	3,558	19
Hupeh	2,499	14
Szechwan	2,297	23
Manchuria	1,353*	14*
Hunan	1,385	10
Honan	1,377	4
Anhwei	975	7
Shansi	602	3
Kiangsi	637	4
Kwangsi..	105	1
Shensi..	118	1
Kweichow	16	1
TOTAL..	47,940	249†

Distribution by Sex. The schools for boys number 100; those for girls, 95; and coeducational, 54.

Of the 14,961 students in senior middle schools 8,489, or 57%, are in boys' schools; 3,758, or 25%, in girls' schools; and 2,714, or 18%, in coeducational schools.

Of the 32,979 students in junior middle schools 15,609, or 46%, are in boys' schools; 8,784, or 26.5%, in schools for girls; and 9,126, or 27.5% in coeducational schools.

Coeducation. The number of coeducational schools is 54, representing an increase of 11. The number of pupils has increased from 1,851 to 2,714 in senior middle schools, and from 7,566 to 9,126 in junior middle schools.

Teaching Staff. Information concerning staff is available from 229 schools, which report a total staff of 4,649. Of these, college graduates number 2,346, or 50% of the total number; 77% are full-time teachers, and 23% are part-time; 68% are professed Christians.

* old figures.
† not including Manchuria.

Finance. Amongst the 206 schools reporting, the income of middle schools is as follows:

Tuition & Educational Fees	$2,149,666
Endowment	164,315
Miscellaneous	47,963
Missions	570,041
Missionaries 442	—*
TOTAL	$3,531,985

Religion in Middle Schools. A total of 179 schools report 8,798 students from homes in which one or both parents are Christian. Some 170 schools report an average attendance of 13,944 at the chief Sunday service. This includes 4,050 in 89 senior middle schools. The percentage of church members varies from 4% to 100% in the senior middle schools and from 1% to 100% in the junior middle schools. The medium for both is between 21% and 30%.

Primary Education.—The Protestant Christian Movement has carried on for years quite an extensive program of primary education, but complete statistics for primary education are even more difficult to obtain than those for secondary education. The figures for individual denominations, according to those who are experienced in making such estimates, would indicate a total of not less than 100,000 students; probably 150,000 students would be a more likely figure. According to the government regulations of recent years no religious instruction and observances are permitted in primary schools. Failure to comply with this requirement debars an institution from registration, thus depriving the institution of its legal standing so that its graduates may not enter higher schools. Some of the Christian schools have been closed on account of failure to register. The best ones have been taken over by local Chinese Christians, have become self-supporting and have registered with the Government. There are a number of primary and other schools still attached to Christian middle schools. The total number of students in such attached schools according to the latest available reports is 24,189, of which 8,480 are in higher primary, 12,877 are in lower primary schools and 2,472 in the kindergartens.

Medical Work.—The medical service of Protestant Missions has a long and honorable history. It has not only rendered services in the way of healing the body and converting the soul, but also in the direction of enlightening the mind. It has introduced, directly or indirectly, many branches of modern science, and has combatted superstitution and ignorance. The significance of these services has become more evident and is increasingly appreciated by the intelligentsia of China. So well-known an institution as the Peking Union Medical College, a center of technical training and research, owes its modest beginning to Protestant medical missionaries. Accurate and up-to-date medical statistics are not easily obtainable.

Council on Medical Missions. In the year 1887 a body known as the China Medical Missionary Association was formed to deal specifically with the interests of mission hospitals in China, to unite in one body medical missionaries and to issue a medical journal. This was at a time when there were very few qualified physicians trained in modern Western medical science. During the next 35 years medical educational work was greatly developed and there came into existence a Chinese medical profession composed of men who had studied abroad and of others who had graduated from the rapidly developing medical colleges in this country. The need for broadening the basis of the association became an urgent one, and in 1925 the name was changed to China Medical Association and the membership was thrown open to all duly qualified physicians. The missionary objectives of the original association were delegated to the missionary division of the new association. In the meantime a purely Chinese association, the National Medical Association of China, had been formed and was gradually growing stronger. Finally, in 1932 the

* The salary value of these is estimated at $884,000 additional.

two associations united to form the present Chinese Medical Association.

As one of its recognized councils there was formed a Council on Medical Missions to deal with the activities of the former missionary division. The main objectives of the Council were: (1) to keep in touch with mission hospitals and, so far as possible, to give advice and assistance in their problems; (2) to keep in touch with Chinese church organizations, and with information about mission hospitals in China; (3) to continue issuing the Annual Mission Hospital Prayer Cycle; and (4) to publish a leaflet (subsequently known as the "Occasional Leaflet") dealing with mission hospital problems. The council has made every endeavor to focus attention on the particular problem of rural medical service, by endeavoring to persuade missionary physicians to meet together and discuss the possibilities of co-ordinated action in this direction. A series of meetings were held in summer holiday resorts and elsewhere to discuss the problem.

Reorganization of the Council on Medical Missions. At the last Chinese Medical Association Conference the council was reorganized at the request of the medical mission section of the conference. The two important points in this reorganization were:

First, the provision for a much wider representation of the mission hospitals throughout China by the appointment of elected representatives of regional groups of mission hospitals as members of the Council. To secure this the personnel of the council has been increased and an executive committee appointed to deal with matters arising between meetings of the full Council.

Second, the appointment of a Chinese secretary. To the great satisfaction of the Council, the late Dr. W. S. New accepted this appointment and his untimely death was a serious blow. Happily the Council has since been able to secure the services of Dr. K. Chinion Wong, who will in the future devote part of his time to the office of general secretary, supported by Dr. H. Gordon Thompson and Dr. J. C. Lawney, as the removal of Dr. and Mrs. James L. Maxwell to Hankow has necessitated their retirement from office. It is hoped that the appointment of Dr. Wong will greatly strengthen the Chinese side of the council's work. Dr. Maxwell continues as editor of the council's literature from the Union Hospital at Hankow.

The proportion of Chinese to foreign doctors in all mission hospitals steadily increased until 1930. According to Dr. Lennox it was 55% in 1920, 57% in 1925, and 67% in 1930. In 20 hospitals 84% of 322 Chinese doctors and 1,792 nurses are Christians; 83% of the funds for building and equipment and 100% of the foreign salaries came from foreign sources. Thus 55% of the total cost of medical mission work is covered by gifts from abroad. The proportion of Chinese to foreign doctors has not materially changed since 1930 and is certainly not higher than 67% The reason for this is that the demands for doctors for government and public health service is now so great that the mission hospitals have increasing difficulty in securing Chinese doctors.

Medical Education. Medical education has been an important part of the medical service of the missions. Notable contributions in this field are made by the Peking Union Medical College in Peiping, Hsiang-Ya Medical College at Changsha, Hunan, the Medical School of Cheeloo University, Shantung, the Medical and Dental School of the West China Union University, Chengtu, and Hackett Medical College, Canton. It should be noted that the Chengtu Dental College is the only one of its kind and standard in China. In the words of a national medical leader, Dr. F. C. Yen, "there is no doubt that medical missions have not a transitory but a permanent place in China, but this permanency can be secured only if they can be real models to indigenous institutions and if their contributions are distinctive."

Latest Statistical Summary. The Council on Medical Missions of the Chinese Medical Association issued in May, 1937, in their Prayer Cycle, reports of mission hospitals in China. A summary of statistics from 18

provinces has been compiled from these reports as follows:

Hospitals, Branches and Special Hospitals as listed	271
Chinese Doctors	561
Foreign Doctors	297
Chinese Nurses	1,340
Foreign Nurses	256
Chinese Nurse Pupils	3,769
Registered Schools of Nursing	109
Unregistered Schools of Nursing	31
Technicians Employed	278
Pupil Technicians	197
Evangelists	335
Beds in all Hospitals	18,266
In-patients	240,258
Dispensary Treatments	4,150,342
Beds in 32 Hostels	1,134
Treatments in Clinics	185,145
Vaccinations & Inoculations Reported	195,191

During the period under review unusually large number of medical men who have rendered eminent service have died. Among these are especially to be noted Dr. Dugald Christie (retired), founder of the Mukden Medical College, Dr. E. M. Merrins (retired), a former editor of the *China Medical Journal*, Dr. P. L. McAll, former chairman of the Council on Publication, Dr. John A. Snell of Soochow, Dr. G. C. Worth of Kiangyin, Dr. J. Russell Watson, formerly of Tsingchowfu and Chowtsun, Shantung, Dr. J. Howard Wright of Tientsin, and Dr. W. S. New, the newly elected general secretary of the Council on Medical Missions, as well as seven others whose service was not perhaps so widely known.

Chinese Mission to Lepers.—The Chinese Mission to Lepers has been rendering important service under the able secretaryship of the Rev. T. C. Wu. In the financial campaign conducted in 1934 it reached its goal of $60,000, which sum was raised for the construction of a national leprosarium to be located outside the city limits of Shanghai. The subscriptions, which were for the most part raised locally in Shanghai, included a large donation from Mr. Aw Boon-haw. For the last two years the mission has been distributing among the recognized leper hospitals and clinics throughout the country the Wightians Ethyl Esters from the Philippine Islands. This preparation, which is manufactured at the Culion Leper Colony, has been successfully tried out in the Philippines and hundreds of patients have been benefited by having their disease either arrested or completely cured by the administration of the drug. The policy of the mission has been to lay emphasis on educational and promotional activities, but liberal grants-in-aid were given to those needy cases which could hardly carry on their work without the support of the mission. Among the institutions which received aid during the year 1934 were the Nanchang Leprosarium, Nanchang, Kiangsi; the Hoihow Leprosarium, Hainan Island, Kwangtung; the Sinhwa Leper Hospital, Sinhwa, Hunan; Dr. Lee S. Huizenga's Leper Clinic in Jukao, Kiangsu; and the Lo Ting Leper Hospital and the Taikam Leper Hospital in Kwangtung. The mission sent Christmas gifts, which included cash and useful articles, to all leprosaria, clinics, and hospitals which were giving treatments to leper patients throughout the country. It conducts an essay contest with a view to creating among students and the educated class interest in the problem of leprosy. It renders medical services through its honorary medical advisers, Dr. James L. Maxwell, Dr. F. Reiss, and Dr. F. K. Chen, and its own medical staff and it publishes *The Leper Quarterly* which is its official organ and has now reached its 8th volume with a growing circulation.

Anti-Narcotic Work.—The opium evil has long been the curse of China, and many organizations have exerted their strength in an effort to eradicate it. The Protestant Christian Movement has been one of the most vigorous agencies in this respect. Not only have the Christian hospitals throughout the country taken part in providing facilities to help the addicts who seek release, but also other workers in the Christian Movement have unitedly given their strength to combat the evil. Excommunication is used as a penalty by all denominations, and no drug addict is admitted to the church. The National Christian Council and other national bodies have their committees either directly taking part or indirectly co-operating with other

organizations. Among other organizations is the W. C. T. U. (The Women's Christian Temperance Union), which is working to free women from alcoholic drinks and smoking of all kinds. It also has started experiments in improving certain phases of women's life in China. The secretary of this organization for years has been Mrs. Herman C. E. Liu. In the last few years not only opium but morphia, heroin, and other opium derivatives have been forced upon the Chinese people under the military protection of an aggressive foreign power. The situation has become alarming, because effective control on the part of the Chinese Government has been made almost impossible because of the military occupation of some parts of Chinese territory, while in other parts the Chinese local governments are deprived of military or police control by pressure from the same source.

Young Men's Christian Association.—Of all of the Christian Movements in China few have received wider popular attention or made more important contributions than the Young Men's Christian Association. This movement had its beginning in several mission schools in China in 1885. In 1895 Mr. D. W. Lyon was sent to China by the International Committee of the Y. M. C. A. as the first employed secretary. During the 30 years following, the International Committee of the Y. M. C. A. of the United States and Canada, together with seven other Y. M. C. A. national councils and mission boards, have sent secretaries to help to build up the movement in China. The international committee once had over 100 men on the China staff. The establishment of the Y. M. C. A. in a network of cities and educational institutions from Harbin to Canton and from Shanghai to Chengtu is a significant achievement, and its usefulness in China in initiating social reforms, rendering social service, and affording youth and adults opportunity for practical experience in such service is greater than its statistics show. A very high authority of the Central Government in an address to the National Conference of Y. M. C. A. Secretaries said: "Forty years ago the public in general did not know Y. M. C. A. work and could not help but be suspicious of it or took a cold and indifferent attitude toward it. I myself also shared in such psychology, but now it is different. The movement has become widespread; not only has its progress been rapid, but the public also has realized that the 'Y' has an important position in China and has begun to show its confidence in it."

The number of foreign secretaries has shrunk in the past decade until at the end of 1936 there were only eight. In 1937 four former secretaries were reappointed. The "Y" Movement has, from the beginning, built its work upon certain wise policies. First, it has trained Chinese secretaries and placed upon them executive responsibilities so far as they are able to bear them, so that at the beginning of 1937 there were 264 such secretaries throughout the country, and the work has not been so seriously crippled as would otherwise have been the case with the reduction of the foreign staff. Second, it emphasizes self-government of the associations by the active members. Boards of directors, local and national, have been composed entirely of Chinese, upon whom has been placed the responsibility for formulating policies and directing the movement. Third, it emphasizes self-support on the part of the individual associations. Current budgets have been raised entirely in China. This policy has trained a type of secretarial worker who has acquired knowledge of the fundamental principles of promotion and organization, and has gained practical experience in the actual carrying out of executive work with modern efficiency. Former Y. M. C. A. secretaries are in useful employment in public and private organizations, in local and national government bureaus, and a few have attained positions of national importance.

Organizational Changes. In 1934 the constitution of the national movement was revised in several respects: (1)

vesting the legislative authority of the movement in a national committee to be composed approximately of 50 elected representatives of city Y. M. C. A.'s, 30 representatives of student Y. M. C. A.'s, and 16 co-opted members; (2) the creation of an executive board to act between biennial meetings of the national committee and of Board of Custody and Investment; (3) the creation of city and student division committees; and (4) the definition of the field and functions of regional committees for both city and student Y. M. C. A.'s. The national convention from now on will hold a place in the movement, not for legislation but for inspirational purpose. The board of custody and investment acts for the national committee in the care of all of its properties and the administration of capital funds, and it is authorized to act for local associations in this twofold function when asked to do so.

Another important action was the adoption of a social program for the Y. M. C. A. The convention instructed the national committee and its executive board to devise ways and means of extending the ministry, if not the organization of the Y. M. C. A., into rural communities while continuing to serve under-privileged groups in the cities.

Another action was the adoption of a "youth and religion program." This program has been developed under the guidance of a youth and religion committee with a full-time executive secretary. Corresponding local committees have been created in a number of cities. The youth workers of entire Christian communities have been mobilized for the work. Special literature has been produced.

The National Committee of the Y. M. C. A. during the last 30 years has rendered significant service in producing Christian literature for youth. It publishes a monthly magazine known as the *Tung Kung*, which is the organ of the city associations, and the *Hsiao Hsi*, organ of the student associations. It has also produced a number of good books. In 1936 six boys' camps were conducted. The financial support of the Y. M. C. A. in China has been encouraging. In 1936 the contributions reached a total of $1,333,460 local currency, received by 33 city Y. M. C. A.'s. The net income of the national committee the same year was $94,484.58 local currency. All of these funds were obtained in China. The national committee has the responsibility for the professional training of the employed staff. In the year 1935 the training projects included a pre-service seminar; field work scholarships for resent college graduates; sabbatical scholarships for experienced secretaries, mainly in the short-term courses for religious and social workers given by Yenching University; training institutes; study groups; and a national circulating library.

50th anniversary celebration. The 50th anniversary of the founding of the "Y" movement in China was celebrated throughout China in all cities where there are associations. The National Committeé of the Y. M. C. A. issued a commemoration volume of 200 pages which is a valuable source of information concerning the movement. The contribution made by the Y. M. C. A. to China in political, educational, commercial, social, as well as religious spheres was explained. Contributors to the volume pointed out that the range of this contribution embraces services to students, literature, civic education, mass education, youth, church, family life, physical education, labor movement, rural service, famine relief, service in war area and to the army, service to the laborers in the Great War, international co-operation, and the movement for a new China.

Young Women's Christian Association (Y. W. C. A.).—Despite its briefer history the Y. W. C. A. movement in China has certain fundamental policies in common with the Y. M. C. A. It emphasizes Chinese leadership, aims at self-support, and gives serious attention to the training of secretaries. It also started its

work with the student class, which for some years it regarded as its main field. The first national convention in 1923 marked the establishment of a national organization, and from this time became the highest authoritative body to evaluate the work of the Y. W. C. A. in the past and to lay down principles regarding its work in the future. In 1928 a second convention was held. At that convention the leaders directed the movement towards a much wider horizon. They set for its goal an all-inclusive women's movement. The welfare of rural women and industrial women was given serious attention and a beginning was made with the serving of business and professional women. Character building among all classes of women for the salvation of China was adopted as the theme of the second convention. A very important step was taken concerning the basis of membership. In the early days the Y. W. C. A. laid its stress on the importance of a strong Christian basis in membership and in control, voting privileges being limited to church members only, although it always had within its membership both Christian and non-Christian women. At this convention the privilege of voting was extended to all who as members, subscribed to the purposes of the association, regardless of religious affiliation.

In 1930 the Y. W. C. A. in China conducted in co-operation with an international survey group in America a survey of its field and work. In 1933 the third national convention was held and the work of the Movement during the last two years has been in accordance with the principles which were agreed on at this convention. Some of these principles are: (1) the development of local associations as centers for the training of workers along some particular line of services. This will require more intensive work and the stressing of demonstration projects. (2) More intensive effort in the enlisting and training of Chinese workers on a large scale. The movement has been working under increasing financial difficulties in recent years, and in this effort the co-operation of the National Committee and the local associations is urged. (3) An endeavor to return the courtesy of the Y. W. C. A. in foreign countries in sending visiting workers in recent years to help in the work in China. The Y. W. C. A. in China should try to send some of its own workers for service in associations in other countries. (4) Because of the impact upon women's life of rapidly changing social conditions in China, associations throughout the country, in addition to their regular work, should work together on three main projects: (a) people's livelihood, (b) civil training, and (c) sex problems and family life. (5) The strengthening of the work of the associations in rural districts and among the laboring classes, because the great majority of the women of China are employed in factories or are resident in rural districts.

In 1937 there are 19 city associations, five rural associations, nearly 100 student groups, 85 young girls' groups, and more than 10 laborers' groups. The work of these 19 city associations emphasizes religious education, adult education, health education, recreation, employment placement, vocational training, citizenship training, hostels, student work, and girls' clubs. Since 1931 the women students in colleges have organized a Christian Association of College Women. Junior middle school girls have participated in the Hwa Kwang Tuan, which is the basic organization of the young girls' work of the Y. W. C. A. The purpose of this organization is to supplement the education and religious training provided within the school curriculum. The age limit for membership is between 12 and 18 years. This group includes junior and senior middle school girls, girls in rural areas and girls in factories. The total membership is more than 2,300. There are now four fully-organized rural Y. W. C. A.'s including one at Toishan near Canton, one at Fushan near Chefoo in Shantung, and two others which are still in process of organizing—one at Sunghsu, near Nanking, and one at Tachang, near Shanghai. These rural associations

specially emphasize the problems of adult education, recreation, health, livelihood, and character building. The association work among laborers has followed the principle of direct service to them in order to help them discover and solve their own problems, more than 2,000 working women in the country having been enrolled in workers' classes and clubs. Many associations have been carrying on service projects, such as schools for workers' children, bath houses and hostels, in addition to their ordinary programs. There are now only three Western secretaries in China, these officers having come from the U. S. A., Great Britain and New Zealand respectively. The recruiting and training of Chinese secretaries is thus one of the most acute problems in the movement. There are now 80 Chinese secretaries on the roll. The training system consists of the following features: (1) short time institutes in the summer giving training in the general principles of the Y. W. C. A.; (2) technical institutes on rural, industrial, and student work, with emphasis each year on special features; (3) a reading course with certain required work, particularly during the first year; (4) a furlough year after five or six years of work to be spent usually in further training; some workers to be given the opportunity to study abroad, others to take the special course for one year on religious and social works at Yenching University.

The Council Meetings of the World's Y. W. C. A. are to be held in China in the fall of 1938, which will constitute the first time in the history of the world's movement that these conferences have been held in the Far East, China will thus have a rare opportunity for making the international character of the Y. W. C. A. understood by the people of this country, and at the same time the China movement, which has developed in a different environment, will have the privilege of making its special contribution to the world movement. Hence careful preparation is important. A preparation committee has already been set up, with Mrs. Suifeng Huang, as the general Chairman, for the task of making business arrangements for the council meeting as well as for interpreting the association and the conference both within the country and abroad.

Christian Literature.—Perhaps there is no field of Christian endeavor in China regarded by common consent as being in more pressing need of improvement and aggressive activity than that of Christian literature. The difficulty of securing competent writers with both sufficient ability and freedom, unity among differing theological points of view, and efficiency in the distribution of the literature when published has not been easy to overcome. There is no lack of literature being produced, but not much of it, in the judgment of thoughtful people, is fitted to meet the needs of a public which is rapidly advancing in the acquisition of modern trends of thought.

In 1933 a *Classified Index to the Chinese Literature of the Protestant Christian Churches in China* was published by the Kwang Hsueh Publishing House. This index gives the titles of more than 4,000 books and more than 1,000 tracts. It lists 69 organizations which produce, edit, or publish Christian literature of some sort. They can be roughly classified as follows:

Mission Organizations	9
Denominational Publishing Organizations	10
Educational Institutions	7
National Organizations	17
Periodical Editorial Offices	4
Publishing Societies and Organizations	19

The index also listed a total of 130 bookstores, Christian and non-Christian, where Christian literature was sold.

Some of the publishing agencies of Christian literature have had a long and honorable history. Space does not permit even a brief account of all of these organizations and of their activities. The R. T. S. (Religious Tract Society), which has been producing religious tracts for the common people, has turned out new tracts in considerable numbers and is

meeting the needs of certain sections of the population. The C. L. S. (Christian Literature Society), which was founded in 1887 and assumed its present name in 1906, is supported by 10 co-operating boards in Great Britain, Canada, the United States, and Germany. It has a staff of 10 secretaries, with nine assistants and five associate workers, and works on a budget of about $94,000 local currency (not including the salaries of the mission members of staff). In the year 1933–1934 it published 177 books. These included books written, translated and edited by the staff members, manuscripts prepared by other organizations and writers submitted for approval, and manuscripts accepted upon the recommendation of other organizations or editors on special terms of agreement. This organization has made some progress in the last few years, both in the quality of the books published and in distribution and sales efficiency. Several denominational publishing agencies have been quite active in recent years, notably the Signs of the Times Publishing Company of the Seventh Day Adventists, which is well known for its efficient salesmanship. The *Signs of the Times* (時兆) is reputed to be the religious periodical that has the largest circulation in China. The Lutheran Publication Committee is very active in producing theological literature and its periodical *Hsin I Pao* (信義報) is ably edited. The China Baptist Publishing Society has been prominent for some years through its periodical *The True Light Magazine* (眞光) under the vigorous editorship of Chang Yeh-ching, who passed away in 1932. The fundamentalist groups in China publish a number of periodicals, perhaps the most notable one being *Evangelism* (佈道雜誌), which is ably edited by the Rev. Marcus Cheng and others, and has a large circulation. The *Christian Intelligencer* (通問報), a Presbyterian weekly, has a circulation of 3,000 at present and is still edited by the veteran editor Chen Chun-sheng. It also holds the fundamentalist point of view. Representing the liberal evangelical point of view and outspoken in problems of theology, ecclesiastical and social, is the *Truth and Life* (眞理與生命), a monthly now in its 13th year, of good standing and well known among the student class and younger generation. Another journal, now in its 6th year, which is attracting widening attention among the pastors and Christian workers is *The Amethyst* (紫晶), a quarterly devoted to Christian fellowship, worship, and devotion. It publishes sermons, prayers, devotional talks, notes on new books and new translations and new versions of hymns. The most progressive and active agencies in the field of Christian, literature aiming to serve the intelligentsia and the student class are the Y. W. C. A. and Y. M. C. A. They have the co-operation of a number of Christian writers throughout the country, such as the members of the faculty of the Yenching University School of Religion, the Chinese Student Christian Movement, and others.

The Y. W. C. A. It continues to publish its monthly magazine 女青年月刊 *The Green Year* in Chinese, and *The Green Year Supplement* in English occasionally. During the year 1936 three new books were published: *Devotional Diary* (學仁) by T. C. Chao, *Biography of Mme. Curie*, and *Biography of Julia Lathrop*.

The Y. M. C. A. Under the able leadership of Mr. Y. T. Wu the Editorial Committee of the National Committee of the Y. M. C. A. has drawn up a three-year program providing for the publication of 52 books comprising a Youth Library Series, 20 on religion, 15 on character education, 11 on social problems, and 6 on sex. During 1934, 19 of these books were published and in addition 19 pamphlets on social questions and 14 on religion were produced.

The N. C. C. R. E. Up-to-date and prepared through experimentation according to modern educational principles are the publications of the N. C. C. R. E. on religious education. During one year ending September 30, 1934, out of 24 N. C. C. R. E. publications published by the C. L. S. 14,860 copies were sold. Of two sets

of pictures issued with two Sunday School books, 1,929 large sets containing 78,844 pictures and 3,948 small sets containing 157,135 pictures were sold. The N. C. C. R. E. also issued a selected list of its own and other publications which has run to four editions, enlarged and revised. A catalogue was issued free to promote information and distribution. A new quarterly magazine entitled *Religious Education* (宗教教育季刊) appeared this year, edited by a board of editors under the leadership of C. S. Miao.

The N. C. C. The National Christian Council during the last five years has produced for the five-year movement itself altogether 29,727,865 pages.

Bible Societies.—Perhaps there is no other form of Christian activity which is more fundamental to the spirit of Protestantism than Bible distribution. It is the aim of Protestantism that each Christian must have direct access to the Bible, both the Old and the New Testaments, in the language of the people. The very first service which the pioneer Protestant Missionaries rendered was the translation of the Bible into Chinese. Since the completion of Morrison's translation in 1818 a tremendous amount of devoted labor has been given to translation, and revision. There are in Chinese now not only Bibles in the old literary style and in *pai hua*, but also in a variety of local dialects. There have been three Bible Societies working in China, the British and Foreign Bible Society, the American Bible Society, and the National Bible Society of Scotland. According to their official reports the service which these societies render to the Christian Movement has three distinct phases:

1. Translation of Scriptures into the languages and dialects of every race and religion. Several new translations or revisions of colloquial dialect Scriptures have been published during the past two years.
2. Printing and publishing the Gospels and other single books of Holy Scripture used chiefly for circulation among the non-Christian population. The Gospels are printed by the million and sold at low prices (about half their net cost). The work of distribution is done partly by paid colporteurs who give full-time service and partly by voluntary work undertaken by the churches or individual Christians.
3. Printing and publishing Bibles and New Testaments. These are supplied chiefly to the Christian community and in the cheaper bindings are sold at about 25% less than cost price. In the better bindings 10% above the net cost price is charged.

Recent Developments. The sales of complete Bibles for 1935 totalled 83,389 as against 74,841 in 1934. The total circulation of Scripture Portions in 1936 was about nine millions. In 1932 a conference of the three Bible Societies was held in London. An agreement was made to work together towards the formation of one Bible society, and an advisory council was created for the purpose of forwarding this end. Early in 1934 a Chinese letter was addressed to Christian leaders throughout China to encourage the formation of Chinese groups or committees to undertake the responsibility for Bible society work. In 1937 the British and Foreign Bible Society, and the American Bible Society united all of their China offices, are issuing their Scriptures under a common title page, and have brought out a joint catalogue of all of their publications in China. The Chinese organizations have been making encouraging progress. Committees have been formed in Canton and in Hongkong to administer the colportage work and share responsibility for promoting Scripture circulation in South China. In central China a similar Chinese committee is organizing in the Wuhan cities. In East China a committee is organizing in Shanghai to enlist the co-operation of the churches locally and in the neighboring large cities. In North China committees have been formed in four centers; in Tsinan, Shantung; in Tientsin, Hopei; in Taiyuan, Shansi; and in Peiping. In April of 1937 representation of these district organizations met in connection and formed the Chung Hua Sheng Ching Hsei (中華聖經會). When the constitution of this organization has been approved by all interested, in co-operation with these older societies, it will become the sole distributor of Scriptures in China. This

arrangement will be accepted immediately by the British and Foreign Bible Society and the American Bible Society and ultimately, it is expected, by the National Bible Society of Scotland.

Circulations in 1936 by the American, British, and Scottish Bible societies respectively are shown in the following table:

Publishers	*Bible*	*Testaments*	*Portions*	*Totals*
American Bible Society	23,199	24,049	2,069,835	2,117,083
B. &. F. Bible Society	48,030	57,934	3,841,440	3,947,404
N. B. S. of Scotland	5,511	5,434	3,114,738	3,125,683
TOTAL	76,740	87,417	9,026,013	9,190,170

The Braille Literature Association.—A very valuable piece of Christian service, which deserves much greater publicity than it has, is the work of the Braille Literature Association for China. This association has set before itself the task of providing the blind of China with Christian literature and writing implements at or below cost price. The work at present is headed by a committee consisting of Dr. Charles E. Patton, chairman: Rev. James Stark, vice-chairman; Rev. G. A. Anderson, honorary treasurer; Mrs. Zella R. Mussen, honorary secretary.—Dr. J. T. Williams and Miss M. Verne McNeely. The committee strives to add one new Braille book to its catalog every year, and its aim is being surpassed. Recently it has revised its valuable *Braille Primers for Teachers and for Pupils.* These primers form the key for the solution, of the liliteracy of China's blind. By their means, the pupils can be taught to read. Owing to the economic hardships of the institutions for the blind, and the blind themselves, the Braille books are now being sold at about one-fifth of their cost. The Association also carries a stock of approved Braille apparatus, such as: Braille writing slates, arithmetic frames, etc. These have to be imported from abroad and hence are expensive, but they are sold at lower rates than in the manufacturing country. It is estimated that not more than 3,000 Chinese blind are able to read at present. As this is only a fraction of the million who suffer from this handicap, the Association has a great task before it.

Radio Broadcasting.—One of the latest developments of evangelistic methods is the adoption of radio broadcasting as a means of reaching a new audience. This audience is yet small, but it is growing slowly but steadily. In 1935 the Peiping. Christian leaders organized a Committee on Broadcasting Christian Services, which uses the station at Yu Ying Middle School, one of the leading secondary schools in Peiping, founded by the North China Kung Li Hui. It is now broadcasting services every Sunday, and several messages during some of the week days. In January, 1936, the Shanghai Christian Broadcasting Association, which was the pioneer in its field, raised the power of its station (XMHD) to one kilowatt. From the Christian Literature Society Building at 128, Museum Road, this station broadcasts seven hours daily on a frequency of 840 kilocycles. In Shaoshing, Chekiang, three churches have begun broadcasting from a private station on Sunday afternoon from 3:30 to 4:30. In Hankow, Hupeh, from the Municipal Station (XGOW), the Wuhan Christian Broadcasting Society broadcasts two half hours weekly, Sunday and Tuesday. The society is under the auspices of the Hupeh Christian Council. The University of Nanking has developed a cheap receiving set which can be

bought by the rural communities. This is a notable contribution to the extension of Christian evangelism in the rural communities. A great future is expected from this line of service.

Church Unity.—Church unity has been progressing in China along three lines: (1) participation in national organizations of an advisory capacity such as the National Christian Council, the China Christian Education Association, and the National Committee of Christian Religious Education; (2) co-operation and co-ordination in specific tasks, such as, Union Universities, Union Middle Schools, Union Hospitals, Christian Literature Work, and Theological Training; and (3) organic Church Union. The first two lines have made definite progress, the records of which show that the Protestant Christian Movement in China has made a more notable advance than the mother churches in the West. A great deal of Christian statesmanship and unselfish devotion to the larger cause have contributed to the making of such an advance. The third line, organic church unity, has been much more difficult, partly because of the relationship between the Chinese churches and the missions and between the missions and the home churches in the West. But in the last few years the urge for unity has been growing stronger than ever and persistent efforts have been made toward it.

The five Anglican bodies representing the British Canadian and American Societies are united in the *Chung Hua Sheng Kung Hui* (literally, The Holy Catholic Church of China) (中華聖公會) with 34,612 confirmed members and 29,685 other baptized members. Ten Lutheran bodies representing mother organizations in Denmark, Finland, Germany, Norway, Sweden, and the United States are united in the *Chung Hua Sin I Hui* (literally, The Church of "Justification by Faith" of China) (中華信義會) with 23,930 communicants. The two English Methodist bodies in China, as the result of the completion of the reunion of three Methodist churches in England in 1933, have been united in China. Their first meeting was held in October, 1933, at Ningpo and a representative committee was appointed to make this reunion effective. On account of the wide separation of their districts in six provinces in north, west, south, central, and east China, the process has been effected slowly. In April, 1934, the Eastern Asia Central Conference of the Methodist Episcopal Church was held in Nanking and received a report from its Commission of Program and Policy which recommended its affiliation with the Church of Christ in China and the discontinuance of the name *Mei I Mei* and the adoption of the words *Wei Li Tsung*, the full designation then becoming *Chung Hua Chi Tu Chiao Hui Wei Li Tsung* (衛理宗), (literally, the Church of Christ in China, Methodist). The commission also recommended that the Methodists should move towards Church Union by three separate steps: (1) the union of our church with the Methodist Episcopal Church (South); (2) the union of all Methodist bodies in China; and (3) the union of the resulting Methodist Church with other Christian bodies in a more inclusive union.

By far the largest church union effected in recent years is the *Chung Hua Chi Tu Chiao Hui* (literally, the Church of Christ in China) (中華基督教會). In April, 1918, at Nanking, at the time of the organization of the General Assembly of the Presbyterian Church in China, a conference composed of representatives of the Presbyterian, London Mission, and Congregational Churches agreed that union was desirable and appointed a committee to draw up a scheme of union to be submitted to the constituent communions.

The Provisional General Assembly met in Shanghai, April 27–29, 1922. The First General Assembly of the United Church of Christ in China met in Shanghai, at St. Mary's Hall, Oct. 1–11, 1927, when 88 commissioners, of whom 66 were Chinese and 22 were missionaries, officially representing 11 synods and 53 district

associations, were in attendance and effected the Union. The Second General Assembly met in Canton, Oct. 26 to Nov. 8, 1930. The Third General Assembly met at Kulangsu, Amoy, Oct. 20–30, 1933.

Five synods and thirty-four district associations have been added to the church since the Union was constituted in 1927, making altogether 16 synods, 87 district associations, more than 1,000 organized churches of whom over 300 are self-supporting, 400 ordained ministers, and approximately 130,000 communicants.

In January, 1935, at the invitation of the Standing Commission on Church Unity of the *Chung Hua Sheng Kung Hui* a Conference of Church Unity was held in Shanghai. 25 delegates representing seven different churches, the *Chung Hua Sheng Kung Hui* (Anglican), the Church of Christ in China, the Methodist Episcopal, the Methodist Episcopal (South), English Methodist, Northern Baptist Church, and the North China *Kung Li Hui* (Congregational) (公理會) attended the conference. It was a Conference of Fellowship and of exploring the grounds for unity. The representative of each church stated the position of his church on this question of church unity. A good understanding of one another's positions resulted from this exchange of information. A suggestion was made to study the "Friends of Reunion" work in England, and the Plan of Church Union in South India. The conference appointed a Continuation Committee of seven members with Rt. Rev. T. A. Scott, Bishop of Shantung as chairman, Dr. Handel Li, president of Nanking Theological Seminary as secretary, Dr. J. W. Cline as treasurer, and the Rt. Rev. T. K. Shen, Bishop of Shensi and Dr. T. T. Lew of Yenching University as editorial secretaries.

Rural Service.—In the last few years rural reconstruction has attracted the widest attention throughout China. The Government has achieved great things during the last two years. The Christian Movement has always given attention to the rural population. The following two recent organizations are of special importance: (1) The Kiangsi Christian Rural Service Union. At the invitation of General and Madam Chiang Kai-shek the Christian Church has gone into the Lichwan area in the southeastern part of Kiangsi and in a small section of that *hsien* has started a rural reconstruction center which is Christian in purpose and in personnel. The National Christian Council was responsible for its organization. This Christian Rural Service Union includes most of the groups working in Kiangsi Province, namely, the Methodist Episcopal Church, the *Chung Hua Sheng Kung Hui*, the Y. M. C. A. and the Methodist Women's Foreign Missionary Society. The North Fukien Synod of the Church of Christ in China is also a member. The Christian institutions which are actively co-operating with the Union are Yenching University which has been contributing the services of Mr. Tien Hsing-chih and Mr. Wu Ch'un. For the year 1935–1936 Professor P. C. Hsu of the Yenching School of Religion took charge of the general direction of the work. The Nanking Theological Seminary sends graduate students for training, and helps in the general supervision of their work. The Nanchang Hospital is co-operating in health work. The National Economic Council made a grant of $5,000 local currency for basic equipment and undertakes a study of rural industries with a view to their improvement. The National Association of the Mass Education Movement co-operated with the project by sending four members of its staff to help plan the educational side of its work. The district was in the possession of the communists until about a year ago when they were driven out by the National Army. The population has decreased from 101,000 to 90,000 due to communistic occupation. Only 2½% of the population are literate. The program of the union includes experiments in agriculture and forestry, improvement of village industries and the introduction of new ones, mass education, health instruction, introduction of wholesome recreation, handiwork, and elementary education

for women in the home and religious work.

(2) The North China Rural Service Union. This Union was the direct result of the visit of Dr. K. L. Butterfield in 1931. The present form of the organization was completed at the first meeting of the Interprovincial Council in the winter of 1933. To-day the union has three branches representing nine denominational and six institutional groups working in four provinces. Owing to the difference in resources and conditions under which work is carried on these branches vary considerably in organization and program of service, but all major projects which can best be done co-operatively are carried out by the union as a whole. The work includes a winter institute for farmers; a comprehensive study of religious education in the home in the province of Hopei and certain parts of Shansi; village experiments at Fanchiachuang and other centers; conferences on co-operatives; co-operative societies under Christian guidance and supervision; rural institutes with exhibits on the feeding and care of infants and general sanitation in the home; training institutes for agricultural improvement and the publication of a semi-monthly journal for armers. This journal, named *The Christian Farmer* (田家), is a promising publication which, under the editorship of Mr. Chang Hsueh-yen at Cheeloo University, Tsinan, has now achieved a circulation of 17,000. This periodical circulates chiefly in the northern provinces of Shantung and Hopei but is distributed over 20 other Chinese provinces as well as Korea and Siam. One outstanding event of the year was the North China Institute for Supervisors of Rural Work held under the auspices of the Union. The report of this institute is a valuable document which is obtainable at the Luho Road Service Center, Tunghsien, Hopei.

New Extension Service to Rural Churches.—Dr. Ralph A. Felton, Professor of the Rural Church at Drew Theological Seminary, is visiting professor at Nanking Theological Seminary this year and the seminary is taking advantage of his presence and counsel to start its own extension service to rural churches. Fifty "experimental co-operating churches" have been selected in east China after consultation with various denominational leaders and these churches are being visited by Dr. Felton and Mr. Chow Ming-i of the extension staff. In January a two-week institute was held for the pastors of these churches at Nanking Seminary, the first week in the country and the second week in the city. At this conference a five-year program for rural churches, including evangelism, religious education, lay-training, new methods of self-support and various forms of community service was discussed. Forty-four of the co-operating churches were represented. The University of Nanking College of Agriculture is co-operating with Nanking Seminary in the extension service.

In January, 1937, Nanking Seminary invited theological seminaries and Christian colleges interested in rural work in all parts of China to send representatives to a conference on rural extension. Fourteen institutions and organizations responded. The Conference recommended that there be six regions for extension work with certain theological schools and colleges assuming responsibility in each region in co-operation with the churches.

A Continuation Committee was elected representing the six regions and the National Christian Council, with the following members: Mr. James Hunter, Rev. Homer Brown, Mr. Paul T. T. Seng, Rev. Frank W. Price, Dr. Francis Chen, Rev. Y. S. Tom, Dr. W. Y. Chen.

Survey of Rural Churches in China.—For some time the Rural Church Department of Nanking Theological Seminary has been making plans for an intensive study of 100 rural churches in China. Survey schedules have already been sent to over 80 persons who have promised to help. Members of the faculty and students of Nanking Seminary are studying other churches. A map of all rural churches and chapels in the three

eastern provinces of Chekiang, Kiangsu and Anhwei is also being prepared as part of the study. This is being compared with the 1922 study in *The Christian Occupation of China* to see what advance has been made by the rural church in the past 15 years.

Religious Education Fellowship (宗教教育團契).—There are two movements which are of special importance in the future development of the Protestant Christian Movement in China, and need separate mention. One of these, the Religious Education Fellowship, is among the more mature workers, and the other, the Chinese Student Christian Movement, is among the younger people, chiefly the college and university students.

At the All-China Conference of Religious Education held in Shanghai in 1931 the Religious Education Fellowship was organized. It has three aims: (1) to bind together educational workers in church, home and school to pray for one another; (2) to share the problems and results of their work; and (3) to form local fellowships wherever possible. Under the capable leadership of the Rev. Frank W. Price and Miss Mabel Nowlin the fellowship has grown until its membership at the end of October, 1934 reached 631. At the conference held in Kuling in July, 1935, members from 12 different provinces were present. The officers for the next quadrennium were elected as follows: T. T. Lew, chairman, Samson S. Ding and Miss Alice Gregg, vice-chairmen. Its honorary secretaries are Dr. C. S. Miao and Rev. R. D. Rees. Its office is at 169 Yuen Ming Yuen Road, Shanghai.

The Chinese Student Christian Movement (中華基督教學生運動).—In 1885 the Anglo-Chinese College in Foochow and the Jefferson Academy in Tungchow, Chihli (now Hopei) province, organized the first student Christian associations in China. Similar organizations in other educational institutions, Christian and secular, were formed after that. In 1896, 22 school associations sent representatives to the First National Conference of the Y. M. C. A. in Shanghai. At that time the city Y. M. C. A.s were not organized, but since then they have been organized in different cities. The school associations and the city associations began to have close co-operation. Jointly they organized the National Committee. In 1907, at the Central Missionary Conference, the student work was formally intrusted to the Y. M. C. A. In 1922 at the National Christian Conference this commission of responsibility was repeated. It includes Christian work among both the Christian and non-Christian students. The high water mark in men students' work was reached when there were 200 associations in men's schools throughout the country. The anti-Christian Movement set in soon afterwards, however, and the number of associations decreased until not long afterwards they were reduced to half. When the World Student Christian Federation held its conference in 1922 at Peiping the Chinese representatives, feeling the trends of the modern world situation, and with the conviction of the special mission of Christian youth in China, made a request for the launching of a National Christian Student Movement in China, and requested the Y. M. C. A. and Y. W. C. A. to make a further study of the question. In 1926 when the Y. W. C. A. and the National Student Volunteer Movement for the Ministry held their National Conferences at Tsinan, Shantung, they passed a resolution to request the Y. M. C. A. and the Y. W. C. A. and the Student Volunteer Movement for the Ministry to organize a committee of 15 to go further with this question. In 1927 the representatives of these three main organizations met at Nanking, constituted themselves an organizing committee of the Chinese Christian Student Movement, and drew up the purpose of the movement as follows: "Based on the principles of Jesus to create the fellowship of youth for the building up of healthy and unified personalities to work for the development and freedom of the life of the common people." The object was to organize a unified and self-governing Student Christian Movement the membership of which would include both

men and women. In 1933 the organizing committee held a Conference of Fellowship at Shanghai the object of which was "to advance the consciousness of the Christian Movement and to study the work of the Christian students during the period of national difficulties." Representatives came from different students' unions; local and provincial. They organized at the conference the Provisional National Association of the China Christian Student Movement. The original organizing committee which inaugurated the movement dissolved itself. This Provisional National Organization is now planning to hold the First National Convention on August 17–24, 1937, at Soochow University, when the Chinese Student Christian Movement will be officially launched. Much is expected of this important organization.

The Salvation Army (救世軍).—Salvation Ar my work in Cina began in 1916. The pioneer officers arrived in that year in Peiping, where they studied the language and commenced public meetings. At the very beginning of these public meetings in Peiping they won converts who formed the nucleus of the present thirteen corps now in that city. The work soon spread to such places as Tientsin. Tsinan, Taiyuan, Paoting, Kalgan, and so forth. There are now 87 centers in China. In 1918 a Training Institute was opened for the training of young men and women salvationists. A new Training Institute was opened in 1932 as a memorial to William Booth. It provides for the training of 40 young men and 20 young women simultaneously. There are now 183 Chinese and 63 foreign officers working in China. On October 10, 1932, the first Salvation Army Hospital in China was opened in Tientsin with 60 beds. The headquarters of the Salvation Army in North China is at 71 Wangfutachieh, Peiping, in a block of buildings erected in memory of William Booth. In addition to administrative offices it contains a central hall with seating accommodation for 1,200 people. The headquarters for the work in Manchuria at Mukden is under the direction of an officer who is responsible to the International Headquarters in London. The Army uses varied methods to further its work, these including open-air services, mass education classes, homes for orphans and poor children, homes for women and girls, prison work, medical work, and what is best known and appreciated by the general public—winter relief work, given in the form of porridge kitchens and warm shelters during the cold winter months. The work of relief in famine-stricken districts and flooded areas and war-devastated regions, though limited on account of finance, is also widely known.

Other Recent Notable Events.—The Ministry of Education of the National Government in China conferred a decoration on President J. L. Stuart of Yenching University on his 60th birthday, when he completed 35 years of service as a missionary in China; 19 of them having been spent in the building up of Yenching University, which has won its place among the best institutions of higher learning in this country.

The Church of Christ in China (C. C. C.) has completed its process of registration with the National Government, thus obtaining for itself a legal status. It is hoped that other Church bodies will follow this example.

The Rev. G. W. Sheppard of the British and Foreign Bible Society retired from active work in China, after a long term of useful and devoted service to the important work of Bible publication and distribution.

The Y. W. C. A. lost its great leader Miss Ting, in 1936. It has chosen Miss Tsai Kwei (蔡斐, Mrs. Chen) to succeed her. After graduating from Ginling College Miss Tsai Kwei was Executive Secretary of the publication department of the National Y. W. C. A. for six years. The seventh, being her sabbatical year, was spent at Columbia University, in the United States, where she received her M. A. degree in Education. While abroad Miss Tsai visited both European and American Associations, and in the fall of 1936 she represented the Chinese Y. W. C. A. at the World's Council meeting in Ceylon. She became the

acting general secretary upon her return in Shanghai in December, 1936.

China will be represented at two important ecumenical councils in the British Isles during the summer of 1937. One of them will meet at Oxford under the auspices of the Universal Christian Council for Life and Work. Its theme will be, "Church and State." The other meets at Edinburgh, and is the Second World Conference on Faith and Order. Among the Chinese delegates to one or both of these important world gatherings are expected to be T. T. Lew, D. S. Lo, Peter Shih, Mrs. Liu Lan-hua Yü, F. C. M. Wei and Y. T. Wu.

HISTORY

LEI HAI-TSUNG (雷海宗)

Chinese civilization may be said to have undergone two cycles. The first cycle, from the dim beginnings to 383 A.D., was that of Classical China, when the race was comparatively pure, and civilization was indigenous, with only slight and insignificant cultural infiltrations coming from without. The second cycle, from 383 A.D. to the present, is that of Tartar-Buddhist China (if we may be allowed to coin a new term) and covers a period when the country was occasionally overrun by the peoples of the north, and the traditional civilization gradually being transformed by Buddhism into a new synthesis, which, though essentially Chinese, exhibited a rather thick veneer of the alien culture. For the sake of convenience let us treat the two cycles separately.

I. THE FIRST CYCLE OF CHINESE HISTORY

There is no lack of theories with regard to the origins of the ancient Chinese, but so far no theory has yet been able to put forth proofs acceptable to the unbiased student. All that we can say with certainty is that by 2000 B.C. the ancestors of the future Chinese were already inhabiting the Yellow River valley, and that throughout the first cycle this region was the center of Chinese history and civilization, with the Yangtze valley as a sort of political and cultural appendage, while the Pearl River valley came into the Chinese fold only at the end of the cycle.

The first cycle, after the obscure ages of prehistory, may be divided into five periods:

1. The Feudal Age, 800–771 B.C.
2. The Ch'un-ch'iu or Spring and Autumn Age, 770–473 B. C.
3. The Chan-kuo or the Age of the Contending States, 473–221 B.C.
4. The Empire, 221 B.C.–88 A.D.
5. The Fall of the Empire and the Decay of Classical Civilization, 89–383 A.D.

Between perhaps 3000 and 2000 B.C. the larger part of North China, including Southern Manchuria and portions of Mongolia, gradually entered the neolithic stage of culture, best known by the excavations at Yang Shao, one of the sites of the famous discoveries of painted pottery in Honan Province. Side by side with these painted wares were unpainted vases recalling the shapes of the tripods of the historical bronze age, thus proving unmistakable cultural continuity between the two. The skeletal remains associated with these wares were also Chinese in appearance, showing that they must have belonged to the ancestors of the historical Chinese race.

These proto-Chinese were scattered into many tribes, living mainly by fishing, hunting and cattle raising; but a primitive sort of agriculture, usually known as hoe culture, must have begun to supply part of the means of subsistence.

In about 2000 B.C. these early tribes entered the last or chalcolithic stage of the neolithic culture. It was an age of transition: though stone and bone implements and pottery still prevailed, bronze objects began to be manufactured. Fishing, hunting and nomadism had not yet disappeared, but agriculture gradually became the main source of the food supply; and with this predominance of agriculture the social cleavage between landed

nobility and ecclesiastic and farming commoner or serf began to appear, destined to last throughout the prehistorical period and the age of feudalism. Tribal conflict went hand in hand with cultural advance. With perhaps hundreds or even thousands of tribes scattered all over the North China plain to start with, by 1700 B.C. two had come to the fore, the Hsia (夏) and the Shang (商). The Hsia, situated in the modern province of Shansi, was a first perhaps the stronger of the two and seems to have succeeded for a time in inducing most of the nearby tribes to acknowledge its supremacy. Hence Hsia, or Hua Hsia (華夏), or Chu Hsia (諸夏), came to be the collective name of the whole Chinese race. But Shang, the center of whose power lay in the modern province of Honan, was a serious rival and after a long drawn out conflict that lasted for perhaps a century, in about 1600 B.C. Ch'eng T'ang (成湯), the chief of Shang, decisively defeated Hsia, was acknowledged as king and overlord by the tribes and established the first loosely organized semi-feudal empire.

Unfortunately the three centuries which followed this epoch-making event are almost a total blank, so far as our present historical knowledge is concerned. However, by 1600 B.C. there must have been in use a more or less reliable calendar, without which no agricultural life is possible. The traditional list of names of the Shang kings has recently been confirmed by the oracle bones discovered in Honan, thus proving that the art of writing probably had also been invented by 1600 B.C.

In 1300 B.C. P'an Keng (盤庚), the king of Shang, established his capital at Yin (殷), the modern Anyang (安陽), Honan. This is the first definitely established date in Chinese history, and may be regarded as the beginning of the feudal age. The only thing we know about the three centuries prior to this event is that the Shang kings had repeatedly changed their residence, but with the establishment of the capital at Yin no further removal seems to have occurred for the next 300 years. The most plausible explanation of this is that during the first three centuries the authority of Shang had been only nominal, while after this Shang or Yin, as it came to be called alternatively, became definitely the political center of the Chinese world, and a real feudal system ensued. The prince of Shang was king and overlord, also known by a semi-religious title as Son of Heaven. All of the tribes were nominally under the suzerainty of Shang, and at least some of these were more or less under its control. But the tribal chiefs were all hereditary and exercised independence in internal affairs.

At about 1100 B.C. a new power, the Chou (周), rose in the west and, after decades of bitter struggle, finally overwhelmed Shang and took over the Chinese overlordship in 1027 B.C. The duke of Chou completed the task by conquering most of the subordinate tribes of Shang and distributing the conquered territory as fiefs among his numerous brothers, nephews, sons, and all degrees of cousins, as well as a few faithful ministers outside his own clan. Thus the feudal empire of Chou was stronger than Shang had ever been.

At about 900 B.C. the feudal empire of Chou began to show symptoms of decay. The feudal princes had been becoming more and more independent; through continuous warfares and annexations of the weak by the strong, a few larger states had come to be able to defy the Son of Heaven with impunity. About 860 B.C. Li Wang (厲王) attempted the impossible task of reviving the feudal empire, with the result that the nobles forced him to flee and abdicate in 842 B.C., and the next fourteen years was a period of interregnum, affording the feudal chiefs a golden opportunity to fulfill their private ambitions. By the time a new king, Hsuan Wang (宣王, 827–782 B.C.), finally came to the throne, the princes were completely out of hand. Hsuan Wang did his best to assert his authority, but was ultimately defeated by the western barbarians, most probably with the covert instigation, if not open assistance, of the princes. His son, Yu Wang (幽王,

781–771 B.C.), found himself helpless against the barbarians, and was defeated and killed in 771 B.C.

For a time the royal domain of the west was completely overrun by the barbarians, and the new king, P'ing Wang (平王, 770–720 B.C.), was forced to abandon his ancestral patrimony and reside permanently at the eastern capital, Loyi (洛邑), near the modern Loyang. The feudal empire was shattered beyond recall; a new age, the Ch'un-ch'iu (春秋), was ushered in, with the feudal states occupying the center of the arena, while the king became a mere figurehead.

The religious beliefs of the feudal age were similar to those of all ancient peoples. Every important phenomenon of nature was personified into a god and devoutly worshipped. There were the Rain God, the God of Wind, the Lord of Thunder, the God or Goddess of Marriage, the Spirit of the Wayside, the Divine Husbandman, the God of the Kitchen, the Divine Archer, the powerful Count of the Yellow River and a host of other divinities. Above all these was a supreme god, Shang Ti (上帝), the Lord on High, also known as Heaven or T'ien (天), who was the Lord of all Gods and Men. Of equal standing with this Lord on High was the Lord of the Earth (后土).

At this time the divine and the human were not very clearly differentiated. All of the dead, at least the dead of the noble class, automatically became gods in heaven and were duly worshipped by their descendants, though, as a rule, only the recent dead were honored with ceremonies, while the remote ancestors were allowed to pass into oblivion.

With the transfer of the capital to the east, the king no longer played the central rôle in history. An international system of states, with its corresponding world politics and struggle for hegemony, arose out of the last few centuries of feudal turmoil. Four states were of special importance, roughly corresponding to the four points of the compass: Ch'i (齊) in the east, Tsin (晉) in the north, Ch'in (秦) in the west, and Ch'u (楚) in the south. Hemmed in between the Big Four were a host of minor states, whom the four giants of the periphery sought to dominate. All these states, big and small, still recognized the nominal overlordship of the king of Chou, whose only function, however, was to confer the hegemonic title on whichever state was able for a time to dominate the petty principalities of the center. The coveted title was won successively by Ch'i and Tsin, but the increasing potency of semi-barbarous Ch'u rendered the exclusive ascendency of any one of the northern states an impossibility, and the larger part of the Ch'un-ch'iu period was characterized by a balance of power between Tsin and Ch'u, with Ch'i and Ch'in playing a secondary rôle.

All of these states had become more or less unified. The old feudal nobility was still in existence, but it had to play a subordinate part under the prince who was now supreme within the state. The common people still had nothing to do with politics; under the prince, the nobles retained their exclusive political control. But conditions varied in the various states. In Ch'in and Ch'u, for instance, feudalism had practically disappeared, while in Tsin the nobles were still so powerful as to make it a semi-feudal state. The situation in Tsin became untenable and finally complete anarchy reigned in the once powerful hegemonic state. Ch'u, however, was not able to take full advantage of the downfall of Tsin, because to the east, in modern Kiangsu, the new state of Wu (吳) had risen to harass Ch'u and to bring to a close the struggle for hegemony which marked the Ch'un-ch'iu period.

Yueh (越), in modern Chekiang, followed close at the heels of Wu in organizing itself into a great power, and, being next-door neighbors, the two states could not but be mortal enemies. But when the older states struggled for hegemony, none ever attemped actually to conquer its rival. The chivalrous tradition of the feudal age had not yet died out. Warfare might be frequent, but it was never very bitter. Wu still retained this attitude of former times, and, when

Yueh was completely at its mercy, desisted from making the most of an advantageous position. Yueh, however, already foreshadowed the coming age, that of the Contending States, when all wars were to be wars of annihilation, and, once the situation was reversed, mercilessly wiped the state of Wu off the map (473 B.C.).

Religion comprised the whole of the spiritual life of the feudal age, and seems to have continued to be the predominating influence through most of the Ch'un-ch'iu period. But the closing decades of the age were a period of revolution and suffering and, as a result, saw the rise of the first glimmerings of nationalistic speculation. The philosophers, mostly sprung perhaps from the privileged class, diverged into three types. First, there were those who led in the overthrow of the old order, typified by Teng Hsi (鄧晳, d. 501 B.C.). Secondly, there were the pessimists who believed the situation hopeless and decided to save themselves by fleeing the world; of such recluses Confucius met quite a number during his wanderings. The third type was represented by the great Sage himself, who worshipped the age that had passed or was passing and devoted himself to preaching a return to the good old days.

The century after the fall of Wu in 473 B.C. was one of continuous political and social upheaval. Outwardly the most conspicuous change was the partition of Tsin into the three states of Han (韓), Chao (趙), and Wei (魏) and the change of dynasty in Ch'i; but the inward revolution was much move significant. All became centralized states; the hereditary nobility and its prerogative of exclusive political control by the side of the prince were completely overthrown, and the prince from now on was to be an absolute despot. All political positions were at the disposal of the princely favor; no one was to hold any position by right. All were now, nominally at least, equal before the law. Whereas formerly the nobility had formed the major portion of the army, now, with the attainment of political and social equality, conscription came to be the recognized way of enlistment. Former wars had been comparatively harmless affairs, but now every state encouraged its citizen-soldiers to do their worst in the battlefield. In fact a regular system was set up by which soldiers were rewarded according to the number of heads they could bring to their general.

The era of the Contending States, the bloodiest in Chinese history, was also the golden age of philosophy. Though abstract thought was highly developed, yet the main theme of all schools may be said to have been practical, one and all wanted to solve the pressing problem presented by the political and social anarchy of this age of blood and to set forth a plan for the unification or, at least, pacification of the world. The solutions offered were of two categories, passive and active. Schools of the former type, the Taoist, the Dialecticians, and the school of Yang Chu (楊朱), more or less influenced perhaps by the pessimists at the end of the Ch'un-ch'iu period, regarded the whole situation as irremediable and advocated only personal development and individual salvation. The latter type, the Confucians, the Micians, the Legists and the Yin Yang school, imitated Confucius in ardently offering cures for all the ills of the world. All of these schools, with the possible exception of the Legists, however, were rather doctrinaire and utterly ineffective against force and might, which ultimately prevailed by pacifying and unifying the war-torn world through the instrumentality of Ch'in Shih Huang-ti (秦始皇帝), 221 B.C.

For the first time in history China was organized into one state by Ch'in, and for the next 2,000 years unity was to be the normal condition and disunity only a temporary phase. Imperial unity was consolidated by the Ch'in and Han (漢) within the three centuries from 221 B.C. to 88 A.D., thus laying the institutional foundations of the next two millenniums. The proper territorial limits of the Chinese Empire were also set up in this period.

Socially China was also given a permanent form by the Han dynasty.

The clan system of society, all-important in feudal and Ch'un-ch'iu times, seems to have been considerably weakened, though not totally destroyed, by the Contending States, which had attempted to break up the clans in order to augment individual loyalty to the state. But now, with the passing of the age of incessant warfare, the temporarily overshadowed clan system tended to reassert itself. At the same time the emperors in looking around for a permanent support for the throne, set their eyes on the great landholders, among whom the clan system seems to have remained strongest. With the establishment of Confucianism as the state religion, the fortune of the ancient social order may be said to have been assured, for that school was always harping back to the good old days of feudalism. This resuscitated semi-feudal social system was also destined to last for two thousand years.

With the establishment of the universal empire, the conflicting schools of thought showed a steady decline in creativeness and influence. All schools tended to disappear, in fact, except Confucianism, Taoism, and the Yin Yang, all of which took on a more and more religious color. Confucianism was recognized as the state cult, and Confucius himself, though never deified, was converted into a somewhat mystical personage. Taoism came to be a belief in the transmutation of metals, the elixir of life and all sorts of charms and other superstitions. As for the Yin Yang school, it was more a pervasive influence than a sect. It never acquired a definite form or a concrete organization, but both Taoism and Confucianism were considerably influenced by it, and the whole atmosphere of belief and speculation during Han times was permeated by the ideas of Yin and Yang, the five elements, signs of fortune and misfortune, lucky and unlucky days, etc. These beliefs, together with the two organized sects, were to form the basis of Chinese spiritual life down to the 19th century.

The reign of Ho-ti (和帝, 89–105 A.D.) was an important period of transition. For fully three centuries, with one or two exceptions of very short duration, the empire had been consistently unified and strong, but with Ho-ti it began to decline permanently. The internal situation became increasingly untenable, while the barbarian pressure was more and more serious, till finally all of the provinces along the northern frontier became virtually barbarian territory. Meanwhile, the military spirit was also waning, and by the time of Ho-ti the Chinese army had become largely a barbarized force. Repeated internal insurrections and barbarian invasions shook the empire to its foundations, finally dissolving it into more than half a dozen fragments. After the short period of the Three Kingdoms (208–263 A.D.), the Tsin dynasty (晉) managed again to unify the empire, but not for long.

Before describing the final catastrophe, however, let us review briefly the spiritual condition of the age. Confucianism came to be an ossified system of pedantic erudition and dry ceremonial, with no inspiration for the people or even for the intellectuals. The independent spirits among the latter inclined toward a decadent sort of Taoism, known as Pure Discourse (清談), which served only as an excuse for their nihilistic behavior, denying all the ritual and moral code of Confucianism, drinking to excess, ridiculing and even insulting the people of the world in every possible manner, and in general doing anything and everything that their own sweet wills might dictate. Such a philosophy of reckless decadence could neither be understood, however, nor could it be afforded by the common people, who found their comfort in a much baser brand of Taoism, which in the second century A.D. crystallized into a Taoist church. It was in such an age of despair and unrest that Buddhism was introduced, probably at the beginning of the 1st century A.D. At first obscure and negligible, by the 3rd century it had become a great dissolving influence for the traditional civilization, just as the barbarians had become a serious menace to the political and racial integrity of the empire.

Beginning from 300 A.D. eight princes of the blood of the House of Tsin indulged in an indescribable mêlée of civil war in their mutual struggles for power. It was the signal for the barbarians that their day had come, and the Hsiung-nu of Shansi were the first to declare independence in 304 A.D., formally occupying what had for long been practically their territory. Other barbarians followed eagerly in their wake, and within the next century or so more than a dozen ephemeral states were set up along the course of the Yellow River. The House of Tsin crossed the Yangtze and established a new seat at Nanking; henceforth it was to be known in history as the Eastern Tsin dynasty (317–420).

By the year 376 a barbarian state comprising the whole of the north and known by the classical name of (Ch'in 秦), had been established and it began to consider seriously the invasion of the south and the unification of all China. But the Yangtze was never crossed, for the barbarian host was defeated at the River Fei (淝水), in northern Anhui, in 383 A.D. The Battle of the Fei is one of the decisive struggles in history. Had the barbarians succeeded in crossing the Yangtze at a time when Chinese vitality was at a low ebb and the Chinese race had not yet taken deep root in the new south, all China would have been lost and most probably re-barbarized, and it might have meant the end of Chinese civilization. At any rate, all future history, even if China could have been preserved as a cultural entity, would have been totally different. As it was, China had already been sufficiently shaken, and came gradually to assume a new physiognomy. For two centuries after 383 the country was definitely divided into North and South, Chinese and certain Barbarian elements were to coalesce into a new Chinese race, and Buddhism was to give a new impetus to Chinese culture. Classical China had come to an end; a new cycle of Chinese history was just beginning.

II. THE SECOND CYCLE OF CHINESE HISTORY

We have agreed to call the Second Cycle that of Tartar-Buddhist China. Tartar blood, introduced for the first time at the end of the first cycle, was to become an increasingly important factor in Chinese development for the next two millenniums, when repeated waves of the northern peoples were to enter and conquer a part of the whole of China, only to be absorbed by and enrich the main Chinese stream. With every wave of invasion, the Chinese of the north sent, in turn, a new wave of migrants to the south, which was persistently to increase in political and cultural importance, until finally the south was to become the cultural center of China and, as to-day, even the political center.

Buddhism, also introduced at the end of the first cycle, succeeded in transforming Chinese culture and giving the second cycle a decidedly East Indian varnish, though fundamentally the Chinese have been able to preserve their spiritual identity. Whether one professes the Buddhist faith or not is of secondary importance; no Chinese of the second cycle has been able to escape entirely the influence of Buddhism in his attitude toward life.

The second cycle may be divided into five eras as follows:

1. The Northern and Southern dynasties, the Sui and T'ang dynasties, and the Five dynasties, 383-960 A.D.,
2. The Sung dynasty, 960-1279 A.D.,
3. The Yuan and Ming dynasties, 1279-1528 A.D.,
4. The Fall of the Ming and the Rise and Heyday of the Manchu dynasty, 1528-1839 A.D.,
5. The End of the Manchus and the Republic, since 1839 A.D.

It may be noted that we have not given each age a name, as in the case of the first cycle, but have contented ourselves with the respective dynastic titles. Though we shall make attempts to characterize each age as we proceed, yet it can hardly be denied that politically and socially China has undergone practically no change, but has merely preserved and carried on the institutions set up by the Ch'in and Han dynasties. Outwardly the

only notable change was a panoramic succession of dynasties, which, whether Chinese or barbarian, never deviated from the general pattern. Really significant changes have occurred only in the cultural sphere. Politically there have only been ups and downs, while socially an even tenor has been maintained throughout. It is only during the last hundred years, under the impact of the West, that signs of a comprehensive transformation have appeared.

The six centuries after the Battle of the Fei were an age of transition and new synthesis, when Chinese and the barbarians that were in the country gradually merged into one people and created a new empire and Buddhism was digested and utilized for new cultural developments. At its greatest extent, the T'ang empire was even more extensive than that of the Han. All of Manchuria, including Korea and the Amur territory, most of Mongolia, Turkestan (both Chinese and Russian), all of Tibet, and Annam all recognized the suzerainty of T'ang, while the Han emperors had never reached the Amur or Tibet. In fact, the T'ang emperor, known as Huang-ti (皇帝) within China Proper, used the additional title of the Heavenly Khan (大可汗) in dealing with the subject peoples. In this sense the T'ang may be called a dual empire, composed of Chinese and barbarians on a footing of at least nominal equality.

Buddhism reached the height of its development during the Northern and Southern dynasties and in Sui and T'ang times. Buddhist missionaries from India and Central Asia and Chinese pilgrims to the west became regular sights, and the two must often have met midway. Buddhist sutras were extensively translated, while independent Chinese works were also being composed. Many sects were either imported or developed on Chinese soil. In so far as Buddhism was a religion, the most important sect was perhaps that of the Pure Land (淨土宗), which served as an unfailing spiritual refuge for the people, while all of the other sects were schools of philosophy, intelligible only to scholars.

The grandeur of the Sui and T'ang lasted barely two centuries. Beginning with the middle of the 8th century the empire steadily declined, and the first decade of the 10th century again found it broken into fragments, of which the most important were the five ephemeral dynasties succeeding one another in the north. At the same time Buddhism began to show signs of decline, and the traditional Chinese culture in the form of Confucianism came forth to reassert itself. The "back to the Classics" movement, championed by Han Yu (韓愈 768–824 A.D.), aimed at doing away with all foreign influences and restoring the pure Chinese culture of the ancient days. A man of little originality, Han Yu was significant as the forerunner of the Neo-Confucianism that was to carry all before it in the Sung dynasty.

The Sung dynasty was an age of general stock-taking and house-clearing. By 960 A.D. the signs of weakness had become perfectly plain. For two centuries disunion had been growing apace, and the state of union achieved after 960 was due more to a general weariness than to an active line of policy. The army, composed of hungry peasants and the social riffraff, was of little or no use in defending the frontier, to say nothing of pushing beyond it. The finances were disorganized, with the peasants loaded with burdensome taxes and heavy corvée services. The civil service examinations, first set up by the Sui, had by this time become artificial and anachronistic, being confined mostly to the Confucian Classics and producing few leaders who could understand and devise means to reform the evils of the country. In view of these considerations, it should be no matter for surprise that the Sung had never been able to gain a natural frontier. The Peiping area, lost to the Khitans or Liao (遼) in the period of disunion, could not be reconquered. The northwestern corner of the country, the northern part of Kansu and the southern part of Suiyuan, lost to the Tibetan Tanguts (黨項) or Hsia (夏), were to

remain in barbarian hands throughout the age of Sung. The Sung dynasty not only failed to even up the frontiers, but, in order to purchase peace, was forced to pay to the two barbarian neighbors a heavy yearly tribute, both in cash and silk, euphemistically known as a free gift.

Wang An-shih (王安石), the prime minister of Shen-tsung (神宗, 1068–1085), was a man of deep insight and rare understanding. He clearly saw the evils besetting state and society and offered the appropriate remedies, and he would most probably have succeeded in revivifying the empire if the opposition had not been too blind and selfish. But the situation was hopeless, and very soon the North was once more lost to barbarians. For a century and a half the Sung managed to keep a miserable and precarious hold on South China, but ultimately all China, for the first time, was overwhelmed by barbarians, and came to form a part of the universal empire of the Mongols.

In the cultural sphere, however, innovations met with a better fate. The racial mind seemed to be determined to erase at least the external marks of alien influences. In striving to revive classical tradition it succeeded in working out a synthesis of Buddhism, Taoism and Confucianism, which, however, its exponents believed to be the original and pure system of Confucius. This synthesis, which we might call Neo-Confucianism, was an eclectic and synthetic product. Eclectic speculation flourished throughout the Sung era, but it is curious to note that its highest development was reached only after the loss of the North. The new philosophy diverged into two main streams, which we might call Moderate Realism and Absolute Idealism, best represented by Chu Hsi (朱熹, 1130–1200) and Lu Chiu-yuan (陸九淵, 1139–1192) respectively. After 1200 there was no more development in Neo-Confucianism; all future philosophers were divided between the two schools set up by Chu and Lu. Chu came to be gradually recognized, however, as the orthodox master and was canonized as a sage; he was even regarded by some as the greatest sage after Confucius.

The Mongol and Ming dynasties were an age of political catastrophe, temporary recovery, and cultural stagnation. For a full century China was at the nadir of misfortune and decline; for the first time the whole country was ruled by the foreigner. The Mongol Empire, besides, extended as far west as Eastern Europe; China formed only a part of the universal empire, albeit a huge and important part. The Mongols, again, differed from the conquerors of former ages in that they were indifferent or even hostile to Chinese culture, and had no inclination to be absorbed into the Chinese body system. If anything, they would rather have liked to see the Chinese adopt Mongol manners and ways of life. This was perhaps the main cause why they were driven out after barely 89 years.

Ming was the only period after T'ang when all China was unified under one native rule, with even the barbarian territories of strategic importance beyond the frontier incorporated within the empire. This outward splendor had a gloomy counterpart, however, in institutional and cultural development. The examination system was further ossified by the introduction of the so-called "eight-legged essay," which was to bind the mind of the race with ill-understood classical allusions and stereotyped opinions. The Sung dynasty had still been able to produce such an independent and energetic spirit as Wang An-shih; the best specimen of Ming intellect could only vilify him. The absolutist system of government began to take on the most abnormal accretions. The bastinadoing of ministers and high officials in the imperial court became a regular institution. For practically no cause, the first emperor, T'ai-tsu (太祖, 1368–1398), massacred thousands of his followers who had helped him in winning the empire, and throughout the dynasty executions of the great were a common occurrence. Beginning with the reign of Ch'eng-tsu (成祖, 1403–1424), the eunuch class was officially and intentionally given con-

trol of the government, and for over two centuries this incubus was to be the bane of political and social life. It is hard to say just who was responsible for such a state of affairs; perhaps nobody was to blame.

The only gleam of light in the prevailing darkness was the rise of the Cantonese and Fukienese branch of the Chinese race and its expansion overseas, thus showing that the latent vitality of the race was still capable of forward thrusts. The East Indies, known to China as the West Seas or the South Seas, had been opened to Chinese commerce as early as the T'ang dynasty, if not earlier; and throughout Sung and Mongol times the Chinese of the south had never lost contact with the southern islands. But large scale Chinese immigration was a Ming phenomenon, for which the impetus seems to have been given by the naval expeditions of Cheng Ho (鄭和), the greatest eunuch of the dynasty and a rare specimen of his class. The Chinese of the southern coast, with some of their kinsmen already settled overseas, took the opportunity to emigrate to the islands in large numbers, sometimes amounting to thousands, including men, women, and children. Some were merchants; others worked the gold and silver mines. A few were adventurers and pirates, often defeating some native chief and carving out a kingdom for themselves. When the Spanish and Dutch arrived in the 16th and 17th centuries, some of the most stubborn resistance was led by these Chinese chiefs. This marked a new orientation in Chinese development. Historically the Chinese had been a continental people, knowing little of the sea. From the 15th century onwards, at least one branch of the race was being trained as seafarers.

In the realm of philosophy Yuan and the early Ming were entirely sterile. The school of Chu Hsi was steadily triumphing over its rivals, and on the establishment of the Ming dynasty it was officially recognized as the orthodox Confucianism, from which none aspiring to an official career might deviate. But in about 1500 an extraordinary genius came forth to break the spell of gloom and general mediocrity. Wang Shou-jen (王守仁, 1472–1528), better known as Wang Yang-ming (王陽明), was one of those rare combinations of talent who unaccountably appear now and then to illumine the stage of history. Statesman, soldier, strategist, scholar, man of letters, philosopher and mystic, he was great in all of these several respects, in spite of the ordeal of an orthodox training and state examinations. The last of the Neo-Confucianist philosophers and perhaps the only great man of the Ming, Wang died in 1528 at a time that coincided with the decline of the dynasty and the first foreshadowings of the dissolution of the traditional order. Europeans had just arrived on the Chinese shores, and were ultimately destined to shake China to the very foundations.

The end of the Ming and the heyday of the Manchus was an age of utter stagnation, both political and cultural. Not only were there no new stirrings of the spirit in any sphere, but no need for such stirrings was even faintly felt. Meanwhile, new menaces were looming upon the horizon. For a time before the close of the 16th century the threat from Japan was very real, and only the unexpected death of Hideyoshi averted the danger of a Japanese problem. Potentially, of course, the greatest danger lay in the Europeans; but, for the time being, the latter were still too fully occupied with the New World, India, and the East Indies and too far removed from the standpoint of the means of communication at their disposal to attack effectively the imposing colossus of Eastern Asia. The people ultimately to conquer the Ming was a heretofore obscure Tungus tribe of Northern Manchuria. The Manchus, differed from the Mongols, however, in that they were not antagonistic to Chinese culture. In fact, they had already started on the road of civilization even before the conquest of 1644, and were ultimately destined to be totally absorbed by the Chinese.

One contribution made by the Manchus is of special importance.

The modern provinces of Yunnan and and Kweichow, though first conquered by the Han and since then never completely severed from the empire, had not yet become an integral part of cultural China even by the time the Manchu dynasty was established. Having become Chinese themselves, the Manchus were determined to civilize the aborigines who still predominated in the extreme southwest, and under Shih-tsung (世宗) or Yung-cheng (1723–1735) this policy was successfully carried out. Chinese colonists were encouraged to migrate and settle in large numbers, and aborigines were persuaded to adopt Chinese ways of life. Most of the tribal chieftains were deprived of their authority, and bureaucrats directly appointed by the imperial government were despatched to rule over the new districts. Though concentrated groups of uncivilized tribesmen have remained to this day, yet Chinese culture may be said to have been firmly and irrevocably established in those far-off provinces.

All further progress in the Neo-Confucianist philosophy stopped with the death of Wang Yang-ming; repetitions and readaptations of the old masters were the only product of latter-day thinkers. Intellectual effort during the Manchu dynasty was confined largely to philology and textual criticism of the classics. The only really creative work of the age was done, surreptitiously and for the most part anonymously, in the realm of fiction, which, beginning to prosper under the Mongols, reached the height of its development during the Ming and the heyday of the Manchu dynasty.

The era since the Anglo-Chinese conflict of 1839–1842 has not yet fully run its course; hence it is very hard to characterize it in a satisfactory way. From the tendencies of the last century, however, we may call it an age of general decline and disintegration and one marked by various and repeated attempts at regeneration. Both Chinese vitality and Chinese culture had been steadily waning ever since the Sung dynasty. The Manchus, after two centuries of predominance, were also weakening. There was no prospect of political and social reinvigoration, nor any sign of new stirrings of the spirit. Into the midst of such a state of torpor suddenly rushed the European, backed by a strong political machinery, an aggressive economic organization, and a vigorously expansive civilization. No wonder China, at first dumbfounded and then impotently enraged, finally collapsed. Only very recently has there been a faint prospect of recovery from the repeated blows of a century.

Ever since the first settlement of the Portuguese in Macao, that port together with Canton had been the most important commercial meeting ground between China and Europe, and the Manchus finally confined foreign trade to this locality, where, hemmed in by all sorts of regulations, it was at the mercy of the corrupt officialdom of the coast. Meanwhile the British, who had gradually become the leading commercial nation of the West, made repeated attempts to seek a revision of the arrangement and the failure of these efforts, together with the vexed problem of the opium traffic, led to the Opium War of 1839–1842. The events leading to and following that war are a familiar story, but their interpretation even to-day is still a difficult matter. Under the circumstances, it was inevitable perhaps that armed conflict should occur sooner or later. Even if the Manchu government had freely admitted foreign commerce, yet the fundamental aggressiveness of the West would still have led ultimately to rupture and war. As it was, the situation may be likened to the ancient Chinese story of the all-penetrating spear and the impenetrable shield. A trial of strength in order to test the validity of the irreconcilable claims was bound to come; and it turned out that the claims of the shield had been unjustified, so that China had to open her doors to the all-pervading influence of the Western powers, thus abandoning the idea of the Celestial Empire that had been uninterruptedly maintained, despite foreign con-

quest and domination, for two millenniums.

The Treaty of Nanking, the first of the treaties to be forcibly imposed on China by the West, provided for a heavy indemnity, the opening of the five ports of Canton, Amoy, Foochow, Ningpo, and Shanghai, the cession of the Island of Hongkong, official and public establishment of an "equitable" tariff, and the establishment of equality in relations between officials of the two countries. Two years later, in 1844, the United States and France followed British footsteps in securing similar treaties from China. Before long all of the Western powers were granted similar privileges, thus establishing the so-called "most-favored nation" system. The French treaty exceeded its prototype in providing for the freedom of Christian propaganda in the empire.

The tide of Western expansion, long stemmed, now flooded China with overwhelming rapidity. Foreign merchants and Christian missionaries soon became so numerous as to become a difficult problem, and the Manchu government was in no mood to fulfil all its promises, while the Western powers considered the treaty provisions inadequate. Under such circumstances any slight incident might be expected to lead to fresh and more serious hostilities, and in 1856 a minor broil over a small vessel off Canton was a sufficient signal for a joint Anglo-French expedition which involved the entire coast from Canton to Tientsin and ultimately brought the European forces into Peking in 1860. This was to produce a second series of treaties that opened more ports to foreign commerce, made the Yangtze virtually an international waterway, allowed diplomatic representatives of the West to reside in Peking, permitted inland travel on the part of foreigners, again iterated the principle of religious toleration, further elaborated the system of consular jurisdiction that had been touched on by the Treaty of Nanking, drew up a new tariff, and finally, of course, provided indemnities for the victors, England being ceded Kowloon, a strip of the mainland opposite Hongkong. Meanwhile Russia silently secured the Amur region and the seacoast of eastern Manchuria.

The tide of rebellion and social unrest, never completely suppressed since the end of the eighteenth century, now rose with added intensity after repeated military and diplomatic losses. The most serious revolt, stangely enough, borrowed at least part of its slogans from the religion of the West. The Taipings developed a special system of Christianity as the ideology of their movement, and, starting obscurely from Kwangsi in 1850, had secured within three years most of the southern provinces. They set up themselves at Nanking, and one of their expeditionary forces once actually penetrated as far north as the vicinity of Tientsin. But the Taipings soon degenerated in morale after their phenomenal successes, while the Manchu government was able to command the loyalty of some great Chinese leaders who created a new Chinese army to defeat the rebels. Then again, the Western powers who considered the continued maintenance of the Manchus on the Chinese throne more to their interest, also contributed to the final defeat of the Chinese Christian revolt. Nanking was retaken by the imperial forces in 1864, and the Manchus were given a new lease of life for another 50 years.

Satisfied on the whole with their privileges in China, the Western powers allowed the Manchu government a spell of peace for about two decades after 1860. Later France took Annam (1882–1885), and Great Britain occupied Burma (1886); but the loss of these remote territories was not so keenly felt as the disasters of the earlier decades nearer to home. In the meantime a new menace was rising just beyond the shores of the empire.

The rise of Japan is one of those amazing phenomena in history that everybody explains in his own way and nobody really understands. Politically still in the feudal stage, and culturally more or less a part of the Chinese complex, the island empire succeeded in transforming itself within

a generation into an efficient political machine of the European type, and decided with alacrity to join the international scramble for special privileges in China. After a decisive victory over China in the war of 1894, Japan took possession of Formosa and secured a foothold on the continent by forcing China in 1895 to recognize Korea as an independent state under Japanese tutelage. The blow to Chinese prestige and self-esteem was tremendous. China fully realized her impotency for the first time; and the West began to consider seriously the partition of the empire, as a forestate of which Germany seized Tsingtao, Russia took Dairen and Port Arthur, Great Britain staked out Weihaiwei, and France occupied Kwangchowwan, 1897–1898. The United States, decided, however, to champion the policy of the "Open Door" and its corollary Chinese territorial integrity. This promised to render the contemplated partition of the empire so unprofitable an affair that the first ardor of the powers began to be very much dampened. Meanwhile the Manchu government, under a young and enthusiastic emperor, began seriously to consider the problem of reform, and for about 100 days in 1898 actually issued a series of edicts which envisaged far-reaching consequences. But the forces of reaction, under the leadership of the Empress Dowager, forced the emperor into virtual retirement, set up a régime of reaction, and finally went so far in 1900 as to resort to the indiscriminate massacre of foreigners by means of the fanatical Boxers as the shortest road to the salvation of the empire.

This last gesture of reactionary despair was to have the double result of burdening China with further and more onerous bonds and of sealing the doom of the Manchu régime. The heavy indemnity of 450,000,000 taels imposed on China is not yet fully paid to this day. A Legation Quarter was created in Peking and made defensible. Free communication between Peking and the sea was to be maintained by foreign garrisons along the route. These and other humiliating conditions brought upon China by the Manchus made Chinese reconciliation to the foreign dynasty impossible, and may be said to have been mainly responsible for the revolution of 1911. As further consequences the Boxer movement led to the Russian occupation of Manchuria, the Russo-Japanese War of 1904–1905, and the virtual loss of the territory to the two competing Powers.

The Empress Dowager and her government began to realize their unpopularity and the necessity of making some gesture in the direction of conciliating public opinion. A movement for constitutional reform was officially, though half-heartedly sponsored, but it came too late. The Republican wing of reformers led by Sun Yat-sen and others finally brought about the revolution of 1911, the abdication of the last emperor, and the establishment of the Republic. This overthrow of the monarchic régime seems, for good or for evil, to be permanent. An attempt on the part of Yuan Shih-k'ai to establish a new dynasty (1915–1916) and a plot to restore the Manchus (1917) both failed with unexpected rapidity, and since then no one has ever seriously considered a revival of the traditional system.

After the failure of these two attempts at a monarchical restoration, the country was plunged into a hopeless round of civil war among the militarists, the conflict lasting right down to the year of the Nationalist Revolution, 1926. Nominally most of the provinces still adhered to the shadowy government kept up at Peking, by a legal fiction, but actually every militarist was his own master. The region around Canton, however, remained separatist and republican in principle most of the time, with the indomitable Sun Yat-sen as the moving spirit. Meanwhile during the years of the Great War a cultural movement was being started, with the universities at Peking as headquarters, but spreading all over the country. After the fiasco of 1900, the state examination system had been abolished, schools of all degrees had been set up, and Western ideas were

silently but irresistibly penetrating the country. After the first moments of enthusiasm for the political revolution and the subsequent disappointment, some among the intellectuals began to see that political changes alone were not enough and that the very cultural foundations must be completely overhauled. The new movement advocated the substitution of the traditional literary style by the vernacular, the unification of the spoken language by adopting the Peking dialect as the national tongue, a scientific reëxamination of traditional civilization in all its aspects, wholesale and systematic introduction of Western philosophy, literature and culture in general, and an attempt at a synthesis of things Chinese and Western and a new cultural creation The movement, while still in its infancy, was given a distinctly nationalistic turn by the Great War, and the secret agreements between Japan and the Allies gave rise to the Student Movement of May 4, 1919, which was the first instance of active student participation in republican politics and, being a new phenomenon, was to prove unexpectedly effective. It stopped the Chinese delegates from signing the treaty of Versailles, 1919, and was at least partly responsible for the convening of the Washington Conference, 1921–1922, which was to be a temporary turning point in Chinese foreign relations. For a time the powers partly reversed their policy of the last 80 years by promising to respect the sovereignty and territorial integrity of China and at least passively to aid China in her efforts at unification.

The Nationalist Revolution which started from Canton in 1926 gave a further impetus to the international and diplomatic recovery of China. By utilizing the opportunity presented by the temporary weakening of the powers as a result of the Great War and the capitalist-communist rivalry and antagonism of the West, the expeditionary force, after a short régime at Hankow, was able to establish the next year at Nanking a government that was to be the strongest since the fall of Yuan Shih-k'ai. With its Communist allies drastically eliminated it had General Chiang Kai-shek at its head, and by 1928, despite Japanese obstruction in Shantung and Manchuria, the whole country was at least nominally united once more under a single government—a party government under the dictatorship of the Kuomintang.

Internal troubles and civil war did not disappear altogether, but the government at Nanking was never to be so powerless as that at Peking had been. And all of the time China was regaining some of her lost rights. Besides the rendition of some of the concessions and leased territories, such as the British Concessions at Hankow, Kiukiang, Chinkiang, and Amoy, the Belgian Concession at Tientsin, and the British leased territory of Weihaiwei, the most important gain was perhaps the resumption of tariff autonomy in 1929. Only the Japanese refused to give up their specific rights and interests, while their hold on Manchuria remained as strong as ever. But the building by China of railways of her own was steadily depreciating the value of the Japanese hold, and the phenomenal success of Chinese colonization had made the land as solidly Chinese as any of the inland provinces. Japan would either have to witness the gradual loss of her position, or do something desperate. She chose to follow the latter course.

The Japanese guns fired off at Mukden on September 18, 1931, were to put a decided check to the easy diplomatic successes of the last five years. By the spring of 1932 the Three Eastern Provinces were forcibly occupied, and the puppet state of "Manchukuo" had been set up. On January 28, 1932, Japan sought a new world to conquer by attempting to seize a section of Shanghai and to turn it into a Japanese concession. Determined Chinese resistance and international opposition, however, rendered the realization of this plan impossible. But Japan was successful in the seizure of Jehol in the spring of 1933, thus rounding off what she regarded as the natural frontier of her puppet state. By determined expeditions inside the Great Wall, Japan was able to impose

upon China the Tangku Truce of May 31, 1933, by virtue of which Chinese troops were all withdrawn from the territory between the Great Wall and the Peiping area, thus leaving the Japanese a free hand in Manchuria and Jehol. But Japan was by no means satisfied with her gains. In the summer of 1935, after a respite of two years, by military pressure she forced the withdrawal from Hopei of all troops under the direct command of Nanking. With all means of effective resistance removed, she believed that the hour was ripe for a new and more important move, namely, the detachment of the five northern provinces of Hopei, Chahar, Shantung, Shansi, and Suiyuan from the control of Nanking. By the winter of 1935 Japan was exerting her utmost, short of actual military intervention, to create an autonomous régime in North China. But in this she was not to be altogether successful. The Political Council of Hopei and Chahar was established indeed, but on the pattern of the Southwestern Political Council at Canton and nominally at the initiative of the Nanking Government not by declaration of the local authorities or the so-called "representatives of the people." As compensation, however, Japan seized northern Chahar and detached eastern Hopei from China, setting up "autonomous" regimes that would meet all the Japanese requirements. The régime in eastern Hopei, grandiloquently styling itself as the "The Anti-Communist Autonomous Government of Eastern Hopei," has been particularly valuable as a convenient channel for smuggling, a traffic that has flourished since the spring of 1936, and is still being pursued as part of the policy of the island empire.

III. RECENT EVENTS (1936–1937)

The persistent Japanese aggression has not, however, succeeded in delaying the process of unification in the country. Under General Chiang Kai-shek the National Government for the last five or six years has been quietly going ahead with the work of military preparedness and national unification, in spite of disastrous floods and the repercussions of a world-wide general depression. The strength, equipment and efficiency of the Central army have been increasing by leaps and bounds. Public highways and railways are binding the country firmly together. The completion of the Yueh-Han, or Canton-Hankow, railway in the summer of 1936 and the continuous westward extension of the Lung-Hai line have been particularly important, both economically and strategically. Highway construction, begun in the first years of the Republic, has been earnestly prosecuted only since 1931; yet by the end of 1936 more than 100,000 miles of modern roads had already been completed. The reform of the currency by abandoning silver and introducing a managed paper system, officially promulgated on November 3, 1935, has proved to be as influential as any other measure in contributing to national unification; with minor exceptions, it has at a single stroke done away with the anomalous situation of a multitude of local currencies.

At the same time the unprecedented aggression from without has not succeeded in keeping intact the vicious circle of civil wars; all recent attempts at defying the authority of Nanking, whether made by militarists or Communists, have resulted only in a wider extension of central authority and a further measure of real unity.

Meanwhile Japan has never given up her schemes of strengthening her stranglehold on China. Repeated attempts at coercing China, especially the northern corner under the Hopei-Chahar Political Council, to conclude an anti-communist pact have failed, for this would have meant giving the Japanese military forces freedom to operate at will on Chinese soil. But since May 15, 1936, Japan had increased her garrisons in North China to the strength of a brigade and has further occupied Fengtai, the most important railway junction of the North.

Many sections of the people, more hot-blooded than cool-headed, were naturally dissatisfied at the outwardly pacific policy of the Nanking Govern-

ment toward Japanese aggression, thus giving the few remaining militarists an opportunity to capitalize popular sentiment in their designs of self-aggrandisement at the expense of the Central authority. By the summer of 1936 Kwangtung and Kwangsi, veiling their separatism under the cloak of the legally constituted Southwestern Political Council, had come to the conclusion that they could now overthrow Nanking by forcing its hand. Between June 2 and 4 a manifesto and a peremptory demands asking for an immediate declaration of war against Japan were sent to Nanking. Forming themselves into an Anti-Japanese National Salvation Army, the southern forces started to move northward on June 9 by invading Hunan, fully expecting the whole country spontaneously to rise in arms. In this, however, they were to be greatly disappointed, and five days later, on June 14, the southern forces had to retire. Regardless of all questions of right and wrong, no Chinese of any intelligence, in face of the serious national emergency, would countenance any movement against the Central authority under whatever pretext, anti-Japanism included. Meanwhile, the Central Government had succeeded in completely encircling the two southern provinces with loyal troops totaling 600,000 men. Furthermore the Japanese menace of the last few years had turned even a large section of the mercenary soldiers and officers of the warlords into patriots who would refuse to engage in civil war, especially against Nanking. The southern force deserted to Nanking *en masse*, striking a terrible blow at the rebel cause. Finally General Yu Han-mou, the commander of the so-called First Army of the Southwest, decided in favor of the Central Government and flew to Nanking, where he was appointed as the successor of Chen Chi-tang, the warlord at Canton. With hopes of success completely blasted, Chen Chi-tang had to flee to Hongkong on July 17; and with Kwangtung out of the picture, Kwangsi, a comparatively poor province, could do nothing but submit, albeit sullenly. But the Central Government was generous in its terms: Generals Li Tsung-jen and Pai Chung-hsi were still allowed to control the province, only their army was reorganized into the Fifth National Army of China in accordance with the general military system of the country. Starting as an anti-Nanking movement, the southern revolt resulted only in strengthening the Central Government and in further unifying the country.

Scarcely had the southern revolt been liquidated than trouble loomed in another quarter. On August 25 a mob killed two Japanese in Chengtu, Szechwan. Combined with subsequent incidents at Pakhoi, Hankow, Shanghai, and Fengtai, this gave Japan just the opportunity she needed. Fengtai was forcibly occupied on September 20, and all Chinese troops were withdrawn from the strategic railway junction. Late in 1935 Premier Hirota had formulated the so-called Three Principles of Sino-Japanese negotiation: (1) the cessation of all anti-Japanese activity in China; (2) co-operation between Japan, "Manchukuo," and China; and (3) Sino-Japanese co-operation against Communism in China. Now, in face of the new crisis, toward the end of September, 1936, the National Government was presented with a series of exhorbitant demands, compliance with which would have converted China into a virtual Japanese dependency. The most important of the demands seemed to be: (1) the creation of an "autonomous" régime in the five provinces of North China; (2) the appointment of Japanese advisors to all Chinese government departments; and (3) the brigading of Japanese soldiers in the Chinese armies "to aid the anti-Communist campaign"—a demand tantamount to the toleration of Japanese military penetration to any and every corner of China. In order to back up these demands, the Japanese fleet in Chinese waters was considerably increased.

China now felt herself sufficiently strong, however, not only to reject these extraordinary demands, but to make counter-demands

of her own, of which the most important seemed to be: (1) the withdrawal of the surplus Japanese garrisons from North China; (2) the abolition of the bogus régimes in eastern Hopei and northern Chahar; and (3) the cessation of Japanese smuggling.

Violently angry at what she chose to regard as the "unreasonable" attitude of China, and dissatisfied with the normal channels of negotiation, Japan instructed her ambassador, Mr. Shigeru Kawagoe, to insist upon seeing General Chiang Kai-shek and presenting her demands to him directly. Though the request was contrary to diplomatic procedure, General Chiang acceded to it and gave an audience to the Japanese ambassador early in October, only to let him know that the Japanese demands were unacceptable. After three months' vain effort, Mr. Kawagoe finally left Nanking on December 5.

With diplomatic negotiations reaching an impasse, Japan determined once more to resort to force. Hiding behind "Manchukuo" and the "autonomous" Mongols, the Japanese military decided to push westward toward Suiyuan, with the ultimate intention both of encircling North China and of severing all possible connections between China and Russia. Now that the Central Government had clarified its stand, however, the Chinese people were enthusiastic in their determination to resist all future aggression. As an effective expression of this sentiment, the 50th birthday of General Chiang Kai-shek on October 31 was utilized by the whole people, including the overseas Chinese, as an occasion upon which to present him with 50 airplanes, with more forthcoming, as a birthday gift. These machines the Generalissimo forthwith offered to the Republic. When, beginning on November 5, "Manchukuoan" and "autonomous" Mongol troops, with Jehol and northern Chahar as their base, started an invasion of Suiyuan, the whole nation rushed to the assistance of the soldiers at the front with contributions and technical skill, and the invaders were speedily repulsed. The tables were turned and on November 26 Pailingmiao, the rebel base, was captured by a combined force of Central and provincial troops; a few days later another base, Tamiao, was also recovered by China. Coming as the first instance of Chinese counter-attack and victory for the last five years, the news of these successes electrified the whole nation with a transport of enthusiasm. After vain threats on the part of the Japanese military, a statement was issued by the Japanese government on December 10 implying a withdrawal of the demands for North China autonomy and an anti-Communist pact.

In the midst of nation-wide enthusiasm China was presently to be threatened with another internal crisis, of which the Communists and the militarists were the co-authors. General Chiang Kai-shek's anti-Communist drive had begun to produce results by 1934, when, late in the year, the Reds were forced to abandon their stronghold at Kiangsi. Crossing westwards to Hunan, they fled to Kweichow and Yunnan, turned north and invaded Szechwan, and ultimately settled down in northern Shensi, with Central troops trailing behind them all the way. Early in 1936 a part of the Reds crossed the Yellow River and invaded Shansi, but the combined efforts of Central and provincial troops speedily pushed them back to Shensi, where the old Northeastern army of Chang Hsueh-liang was charged with the mission of extirpating them. But the Northeastern troops were deficient both in training and morale and were no match for the Communists, who, in the meantime, had changed their tactics and easily dissuaded the weak army of Chang Hsueh-liang from pushing too vigorously the perilous venture of attacking the Reds. Early in 1936, at the command of the Third International, the steadily weakening Chinese Communists capitalized the prevailing popular sentiment by changing their slogans. Catchwords for the class strife and proletarian revolution were abandoned, and "Reunification of the National Revolution" (meaning a reunion of the Kuomintang and the Communist Party), "Down with all Civil Wars"

(meaning the cessation of the anti-Communist drive), "A War of National Emancipation" (meaning an immediate declaration of war against Japan), and other slogans of a similar nature were now the order of the day. This crafty move on the part of the Reds had the double advantage of lessening the government pressure on these new converts to nationalism and patriotism and of putting Nanking in an embarrassing situation by the implication of its refusal to stop "all civil wars" in the face of foreign aggression. It was this change of front on the part of the Communists, coupled with the intrinsic weakness of the Northeastern army, which was in deep terror of being beaten or even annihilated by the Reds, that precipitated the crisis of Sian late in the year 1936.

Early in the morning of December 12, in order to escape from the intolerable burden of the Red campaign, Chang Hsueh-liang, together with Yang Hu-cheng, the former warlord of Shensi, captured and detained by force General Chiang Kai-shek and a number of Central officials and army commanders at Sian. At the same time they issued a manifesto proposing an eight-point program as follows:

1. Reorganization of the government in order to admit the participation of other parties and elements;
2. The cessation of all civil wars;
3. The immediate release of patriotic leaders arrested in Shanghai;
4. The release of all political prisoners;
5. The lifting of the ban on the popular patriotic movement;
6. Freedom of assembly and association for the people;
7. The observance of Dr. Sun Yat-sen's Will (advocating, *inter alia* and by implication, an alliance with Soviet Russia);
8. Immediate convocation of a National Salvation Assembly.

Believing himself to be playing a sure game of winning popular support and even becoming a national savior, Chang Hsueh-liang was to find himself very much mistaken. All of the articulate sections of the nation were virtually unanimous in condemning the rebels and unconditionally supporting General Chiang Kai-shek and the Central Government. Denunciatory or exhortative telegrams, poured into the city of Sian from all over the country and beyond, while the Nanking Government was overwhelmed with an unprecedented expression of loyalty from local governments, army commanders, schools and universities, associations of the liberal professions, Buddhist, Mohammedan, and Christian churches, merchant and labor organs, overseas Chinese, and prominent or even obscure individual citizens. As the Central Government handled the situation with coolness, the panic originally expected by the rebels was entirely absent. With Central troops already despatched on their way westward to the rescue of General Chiang, the government formally inaugurated a punitive expedition on December 16. At the same time emissaries from both sides were negotiating for a pacific settlement of the crisis, and the final truce offered to the rebels by the government was to expire on December 25. Faced with nation-wide denunciation and the unquestionably stronger force of the Central Government, Chang Hsueh-liang finally released General Chiang on Christmas Day and decided that the best guarantee for his own personal safety was to surrender and put himself at the mercy of the government. Chang actually accompanied the Generalissimo back to Nanking and on the last day of 1936 a specially appointed court-martial sentenced him to 10 years' imprisonment and five years' loss of civil rights. At the instance of General Chiang Kai-shek himself, however, the rebel leader was pardoned four days later.

A crisis that had threatened at first to undo all of the work of reconstruction and unification achieved during the last five or six years, had the diametrically opposite result of strengthening both the position of General Chiang Kai-shek and the sense of national unity. The entirely spontaneous expression of loyalty and enthusiasm by means of fireworks and monster demonstrations in every corner of the land after the release of the Generalissimo was a spectacle perhaps never witnessed before in the long history of China.

But it still took some time to bring Yang Hu-cheng and the subordinates of Chang Hsueh-liang into line. On January 6, 1937, Central troops started again to move against Yang Hu-cheng and the other rebel leaders who had not yet made willing submission. After protracted negotiations, Yang Hu-cheng farcically promised to pledge loyalty to the Central Government in return for undisputed possession of Sian and southern Shensi, presumably leaving northern Shensi to the Communists. This unreasonable demand led the Central troops to proceed with the encirclement of the rebel forces on January 21. Meanwhile the rebel leaders were falling out among themselves, and on February 2 one of their number, Wang I-cheh, was killed by extremists within the city of Sian. Finally the recalcitrant generals were brought to terms, and on February 8 Sian was yielded up to the Nanking forces, thus liquidating at least the military side of the rebellion.

To settle the issues raised by the Sian affair and to seek a new orientation of national policy, internal as well as external, the Third Plenary Session of the Fifth Central Executive Committee of the Kuomintang was inaugurated on February 15. The inaugural address of Wang Ching-wei, chairman of the Central Political Council, outlined these four points as the main issues confronting the assembly:

1. The recovery of lost territory and the safeguarding of the areas still under Chinese rule;
2. Stabilization of internal conditions in order that the national defense program of the Communist suppression campaign should not be delayed;
3. The promotion of economic reconstruction;
4. The inauguration of a democratic government.

The session of the plenum lasted for eight days (February 15–22), and the most important decisions reached were two. On February 20 the session passed a resolution, providing for the convocation of a National People's Congress on November 12 to adopt a Constitution and inaugurate a democratic government in place of the present party dictatorship. The second epoch-making decision—the so-called Resolution for the Eradication of Communism—was reached on February 21, listing these four major conditions under which the Central authorities would be prepared to effect a reconciliation with the Reds:

1. Abolition of the Red army and its incorporation into the unified command of the nation's armed forces;
2. Unification of government power in the hands of the National Government and dissolution of the so-called "Chinese Soviet Republic" and other organizations detrimental to government unity;
3. Absolute cessation of communistic propaganda, which is diametrically opposed to the Three People's Principles;
4. Stoppage of the class struggle, which splits society into antagonistic classes and invites mutual destruction.

Meanwhile Japan, faced with the fiasco of the Suiyuan venture and the ever swelling tide of Chinese unity, was also considering a change of front. On the same day (February 21) as the Resolution for the Eradication of Communism was passed, Premier Hayashi made a gesture of peace and conciliation by inviting China to enter into more friendly relations with the island empire through cultural and economic links; and on March 8 Foreign Minister Naotaka Sato virtually admitted the failure of the continental policy by declaring: "China demands to be treated on an equal footing; this wish should be respected and past differences forgotten."

PART II

SYSTEM OF GOVERNMENT

THE KUOMINTANG[1]

WU TA-CHUN (吳大鈞)

I. A GENERAL SURVEY OF THE CHINESE KUOMINTANG[2]

The Chinese Kuomintang has a history of more than 40 years. It was first called the Hsin Chung Hui (Society for the Regeneration of China), then the Tung Min Hui (literally, Alliance Society), and later the Chinese Revolutionary Party. The last designation was replaced by the present name in 1919. The Kuomintang was reorganized in 1923 and its First National Congress was held in Canton in 1924, when representatives came from all parts of the country. A manifesto was issued which laid down the fundamental principles to be followed by the party in both domestic and foreign policy. The congress also adopted the Party Constitution, by which the supreme authority of the Kuomintang is vested in the National Congress. The National Congress elected full and reserve members of the Central Executive and Supervisory Committees. Three plenary sessions of the First Executive Committee were held, and the last one, held in May, 1925, declared its formal acceptance of the will of Dr. Sun Yat-sen.

The Second National Congress was convoked in 1926, five plenary sessions of the Second Central Executive Committee being held up to August, 1928. During this period the most obvious work of the party was the selection of Nanking as the national capital, the successful consummation of the Northern Expedition and the purification of the Kuomintang. The Third National Congress was convened in 1929. Up to June, 1931, five plenary sessions of the Central Executive Committee were held. The work of the party during this period centered around the enforcement of political tutelage, the carrying out of national reconstruction, the convocation of the National Assembly, and the passing of the Draft of the Provisional Consitution of the Republic of China during the period of Political Tutelage. The Fourth National Congress was held in 1931. Up to November 1935, six plenary sessions of the Central Executive Committee were convened. The important resolutions adopted during this period dealt with the building up of national defense, the enforcement of local self-government, preparation for constitutional government and unification of national currency. According to the Party Constitution, the National Congress is to meet once in every two years. Hence the Fifth National Congress ought to have been convened in November, 1933, but the convention was postponed for one year in view of the state of national emergency resulting from the Sino-Japanese hostilities. In 1934 the government's anti-communist campaign had reached a critical point and, in response to petitions from various quarters, the Congress was again postponed. Not until November 12, 1935, was the Fifth National Congress held in Nanking. Up to February, 1937, three plenary sessions of the Central Executive Committee were held.

First established in 1924, the Central Political Council forms a link between the party on the one hand and the government on the other. It is en-

[1] Translated from Chinese by Mr. Tze-hsiung Kuo, research fellow of the Council of International Affairs.

[2] For the history, regulations, organization, principles, platform and policy of the Kuomintang, see the *Chinese Year Book* for 1935-1936, pp. 132–144.

trusted with the power to decide all fundamental policies during the period of political tutelage. The Third Plenary Session of the Central Executive Committee, held in 1930, decided to place under the Central Political Council different sections on politics, economics, foreign affairs, finance and education. In December, 1935, the First Plenary Session of the Fifth Central Executive Committee resolved that the Central Political Council should have one chairman, one vice-chairman, one secretariat, and technical committees on laws and regulations, foreign affairs, finance, economics, education, land and communications.

Party Regulations.—In 1924, the First National Congress formulated a set of General Regulations dealing with membership, organization, party organs, discipline and finance of the Kuomintang.

Party Principles.—The principles of the Party, as embodied in the "San Min Chu I," consist of the three elements of Nationalism, Popular Sovereignty or Democracy and People's Livelihood.

Platform and Policy.—The program of the Party Government for the reconstruction of the country is to be carried out in three stages, namely, (1) Period of Military Operations, (2) Period of Political Tutelage and (3) Period of Constitutional Government. At the beginning of the third period, the Government should complete the establishment of the five Yuans for the exercise of the following five powers: (1) Executive, (2) Legislative, (3) Judicial, (4) Examination and (5) Control.

II. THE FIFTH NATIONAL CONGRESS AND THE THREE PLENARY SESSIONS OF THE FIFTH CENTRAL EXECUTIVE COMMITTEE

In accordance with the teaching of the late Dr. Sun Yat-sen and for the realization of the "San Min Chu I" (Three People's Principles), it was prescribed that before the completion of the constitutional government, the Kuomintang should undertake to train the masses in order to achieve democracy. During the period of political tutelage, the political power is vested in the Kuomintang and the administrative power in the government. All policies of the government are based on the resolutions made by the successive national congresses of the Kuomintang and plenary sessions of the Central Executive Committee and the important ones are as follows:

A. Party Affairs.—The Fifth National Congress, held in November, 1935, resolved that all civil servants should be trained in the Party doctrines in order to achieve tutelage by the party. In view of the heavy responsibility which the party has to bear in the reconstruction and revival of the country, party members should do their best to deliver the people from stagnation and decadence. Twelve rules were prescribed for observance by members of the Kuomintang. The First Plenary Session of the Fifth Central Executive Committee, held in December, 1935, elected nine members to form the Standing Committee, under which was placed one secretariat. The Organization Committee was reorganized into the Organization Department, the Publicity Committee into the Publicity Department, and the Committee for the Direction of Mass Movement into the People's Training Department. Each department was to have one chairman and one vice-chairman. Various technical committees were to be established. The Second Plenary Session of the Central Executive Committee, held in July, 1936, decided upon the abolition of the Southwestern Executive Organ of the Kuomintang and the Southwestern Political Council, both of which were located in Canton. By doing so, the foundations of the party were further strengthened. The Third Plenary Session of the Central Executive Committee, held in February, 1937, decided upon the abolition of the chairman system and the restoration of the system of standing members in the Central Executive Committee. Meanwhile it passed resolutions with regard to the improvement of party affairs in border prov-

inces and of the personnel in the party organs.

The rules designed for the observance by members of the Kuomintang are:

(1) Loyalty and bravery are the foundation of patriotism.

(2) Filial piety is the foundation for the regulation of domestic relations.

(3) Kindness and love are the foundation of social dealings.

(4) Faithfulness and sincerity are the foundation in the building of one's career.

(5) Peace is the foundation of social relations.

(6) Manners are the foundation of business transactions.

(7) Obedience is the foundation of responsibility.

(8) Industry and frugality are the foundation of service.

(9) Sanitation and regular life are the foundation of health.

(10) Aid and assistance to others are the foundation of happiness.

(11) Learning is the foundation of service to the country.

(12) Constancy is the foundation of success.

B. Politics.—The First Plenary Session of the Fifth Central Executive Committee, held in December, 1935, resolved that the Draft Constitution of the Republic of China should be promulgated on May 5, 1936, and that the National Assembly should be convened on November 12, 1936. The election of delegates to the National Assembly was to be completed before October 10, 1936. As regards the chairman of the National Government, whose term had just expired, the meeting resolved that the chairman should continue to hold office until the president, who was to be elected by the National Assembly, had acceded to office. The personnel for presidents and vice-presidents of the five Yuans was also decided upon. In October, 1936, the election of delegates to the National Assembly could not be completed in time and the convocation of the National Assembly was postponed by the resolution of the Standing Committee of the Central Executive Committee. The Second Plenary Session of the Central Executive Committee, held in July, 1936, resolved upon abolition of the Southwestern Political Council and the regulation of political and military affairs in Kwangtung and Kwangsi. The Third Plenary Session of the Central Executive Committee, held in February, 1937, adopted resolutions dealing with the following three points relating to the convocation of the National Assembly:

(1) Orders were to be given to organs concerned for the continuance of election. The National Assembly was to be convoked on November 12, 1937, with a view to the promulgation of the constitution and the fixing of the date for the enforcement of the Constitution.

(2) The right of making any revision which might be made in connection with the Law on the Organization of the National Assembly and the Law on the Election of Delegates to the National Assembly was vested in the Standing Committee of the Central Executive Committee.

(3) All proposals relating to the National Assembly were to be referred to the Standing Committee of the Central Executive Committee.

C. Economics.—The Sixth Plenary Session of the Fourth Central Executive Committee, held in 1935 approved the six measures taken by the Ministry of Finance in connection with the stabilization of money and currency and these measures were referred to the National Government for enforcement. Beginning from November 4, 1935, the notes issued by the Central Bank, the Bank of China and the Bank of Communications became legal tender for the whole country. The notes then in circulation which were issued by other banks were to be exchanged for Central Bank notes and all bank-note reserves were to be handed over to the Committee on the Administration of Bank-note Reserves, which is entrusted with the task of custody and exchange. Silver and silver coins were to be exchanged for

legal tender. The policy of unlimited buying and selling of foreign exchange was adopted by the Central Bank, the Bank of China and the Bank of Communications in order to prevent the smuggling of silver abroad and stabilization of the national currency was achieved.

The Fifth National Congress, held in November, 1935, resolved that a policy of protection should be adopted with regard to the cotton industry. Five cardinal points were decided upon in connection with the enforcement of the land policy of the Kuomintang, namely, (1) enforcement of the policy of land control; (2) fixing of land value; (3) realization of the policy that "every farmer should have his own land"; (4) promotion of reclamation enterprises; and (5) extension of agricultural credit.

D. Education.—The Fifth National Congress resolved upon the enforcement of mass education as follows: (1) in accordance with measures taken for the enforcement of compulsory education, the central authority should make annual appropriation for the assistance to localities with a view to the extension of mass education; (2) the expenditure devoted to mass education should amount to at least 25% of the annual educational budgets of the different provinces, municipalities and districts; (3) encouragement and assistance should be given to individual or corporations which had manifested any merit in the extension of mass education. In addition to this, the Fifth National Congress passed two resolutions aiming at the improvement of education. With regard to primary education, both central and local authorities were requested to appropriate more money in order to hasten the universalization of education. With regard to secondary education, the policy decided upon was the quantitative increase of both vocational and normal schools, while in middle schools it was the qualitative improvement that was given consideration.

III. WORK OF THE PARTY IN THE PAST YEAR

A. Regulation of Party Affairs.—In accordance with the resolution passed by the Fifth Plenary Session of the Central Executive Committee, the party organs in various provinces and municipalities were considerably reorganized. The reorganization was based on the practical necessity of achieving readjustment and co-ordination in connection with the organization of the party. In one case a special commissioner was appointed while in the other the work was assigned to more commissioners. It was stipulated that a special commissioner should be a member of the Central Executive and Supervisory Committees and he was to be assisted by several members who were to undertake the study and the planning of party affairs. In case there should be only one commissioner in any railway party organ, staffs on planning could also be appointed. When the number of commissioners is over three in provincial, municipal or railway party organs, the Central Executive Committee was to appoint one to three standing members entrusted with the task of direction over daily affairs. A secretary-general was to be appointed by the Central Executive Committee. The division into sections was to be as usual, but a section on general affairs was to be added in provincial and municipal party organs.

B. Principles Underlying the Training of Party Members.—In accordance with the resolution of the Fifth National Congress and that of the First Plenary Session of the Fifth Central Executive Committee, certain fundamental principles were prescribed in connection with the training of party members. (1) The training of party members with regard to thinking, activity and morals were to be based upon the rules designed for observance by party members, as decided by the Fifth National Congress and the resolution on the training of party members as passed by the First Plenary Session of the Fifth Central Executive and Supervisory Committees. (2) In connection with the training of party members with regard to knowledge and skill, it is deemed necessary to make them understand the responsibility which

they must bear during the time of national emergency. In order to achieve the mission of the party, members should devote their energy to the building of national defense. (3) In the training of party members by different party organs, special attention should be paid to the furtherance of political tutelage and the completion of local self-government. Every party member should take the responsibility of guidance and direction in the carrying out of the program. (4) The ways and means of training party members should be based on the essentials of the New Life Movement, the National Economy Reconstruction Movement and the Culture Recontruction Movement. Every party member should endeavor to create new life for the Party. (5) The enforcement of the training of party members should be begun with he unification of the party doctrine, the development of the organizing power of the party, the enforcement of party discipline and the establishment of the party authority. Every party member should work under the guidance and supervision of the party.

C. Campaigning for Party Members.—The enlistment of new party members is regulated by the Party Rules Governing the Campaign for Probational Members as approved by the Standing Committee of the Central Executive Committee of Kuomintang. According to Party Rules, any probational members whose age is over 20 and who has undergone more than one year's party training may become, with the approval of the Central Executive Committee, a full member of the Party. During 1936, the elevation of probational members to the membership was reported to the Central Executive Committee by party organs in the provinces of Honan, Chekiang, Kansu, Kweichow, Kiangsi, Hupeh, Hunan, Fukien, Szechwan, Yunnan, Shensi, Chinghai, Shantung, Kiangsu, Anwhei, Shansi and Ninghsia, in the municipalities of Nanking, Hankow, Shanghai and Tsingtao, along the railways of Nanking-Shanghai and Shanghai-Hangchow-Ninpo, Peiping-Hankow, the Lung-Hai, Kiaochow-Tsinan, Tientsin-Pukow and Canton-Hankow, among the Chinese seamen, in the Central Political Institute and in Kiangninghsien. The probational period, however, may be exempted through the recommendation of local party organs and with the approval of the Central Party Organ.

D. Regulation and Co-ordination of Party Affairs Among Overseas Chinese and in the Army.—With regard to the party affairs among overseas Chinese, the Standing Committee of the Central Executive Committee decided that a general registration should be held by different party organs. The list of members should be submitted to the Central Party Organ by local party organs within six months. With regard to party affairs in the army, the Provisional Measures Governing the Regulation and Co-ordination of Party Organs in the Army was passed by the Standing Committee of the Central Executive Committee. The Director of the Department of Political Training in the army was to be concurrently the Commissioner for Party Affairs. The task of the commissioner is the guidance and direction of party affairs in the army. With regard to the gendarmerie, the Navy, the Air Force, the civil guards and different military schools, special party organs remain unchanged and party affairs are directed by commissioners numbering from one to three. No meeting of delegates is to be called.

E. Utilization of the Press and News Agencies.—With regard to newspapers under the direct control of the Central Party Organ, measures were taken to ensure the efficiency of the business management. Beginning from 1934, the subsidies given to these newspapers were to be reduced by 10% every six months. Every newspaper was to be made financially independent at the end of five years. The year 1936 was the third year in the application of the program. Though the regulation was relaxed in favor of some party newspapers on the ground of expenditure on building and the increase of new equipment, the program has on the whole been

well carried out and all party newspapers will be able to attain a position of financial stability and independence in the near future. The Central News Agency, which is the largest of its kind in China has been making progress. Its head office is in Nanking, with branch offices in Shanghai, Hankow, Tientsin, Peiping, Sian, Hongkong, Nanchang, Chungking, Chengtu and Kweiyang. A new branch office was opened at Canton in 1936 and other branch offices are to be established in Changsha, Kunming and Tsinan. The activities of the Central News Agency have been extended abroad and a branch office was formally opened in Tokyo under the direction of the well-known journalist Mr. Chen Po-shen. Preparations have been made for the despatch of correspondents to such world news centers as New York, London, Paris, Berlin and Geneva.

F. Regulation of Broadcasting Stations.—There are many broadcasting stations, both public and private, in China. Confusion and disorder ensued in consequence of the lack of co-ordination among various stations. With a view to the regulation of broadcasting stations in the country, the Standing Committee of the Central Executive Committee decided to appoint a Committee on the Supervision of Broadcasting Stations which, is formed by delegates from the Central Broadcasting Administration, the Publicity Department of the Central Party Organ, the Committee for the Planning of Cultural Affairs, the National Military Council, and the Ministries of Communications, Foreign Affairs and Education. The Committee is entrusted with the work of regulation and co-ordination of broadcasting stations in China.

G. Furtherance of Motion Picture Education.—Constant attention has been paid by the central authorities to the development of motion picture education in China. This policy was inspired by realization of the fact that motion pictures play an important role in the cultural life of a nation. After the Fifth National Congress, the Section on Motion Picture in the former Publicity Committee was enlarged into a bureau which is composed of two sections—one concerned with supervision and the other with manufacture. The Censor Board for Motion Picture Stories and the Central Motion Picture Studio are under the direct control of this Bureau. The Central Board of Film Censors is under the direct control of the Publicity Department. The Bureau is entrusted with the task of planning, supervision and co-ordination over motion picture enterprises throughout the country, the work of investigating motion picture enterprises of foreign countries, and the production, distribution and projection of pictures for publicity purposes. For the purpose of regulating and keeping in touch with Chinese motion picture companies, periodical conferences were held under the auspieces of the Bureau. The third conference was held in April, 1936. Discussions and decisions were made with reference to the theme and the central idea of motion pictures. As a contribution to the unification of the national language, motion pictures in local dialects were to be forbidden. Measures were taken to secure close cooperation among motion picture enterprises for making better films. The Central Motion Picture Studio has so far manufactured "The Warrior" "Farmers' Spring," "Szechwan under Reconstruction and "The Secret Code," which have been greatly welcomed by the general public. Many news pictures have been made by the studio. Arrangements are being made for the exchange of pictures with foreign countries.

H. Organization and Guidance of Mass Movement.—The Fourth Meeting of the Standing Committee of the Fifth Central Executive Committee passed the Outlines Governing the Work of People's Training the guiding principles of which are the strengthening of the organization of various institutions of people, the cultivation of the national spirit, the increase of the national strength, the improvement of social customs and the promotion of social welfare. Based upon this standard, a general inspection of all popular institutions has been made with

a view to laying down the foundation of the mass movement. For the strengthening of these institutions an office on the registration of people's institutions was established and entrusted with the task of registration, the planning of political training and the direction of the students' movement. In the field of labor, the practice of a contract being made by the foreman was to be abolished first in the express trade in Pengpu and then applied to other parts of the country by gradual means. It was a necessary step in the realization of the labor policy of Kuomintang. In the field of education, guidance has been given constantly to all teachers of civics in secondary schools and their relative merits are to be examined. Outlines Governing the the Work of Committees for Promotion of Local Self-government in Different Provinces and Municiplaities have been drawn up and promulgated by the central authorities and their enforcement stressed.

IV. STATISTICS OF PARTY ORGANS

A. Higher Party Organizations:

(1) Those with formal executive and supervisory Committees: (provinces) Chekiang, Kwangsi, Shantung, Shansi. (special municipality) Shanghai. (railways) Nanking-Shanghai and Shanghai-Hangchow-Ninpo. (others) The Hanyang Arsenal. The Central Political Institute.

(2) Those with one Special Commissioner only: (province) Anhwei, Hupeh, Hunan, Fukien. Honan, Kweichow, Szechwan. (special municipality) Hankow. (miscellaneous) The Chinese seamen.

(3) Those with Special Commissioners: (provinces) Kiangsu, Kiangsi, Kwangtung, Shensi, Kansu, Ninghsia, Chinghai. (special municipalities) Nanking, Canton, Tsingtao. (railways) Tientsin-Pukow, Peiping-Hankow, Lung-Hai, Canton-Hankow, Chengting-Taiyuan, Kianchow-Tsinan. (miscellaneous) Kiangning-hsien.

(4) That with a committee of guidance and direction: (province) Yunnan.

(5) That under the guidance and direction of a commissioner: (province) Singkiang.

(6) Party Organs of Overseas Chinese: There are 12 district headquarters-general and 38 district headquarters which are directly under the Central Kuomintang Headquarters.

(7) Party Organs in the Army. There are 117 party organs with special Commissioner for Party Affairs.

B. Party Strength (December 1936):

Party Organs	*Members*	*Probational Members*	*Total*
Provincial and Municipal	291,322	98,271	389,593
Railways and Seamen	10,048	5,701	15,749
Overseas Chinese	93,753	16,556	110,309
Army	495,783	517,069	1,012,852
TOTAL	890,906	637,597	1,528,503

C. Higher Officials of the Central Party Organ:

(1) *Members of the Central Executive and Supervisory Committees:*

(*a*) Members of the Central Executive Committee:

Chiang Kai-shek
Hu Han-min*
Yen Hsi-shan
Yu Yu-jen
Wu Te-cheng
Ho Ying-chin
Tsou Lu
Chen Kuo-fu
Chen Li-fu
H. H. Kung
Chang Hsueh-liang
Pai Chung-hsi
Ku Chu-tung
Yang Chieh
Chang Chih-chung
Ho Chung-han
Fang Chiao-hui
Huang Mo-sung*
Han Fu-chu
Tseng Yang-fu
Chen Cheng
Hsu En-tseng
Yu Chin-tang
Shao Yuan-chung*
Chen Pu-lei
Chen Kung-po
Li Chung-huang
Hsu Yuan-chuan
Wang Fa-chin
Wang Lu-I
Liu Wei-chih
Ting Chao-wu
Chiang Pai-cheng
Kan Nai-kuang
Hsiao Chi-shan
Li Wen-fan
Chow Pai-ming
Miao Pei-cheng
Ku Cheng-kang
Yu Han-mou
Wang Sou-fang
Lin Yi-chung
Fu Tso-I
Wang Chi
Tai Kuei-sheng
Chen Chao-ying
Wang Ching-wei
Tai Chi-tao
Feng Yu-hsiang
Sun Fo
Yeh Chu-tsang
Chu Pei-te*
Chu Cheng
Ho Cheng-chun
Shih Ying
Ting Wei-fen
T. V. Soong
Lu Chih
Chu Chia-hua
Ma Chao-chin
Cheng Kuo-ching
Chiang Ting-wen
Chen Tsi-tang
Chien Ta-chun
Ho Chien
Liu Lu-ying
Chow Fu-hai
Hung Lan-yu
Chen Tseh
Chang Tao-fan
Fang Chih
Liang Han-tsao
Liu Chi-wen
Pan Kung-chan
Pai Wen-wei
Chang Chun
Wu Shing-ya*
Chao Tai-wen
Ku Meng-yu
Chen Chi-chen
Wang I-che*
Chang Li-shen
Wang Pai-ling
Liu Chien-chun
Mei Kung-jen
Cheng Chan-nan
Chu Shao-liang
Ku Cheng-lun
Wu Chung-hsin
Huang Hsu-chu
Yu Hsueh-chung
Chang Chung
Hsiao Tung-tzu
Mai-Sze-Wu-Teh
Hung Lu-tung
Li Sheng-ta*
Liu Hsiang
Chen I
Mao Tsu-chuan
Hsiung Shih-hui
Lu Chung-ling
Hsu Kan
Lo Chin-tao
Tang Yu-jen*
Miao Pei-nan
Lo-San-Chien-Tsan
Chow Chi-kang
Wei Li-huang
Chiao I-tang
Tien Kun-shan
Chen Shao-kuan
Peng Hsueh-pei
Shen Hung-lieh
Hsia Tou-yin
Wang Pai-chun
Fu Ping-chang
Li Yang-chin
Wang Chuan-sheng
Wang Chun*
Kung-Chao-Chung-Ni

(*b*) Reserve Members of the Central Executive Committee:

Wu Kai-hsien
Yeh Hsiu-feng
Ku Cheng-ting
Yu Fei-peng
Hsiao Cheng
Chen Shu-jen
Teng Chia-yen
Chu Chi-ching
Chen Ching-yun
Liu Chien-hsu
Chang Chiang
Huang Chi-lu
Huang Shih
Li Jen-jen
Tseng Chung-ming
Wu Pao-feng
Chao Ti-hua
Yang Yung-tai*
Ni-Ma-Ngo-Te-So-Erh*
Hsieh Tse-min
Chen Pan-ling
Yang Ai-yuan
Li Shih-tsung
Chang Fang
Chang Chen
Chen Yao-yuan
Nonna*
Chao Yun-I
Cheng Tien-ku
Shih Chin-ting
Hsueh Tu-pi
Lai Lien
Chen Tiao-yuan
Ching Heng-I
Wu I-feng
Li Ping-hsien
Lin Tieh
Shih Tzu-chou
Wang Yun-ping
Fu Ju-lin
C. T. Wang
Tang Sheng-chih
Yu Chun-hsien
Sung Ching-ling
Chang Ting-pan
Lo Chia-lun
Li Ching-chai
Lo I-chun
Ma Hung-kwei
Tuan Hsi-peng
Wang Mao-kung
Chen Fang-hsien
Cheng Chien
Cheng I-tung
Chang Chih-pen
Chao Pi-lien
Wang Kun-lun
Ou Fang-pu
Chan Chu-shih
Wu Ching-hsiung

* Deceased.

(*c*) Members of the Standing Committee of the Central Executive Committee:

Hu Han-min*
Chiang Kai-shek
Wang Ching-wei
Ting Wei-fen
H. H. Kung
Chen Li-fu
Feng Yu-hsiang
Yeh Chu-tsang
Tsou Lu

(*d*) Members of the Central Supervisory Committee:

Lin Shen
Tsai Yuan-pei
Chang Jen-chieh
Shao Li-tzu
Hsieh Chih
Wang Chung-hui
Chang Fa-kuei
En-Ke-Ba-Tu
Chiang Tso-ping
Cheng Tien-fang
Hsiang Han-pin
Sung Che-yuan
Shao Hua
Li Lieh chun
Hsieh Yao
Lung Yun
Pang Ping-shun
Lin Yun-kai
Ho Yiao-tsu
Ching Cheng
Chang-Chia
An-Ching
Sheng Shih-tsai
Ssu Lun
Hsu Yung-chang
Chang Chi
Wu Chin-heng
Yang Hu
Li Chung-jen
Yang Hu-cheng
Hsu Chung-chih
Chen Pi-chun
Liu Ya-tzu
Chu Min-I
Hu Chung-nan
Huang Shao-hsiung
Shang Cheng
Li Shih-tseng
Sun Lien chung
Liu Cheng-hua
Li Fu-lin
Mai Huan-chang
Hsiao Fu-cheng
Wang Tzu-chuang
Yao Ta-hai
Hsiung Ke-wu
Ching Teh-shun
Wang Ping-chun
Wang Shu-han
Chang Jen-min

(*e*) Reserve Members of the Central Supervisory Committee:

Lu Tang-ping
Ou-yang Ko
Liu Wen-tao
Ho Ssu-yuan
Tang Tao-yuan
Wen I-yu
Chang Mo-chun
Yang Shu-kan
Ma Ling
Tsui Kuang-hsiu
Ho Shih-cheng
Li Chi-an
Sun Ching-ya
Pu Tung
Lu Yu-kang
Lei Cheng
Wang Shih-chieh
Li Tzu-wen
Liu Shou-chung
Peng Kuo-chun
Teng Ching-yang
Ti Ying
Tang Shao-I
Kuo Tai-chi
Pan Yun-chao
Hu Wen-tsang
Hsiao Chung-cheng
Chen Chia-yu
Huang Ling-shu
Yang Hsi-chi

(*f*) Members of the Standing Committee of the Central Supervisory Committee:

Lin Shen
Tsai Yuan-pei
Hsiao Fu-cheng
Wu Chin-heng
Chang Chi

(2) *Members of the Central Political Council:*

Wang Ching-wei (Chairman)
Chiang Kai-shek (Vice-Chairman)
Chang Jen-chieh
Hsu Chung-chih
Wang Chung-hui
Chang Hsueh-liang
Chen Pi-chun
Chu Pei-te*
Chu Chia-hua
Shao Yuan-chung*
Chen Kung-po
Cheng Chien
Liang Han-tsao
Ho Ying-chin
Wang Lu-I
Yen Hsi-shan
Li Lieh-chun
Li Wen-fan
Tang Sheng-chih
T. V. Soong
Ku Meng-yu
Ma Chao-chun
Liu Shou-chung
Wang Pai-chun
Chen Kuo-fu
Chang Ting-pan
Huang Shiao-hsiung

(3) *Personnel of the Different Organs Belonging to the Central Executive Committee:*

(*a*) The Secretariat:
Secretary-General: Yeh Chu-tsang
(*b*) The Organization Department:
Chairman: Chang Li-sheng
Vice-Chairman: Ku Cheng-kang
(*c*) The Publicity Department:
Chairman: Shao Li-tzu
Vice-Chairman: Fang Chih

* Deceased.

(*d*) The People's Training Department:
Chairman: Chen Kung-po
Vice-Chairman: Wang Lu-I

(*e*) Committee of Overseas Chinese Party Affairs:
Chairman: Chow Chi-kang
Vice-Chairmen: Hsiao Chi-shan; Chen Yao-yuan

(*f*) Committee for the Planning of Local Self-Government:
Chairman: Fang Chiao-hui
Vice-Chairmen: Li Chung Huang; Huang Chi-lu

(*g*) Committee for the Planning of National Economy:
Chairman: Tseng Yang-fu
Vice-Chairmen: Teng Ching-yang; Hsu En-tseng

(*h*) Committee for the Planning of Cultural Affairs:
Chairman: Chen Kuo-fu
Vice-Chairmen: Chu Min-I; Chang Tao-fan

(*i*) Committee on Party Finance:
Chairman: Chu Cheng
Vice-Chairmen: Mai Huan-chang Miao Pei-cheng

(*j*) Committee on Compassionate grants
Chairman: Wang Fa-chin
Vice-Chairmen: Li Wen-fan; Hung Lu-tung

(*k*) Committee for the Compilation of Party History:
Chairman: Chang Chi
Vice-Chairmen: Lo Chia-lun; Mei Kung-jen

(*l*) Committee for the Custody of Contributions from Overseas Chinese:
Members: Lin Shen, Chiang Kai-shek, Wang Ching-wei, Yu Yu-jen, Yeh Chu-tsang, T. V. Soong, Chen Shu-jen

(*m*) Committee for the Investigation of Revolutionary Debts
Chairman: Sun Fo

(*n*) Committee for the Examination of Revolutionary Merits
Members: Lin Shen, Chu Cheng, Wang Ching-wei, Chu Pei-te* Chen Shu-jen; Chow Chi-kang, Chen Li-fu

(*o*) Bureau of Statistics:
Director: Wu Ta-chun

(*p*) Bureau of Central Broadcasting Stations:
Director: Wu Pao-feng
Assistant-Director: Wu Tao-I
Chief Engineer: Liu Cheng-ching

(*q*) Metropolitan Hostel for Overseas Chinese
Director: Cheng Chan-nan

(4) *Personnel of the Secretariat of the Central Supervisory Committee:*

(*a*) Secretary-General: Wang Tzu-chuang

(5) *Personnel of the Secretariat of the Central Political Council:*

(*a*) Secretary-General: Chang Chun

Vice-Secretary-General: Tseng Chung-ming

(6) *Personnel of the Technical Committees Belonging to the Central Political Council:*

(*a*) Home Affairs:
Chairman: Chen Kung-po
Vice-Chairman: Kan Nai-kuang

(*b*) Foreign Affairs:
Chairman: C. T. Wang
Vice-Chairman: Hsu Mo

(*c*) Finance:
Chairman: Hsu Kan
Vice-Chairman: Chen Chi-tsai

(*d*) Economics:
Chairman: T. V. Soong
Vice-Chairman: Peng Hsueh-pei

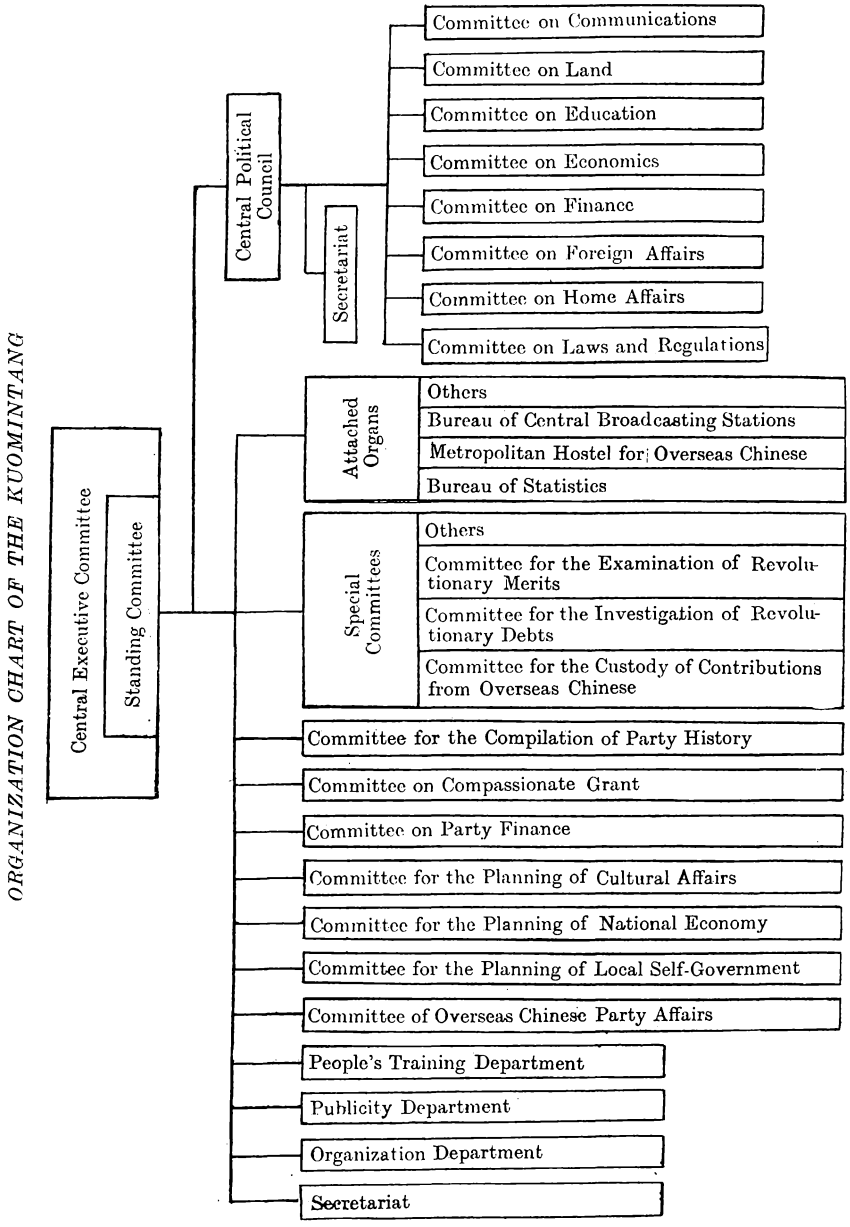
(*e*) Communications:
Chairman: Chu Chia-hua
Vice-Chairman: Tseng Yang-fu

(*f*) Education:
Chairman: Ching Heng-I
Vice-Chairman: Tuan Hsi-peng

(*g*) Laws and Regulations:
Chairman: Li Wen-fan
Vice-Chairman: Yeh Chu-tsang

(*h*) Land:
Chairman: Chen Kuo-fu
Vice-Chairman: Hsiao Cheng

* Deceased.


ORGANIZATION CHART OF THE KUOMINTANG
Central Executive Committee
Standing Committee
Central Political Council
Secretariat
Committee on Communications
Committee on Land
Committee on Education
Committee on Economics
Committee on Finance
Committee on Foreign Affairs
Committee on Home Affairs
Committee on Laws and Regulations
Attached Organs
Others
Bureau of Central Broadcasting Stations
Metropolitan Hostel for Overseas Chinese
Bureau of Statistics
Special Committees
Others
Committee for the Examination of Revolutionary Merits
Committee for the Investigation of Revolutionary Debts
Committee for the Custody of Contributions from Overseas Chinese
Committee for the Compilation of Party History
Committee on Compassionate Grant
Committee on Party Finance
Committee for the Planning of Cultural Affairs
Committee for the Planning of National Economy
Committee for the Planning of Local Self-Government
Committee of Overseas Chinese Party Affairs
People's Training Department
Publicity Department
Organization Department
Secretariat

CENTRAL AND LOCAL ADMINISTRATIVE SYSTEMS

RAY CHANG (張 銳)

I. RELATION OF THE KUOMINTANG TO THE GOVERNMENT

In the autumn of 1928, having succeeded in the unification of the whole country, the Kuomintang began to put into practice the principle of party supremacy during the period of political tutelage. Before attaining the constitutional stage, it has been deemed necessary for the party to assume the full control of the political power for and on behalf of the people of China. The National Government, being a creation of the Central Executive Committee of the Kuomintang, is to be responsible to the latter.

In order to link up the party, which is vested with the political power, and the Government, which is vested with the governing of administrative power, the Central Political Council, serving as the supreme organ of direction and control, has been brought into existence. At present it is composed of one chairman, one vice-chairman and from 19 to 25 councillors, elected from among the members of the Central Executive and Supervisory Committees of the Kuomintang. Meetings of the Central Political Council may be attended by the Chairman and Vice-Chairman of the Standing Committee of the Central Executive Committee, the President of the National Government, and the Presidents and Vice-Presidents of the five Yuan and of the National Military Council. When necessary, the chairman of the various technical committees of the Central Political Council and the heads of the various ministries and commissions of the National Government may be asked to attend.

The Central Political Council is an organ for discussion; it neither promulgates mandates directly nor makes any act of disposition. However, as the National Government is obliged to put into force those measures adopted by the Council, the power of the latter is in this sense supreme. The Council is especially charged with the duty of deciding upon matters concerning: (1) fundamentals of national reconstruction, (2) principles of legislation, (3) administrative policies, (4) national defense, (5) financial programs and (6) selection of important political heads of administration. To the Central Executive Committee of the Kuomintang, however, it bears its ultimate responsibility.

Since the Third Plenary Session of the Fifth Central Executive Committee of the Kuomintang has resolved to convene on November 12 of this year the People's Congress (*Kuo Min Ta Hui*), to which will be entrusted the task of formulating the national constitution, there is some prospect for a constitutional government to take the place of existing party dictatorship.* According to the Draft Constitution promulgated on May 5, 1936, delegates to the People's Congress with a term of office of six years will be elected directly by the people. The powers and functions of the Congress will be as follows: (1) to

* It is worthy of note that the People's Congress to be convened by the end of this year will be different from the one specified in the Draft Constitution. The former is entrusted only with the task of formulating the Constitution and of fixing the date for its promulgation without the other powers entrusted to the latter. In other words, the People's Congress of this year will be nothing more or less than a Constitution Assembly.

elect the President and Vice-President of the Republic, the Presidents and Vice-Presidents of the Legislative Yuan and of the Control Yuan, the members of the Legislative and Control Yuan; (2) to recall the President and Vice-President of the Republic, the Presidents and Vice-Presidents of the Legislative, Judicial, Examination, and Control Yuan and the members of the Legislative and Control Yuan; (3) to initiate laws; (4) to hold referenda on laws; (5) to amend the Constitution and (6) to exercise such other powers as are conferred by the constitution.

II. THE NATIONAL GOVERNMENT

In accordance with the Provisional Constitution for the period of political tutelage adopted in 1931, the National Government is composed of the President, from 24 to 36 State Councillors forming the State Council, and five Yuan—the Executive, the Legislative, the Judicial, the Examination, and the Control—for the exercise of the five governing powers. In addition, there are a number of institutions directly subordinate to the National Government; namely, (1) National Military Council, (2) Board of Central Staff, (3) Directorate-General of Military Training, (4) Military Advisory Council, (5) National Reconstruction Commission, (6) Academia Sinica and (7) National Economic Council.

The organic law for the establishment of a "five power" government was first promulgated in October, 1928. After a series of important revisions made in November, 1930, June, 1931, and December, 1931, the system of government has undergone certain changes. Prior to the promulgation of the Provisional Constitution in May, 1931, the governing power of the National Government resided to the State Council of from 12 to 16 members and a chairman, the Presidents and Vice-Presidents of the five Yuan being concurrently members of the Council. Orders for the promulgation of laws and the issuance of mandates were signed by the Chairman of the National Government and countersigned by the Presidents of the five Yuan. In short, the National Government was then really a composite body representing the five Yuan; it was a commission type of administration. As a result of changes made in June, 1931, the system came more or less to resemble the presidential type, with the Chairman of the National Government superimposed upon the five Yuan. The Chairman became at once the real and the titular head of the nation and the Commander-in-Chief of the land, naval, and air forces. Thereafter, the appointment and dismissal of the Presidents and Vice-Presidents of the five Yuan, the Vice-Commander-in-Chief of the land, naval, and air forces, and the heads of the various ministries and commissions, were made by the National Government at the instance of the Chairman of the National Government. Moreover, the promulgation of laws was carried out under the signature of the Chairman of the National Government, countersigned by the President of the Legislative Yuan, while mandates were signed by the Chairman of the National Government and countersigned by the President of the Yuan concerned.

At the end of 1931, with a view to meeting the exigencies of the political situation at that time the Organic Law of 1928 was further revised at the First Plenary Session of the Central Executive and Supervisory Committees of the Fourth National Congress of the Kuomintang. Significant changes were brought about. The Chairman of the National Government was made a nominal head bearing no political responsibility, while the President of the Executive Yuan, as who occupies a position somewhat similar to that of prime minister in cabinet-government countries, was henceforth to assume the role of a real executive. The former is chosen by the Central Executive Committee of the Kuomintang for a term of two years and is eligible for re-election for another term.

The present Draft Constitution adopts the presidential type of government. The President of the National Government is to be elected by

the People's Congress with a term of six years and may be relected for a second term. He is empowered to summon meetings of the Presidents of the five Yuan for the purpose of consultation or discussion of matters appertaining to two or more Yuan. In case of an emergency or a serious economic development which requires immediate action, the President may, by resolution of the executive meeting, issue emergency mandates.

A. The Executive Yuan.—The Executive Yuan has a President and a Vice-President. The administrative routine of the Executive Yuan is intrusted to its Secretariat and Bureau of Political Affairs. The Secretary-General directs the daily routine, while the Director of Political Affairs serves as his second-in-command. The main organs of the Yuan are, however, the various ministries and commissions, which form an integrated administrative system and are responsible for the administration of national affairs. These are: (1) Ministry of the Interior, (2) Ministry of Foreign Affairs, (3) Ministry of Military Affairs, (4) Ministry of Navy, (5) Ministry of Finance, (6) Ministry of Industry, (7) Ministry of Education, (8) Ministry of Communications, (9) Ministry of Railways, (10) Commission on Mongolian and Tibetan Affairs, (11) Commission on Overseas Chinese Affairs, and (12) National Health Administration.

B. The Legislative Yuan.—The Legislative Yuan consists of a President, a Vice-President, and from 49 to 99 members, the last named being appointed by the President of the National Government at the instance of the President of the Yuan. Under the President are two business departments; namely, the Secretariat and the Bureau of Legislative Research. In addition, there are five standing committees; i.e., the Codification Committee, the Foreign Relations Committee, the Finance Committee, the Military Affairs Committee and the Economic Committee. During the period of political tutelage the Legislative Yuan is to remain an organ composed of specialists. According to the Draft Constitution, both the Presidents and the members will be elected by the People's Congress.

C. The Judicial Yuan.—The Judicial Yuan is headed by a President and a Vice-President. Organs directly subordinate to it are the Supreme Court, the Administrative Court, the Ministry of Justice and the Commission for the Disciplinary Punishments of Public Officials. The routine administration of the Yuan is carried on by a Secretariat and a Councillor's Office. As provided in the Draft Constitution, the President of the Yuan is to be appointed by the President of the National Government for a term of three years and to be responsible to the People's Congress.

D. The Examination Yuan.—The Examination Yuan is the highest organ for the selection of civil service candidates by examination and for the registration of persons qualified for public service. It consists of a President, a Vice-President, an Examination Commission, a Board of Personnel, a Secretariat and a Councillor's Office.

E. The Control Yuan.—The Control Yuan is the highest organ through which the National Government exercises its censorial powers of impeachment and audit. As in the case of the other Yuan, the President and Vice-President are elected by the Central Executive Committee of the Kuomintang. The members, from 29 to 49 in number, are appointed by the National Government at the instance of the President of the Yuan. Under the Yuan are a Secretariat, a Councillor's Office and a Board of Audit.

III. THE LOCAL GOVERNMENT

The organization of the local government in China is based on the dual graded system, consisting of (1) the provincial governments and (2) the *hsien* and municipal governments. Being intended primarily to facilitate the administration of governmental affairs and to link up the nation and the *hsien* or municipalities, the provinces as now organized are under the control of the Central Government at Nanking through the Ministry of the Interior. Moreover, as the directors

of the various provincial departments are *ex officio* members of the provincial commission and as these departments are subject to the supervision and control of the ministries and commissions of the Executive Yuan, the National Government thus keeps itself in close touch with the provinces.

During recent years, the National Government has held several administrative conferences for the purpose of studying ways and means of increasing the administrative efficiency of the local governments; as examples, may be quoted the two National Interior Administration Conferences held under the auspices of the Ministry of the Interior, the Conference of Higher Administrative Officials of Ten Provinces summoned by General Chiang Kai-shek, and the Conference on District Affairs and Conference of Higher Local Administrative Officials called by the Executive Yuan. Up to the present, four important innovations in local administration have been put into practice by a number of local governments; namely, (1) the concentration in one building of the offices of the several departments of the provincial government, (1) the creation of the office of administrative inspector, (3) the abolition of the bureaux in favor of the establishment of sections under the direct jurisdiction of the *hsien* government and (4) the creation of district offices under the *hsien*.

A. Provincial Government. — The present organization of the provincial government is based on the Revised Law Governing the Organization of Provincial Governments, promulgated by the National Government in March, 1931. Each province has a Commission of from seven to nine members, all appointed by the National Government, who constitute a sort of Provincial Council and one of whom acts as chairman. Under the Commission are the Secretariat and four other administrative organs; namely, (1) the Department of Civil Affairs, (2) the Department of Finance, (3) the Department of Education and (4) the Department of Reconstruction. A Department of Industry and other organizations may be created if necessary. At the head of the Secretariat is a Secretary-General and at the head of each department a commissioner. All these officials are appointed by the National Government from among the members of the provincial council at the instance of the Executive Yuan. In addition, in most of the provinces there is a peace preservation corps under the command of the provincial chairman as the *ex officio* commander-in-chief.

In accordance with the laws and regulations of the National Government, the provincial government assumes full control over the political affairs of the province concerned. Matters relating to the following subjects are within the competence of the Provincial Commission: (1) issuance of ordinances and regulations regarding the administration of the entire province not incompatible with the laws and regulations of the National Government, (2) rescission or nullification of the orders and acts of disposition of its subordinate organs when such orders and acts are contrary to the existing laws or exceed the respective spheres of authority of the subordinate organs concerned, (3) increase or reduction of the financial burdens of the people with the approval of the National Government, (4) fixing and changing of local administrative areas, (5) preparation of provincial budgets and financial statements, (6) disposal of provincial properties, (7) planning of provincial enterprises, (8) execution of matters assigned to it by the National Government, (9) supervision of local self-government, (10) establishment or alteration in the provincial administration, (11) transferring of national troops from one part of the province to another and the supervision of provincial troops, provincial police, citizens' corps, and peace preservation forces and (12) appointment and removal of public functionaries of the various subordinate organs.

With a view to increasing the efficiency of provincial administration and unification of its component departments, General Chiang Kai-shek, as President of the National Military Council, formulated in July, 1934, a set of general principles for the con-

solidation of the offices of the several departments in those provinces which were infested by communists and bandits. Formerly the various departments, being independent of each other, in the habit of sending to the district magistrates orders which were often contradictory. For example, the department of education would order the establishment of more schools and the department of reconstruction more roads, while the department of finance would frown upon any increase in district expenditure. Therefore the reform called for, in the first place, amalgamation of the offices of the following departments with the office of the provincial chairman: (1) the Secretariat, (2) the Department of Civil Affairs, (3) the Department of Finance, (4) the Department of Reconstruction, (5) the Department of Education and (6) Headquarters of the Peace Preservation Corps.

Secondly it was laid down that after the amalgamation of the departments of the provincial government, all incoming and outgoing documents should be received and dispatched by the Secretariat. The documents are then to be attended to by the departments concerned, countersigned by their respective chiefs and finally submitted to the provincial chairman for his approval and signature.

Third, all communications made by the component parts of the provincial government either to their superior organs such as the different Yuan, ministries, and commissions of the Central Government or to their subordinate organs such as the office of the administrative inspector, the district government, the municipal government, etc. were to be in the name of the provincial government.

Fourth, the organization and function of the several departments of the provincial government and their subordinate organs should be systematized, their powers and responsibilities centralized, the number of personnel reduced, and public works vigorously carried on.

Fifth, the management of the finances of the several departments of the provincial government was to be centralized and a scientific system adopted in the care of archives so that documents might be handled and located quickly and easily.

Sixth, the money saved through the above-mentioned retrenchments should be devoted to the use of the district government.

Up to the present, more than ten provinces have adopted this consolidated system, which seems to have worked best in Hupeh, where the expenditure of the provincial government has been reduced by twenty-five per cent. through the introduction of this reform.

B. Office of the Administrative Inspector.—The provinces of China are often quite large in area, some of them containing more than a hundred *hsien*. On account of difficulties in communication and differences in customs, it has not been easy for the provincial government to supervise effectively the numerous *hsien* governments of the province; consequently malpractices become inevitable. Realizing this defect in the existing system of local government and in the hope of remedying it, Dr. Chao-chu Wu, the late Chinese Minister at Washington, suggested that the provinces in China be reduced in size. However, as the creation of more provinces would have the accompanying drawbacks, among others, of being uneconomical, the proposal has not been acted upon.

Meanwhile the practice of establishing offices of the administrative inspector as connecting links between the provincial and the *hsien* governments has been adopted by many provinces. This idea originated a few years ago when General Chiang Kai-shek, while conducting a punitive expedition against the bandits and the communists in Kiangsi, established a Commission on Party and Administrative Affairs in the Headquarters of the Commander-in-Chief of the land, naval, and air forces. Simultaneously he subdivided the province of Kiangsi into a number of administrative areas and established a branch of the Commission in each area to assume charge over the *hsien* therein.

The chairmen of such branch commissions were appointed to act concurrently as magistrates of the *hsien* wherein they were stationed. Thus the powers formerly held respectively by the Party, administrative and war organs were concentrated in the hands of one person who was held responsible for the supervision of the affairs of the administrative area.

In view of the considerable increase in administrative efficiency which resulted from the trial of this system in Kiangsi, it was subsequently adopted by the Headquarters of the bandit-suppression forces in Honan, Hupeh, and Anhwei, which issued a set of rules for the establishment of the office of the administrative inspector with definite responsibilities and functions. On August 6, 1932, provisional regulations drawn up by the Ministry of the Interior for the creation of such offices were promulgated by the Executive Yuan.

The existing regulations governing the office of the Administrative Inspector were promulgated by the Executive Yuan on March 25, 1936, and were subsequently amended on October 13 of the same year. The present regulations were drawn up after careful study of the experience gained by the various provinces during the last few years. Since conditions in the various provinces differ to a certain extent, the regulations are worded with due elasticity so as to cope with varied circumstances. According to the regulations, the administrative inspector shall be appointed by the Executive Yuan. He shall be empowered to direct, investigate and supervise the functioning of the *hsien* and municipal governments within his jurisdiction, under the guidance of the provincial government. In case the rewarding of the worthy and the disciplining of the unworthy among the public functionaries under his jurisdiction shall be deemed necessary, he may make confidential recommandations to the provincial government or its component department concerned. To enable him to exercise adequate control over the police and peace preservation corps in the maintenance of peace and order, the Administrative Inspector shall be made concurrently the commander of these forces in the administrative area. He shall be required to make circuit tours of the various *hsien* under his control in order to inspect the functioning of the various organs therein. He shall be authorized to convene administrative conferences of the magistrates, mayors, functionaries of local self-governing organs and representatives of public bodies for the purpose of discussing ways and means of improving local administration and in order to lay out working programs for the various working units.

C. Hsien Government.—Under the direction and supervision of the provincial government, the *hsien* government administers the affairs of the *hsien*, supervises the matter of local self-government, makes such ordinances as are compatible with the laws of the Central and provincial governments, and draws up various regulations for enforcement within the *hsien*.

According to the Law Governing the Organization of the *hsien* Government, the *hsien* government consists of a magistrate, a secretary, one or two section chiefs, and a proper number of clerks and other employees. In addition, there are usually four bureaus for the administration of such technical matters as (1) public safety, (2) reconstruction, (3) finance and (4) education. Whenever necessary, special bureaus concerning the matter of public health, land, food, and social affairs may be established.

The magistrate is the chief executive of the *hsien*, responsible for the entire administration. He is appointed by the National Government at the instance of the provincial commission for a term of three years and is eligible for reappointment. The heads of the bureaus are appointed by the provincial government on the recommendation of the magistrate

Each *hsien* has a *hsien* council which is composed of the magistrate, the secretary, the section chiefs and the heads of the bureaus. Matters concerning the *hsien* budget and debt, the handling of public property and the regulation of public enterprises are within its competence

The *hsien* assembly is to be an organ representative of the local citizens. The term of service is three years, one third of whom retire annually. As the final authority to pass judgment upon measures initiated by the *hsien* council and those presented by its own members concerning especially *hsien* finance, it serves as a check upon the *hsien* council.

In addition to the separation of executive and legislative functions in the *hsien*, the judicial powers formerly exercised by the magistrate are now being shifted to independent local courts.

On December 31, 1934, with a view to increasing the efficiency of *hsien* administration, General Chiang Kai-shek, President of the National Military Council, promulgated a set of measures for the various provinces within the bandit-suppressing zone. These related to the reorganization of the present system of *hsien* government through the abolition of the various bureaus and the establishment, in their stead, of sections under the direct jurisdiction of the *hsien* government.

During the Second National Interior Administration Conference held in December, 1932, it was decided that the *hsien* government should, as a rule, abolish the bureaus in favor of the establishment of sections, that the offices of the various sections or bureaus should be consolidated into the offices of the *hsien* government and that all communications made by the component parts of the *hsien* government should be in the name of the magistrate. Under the Revised Law Governing the Organization of the *hsien* Government approval by the Executive Yuan, with the exception of educational affairs (which shall be, in principle, taken care of by a bureau), matters concerning public safety, finance, reconstruction, etc. shall, as a rule, be dealt with by sections. At the present, most of the various provinces have reorganized their *hsien* in conformance with the new regulations.

Another move for the improvement of *hsien* administration was made by the Ministry of the Interior in August, 1933, when the different provincial governments were asked to designate one or more *hsien* under their respective jurisdictions as experimental areas for *hsien* administrative efficiency. Since then such areas have been established by some ten provinces.

Local Units Within the Hsien.—Each *hsien* contains three to six counties or *chu*. Each county is further subdivided into a number of villages and towns. Each village or town contains about one hundred families; the only distinction between the two is that the town is urban in character and has a market. Below the villages and the towns are the *lu* and *lin*. Twenty-five families constitute a *lu* and five families a *lin*. The counties, villages, towns *lu* and *lin*, each under a chairman, (the counties, towns or villages having a vice-chairman, and a supervisory committee in addition) constitute the basic organs in the training for local self-government during the period of political tutelage.

Since December, 1934, provisions have been made for the establishment of county offices in the various counties. These offices, serving as the branch offices of the *hsien* government, effect a closer co-operation among the different grades of *hsien* government and the local self-governing bodies and facilitate the transmission of governmental orders to the people.

D. Municipal Government.—The municipal government takes charge of the administration of the municipality in accordance with law, supervises its

On June 5, 1937, the Executive Yuan promulgated the following set of provisional regulations governing the *chu* or county administration: For the efficiency of the district government, these regulations are promulgated: (1) Each *hsien* shall be divided into three to six *chu* in accordance with its area, topography, population, communications, economic condition and customs, and an administrative office shall be established; (2) The *chu* shall be named according to their numerical order; (3) For the *chu* within the jurisdiction of the *hsien* government, no office shall be formed, or, in case of necessity, such office shall be maintained in the *hsien* government; and (4) The *chu* shall be administered by a *chu chang* (chairman), one to three assistants and one inspector.

subordinate organs and self-governing bodies and enacts laws and ordinances compatible with the laws and regulations of the Central and provincial governments.

There are two kinds of municipalities in China; certain cities are under the direct control of the Central Government through the Executive Yuan, while others are under the supervision of the provincial government. Cities of the first group must possess one of the following three features: (1) be the seat of the national capital, (2) have a population of 1,000,000 or more, or (3) have special political and economic characteristics. But if a city happens to be the seat of the provincial government, it is to be under the jurisdiction of the provincial government, even though it may belong to the second or third category. There are five such special municipalities in all; namely, Nanking, Peiping, Shanghai, Tientsin and Tsingtao.

Cities which have a population of 300,000 or more, or a population of 200,000 with business, land, and franchise taxes amounting to more than half of the total annual revenue, form the second group. At present there are 18 cities under the direct jurisdiction of the provincial government; namely, Lienyun, Hangchow, Nanchang, Kiukiang, Wuchang, Hankow, Changsha, Chengtu, Chungking, Amoy, Canton, Swatow, Tsinan, Kaifeng, Lanchow, Kweiyang, Kunming and Paotow.

All of the cities in China are uniformly organized on the mayor and council plan. At the head of the administration is the mayor, who is appointed by the National Government. In case of the special municipalities directly subordinate to the Executive Yuan, this official is of the "selected" rank; and in case of the ordinary cities, this official may be either of the "selected" rank or of the "recommended" rank. Below the mayor are two counsellors. Responsible for the drafting and consideration of municipal regulations and ordinances, they are important advisers to the mayor. In addition to a secretariat, there are normally four bureaus—social affairs, public safety, finance and public works. Bureaus of education, public health, land, public utilities and harbor administration may be created if conditions so necessitate. There is no bureau of public safety in a municipality which happens to be the seat of the national capital or of a provincial capital. Its duties are performed by the metropolitan police or provincial capital police force. When it is deemed necessary to retrench in the case of municipalities under the jurisdiction of the provincial government, the various bureaus, with the exception of the bureau of public safety, may be reduced to sections.

The municipal council is composed of the mayor, the two counsellors, and the directors of the bureaus or section chiefs. It is required to meet every month and is empowered to deal with the following matters: rules regarding the work of the secretariat and the bureaus or their divisions, municipal regulations, budgets and accounts, income and debt, municipal property and public utilities, jurisdiction of the bureaus and matters referred to it by the mayor.

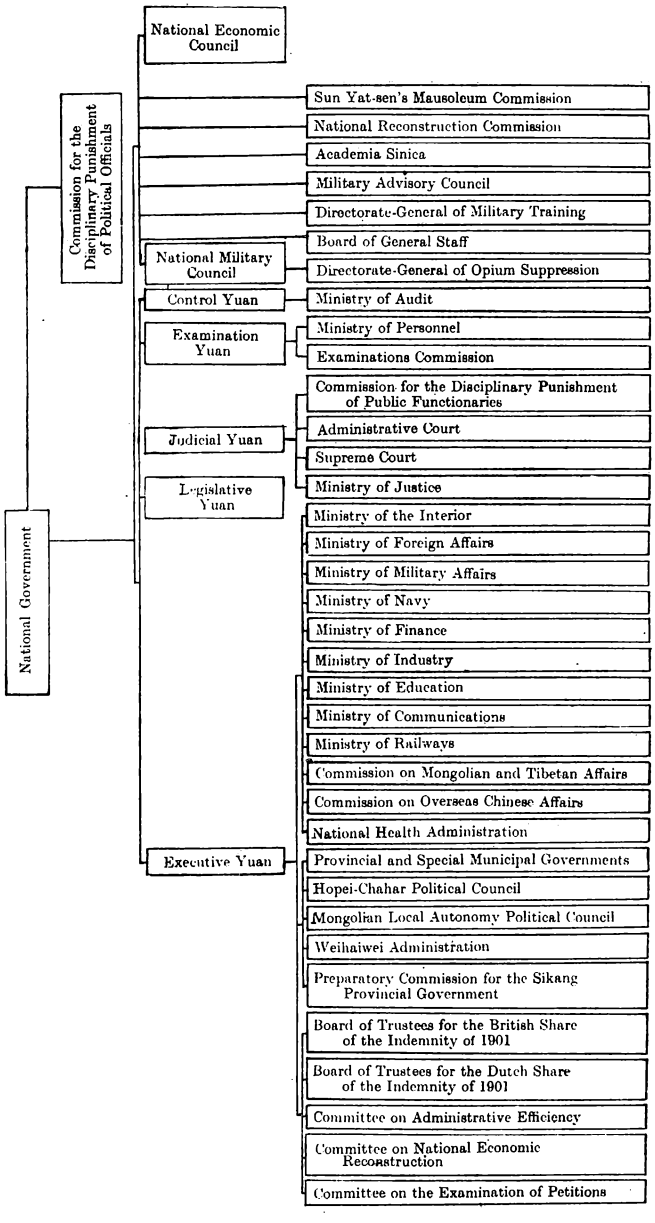
Territorial Units Within the Municipality.—Each municipality contains a number of wards or *chu;* each ward ten *fang;* each *fang* twenty *lu;* each *lu* five *lin,* and each *lin* five families. The ward government consists of an assembly, a representative assembly, a chairman and a supervisory committee. The assembly is composed of all of the citizens of the ward and is empowered to exercise the rights of election, initiative, referendum and recall. It meets once a year and is presided over by the chairman of the ward. The representative assembly is made up of delegates from the *fang*—two from each. It meets every three months and no session is to last for more than ten days. The chairman is the presiding officer of the ward assembly and is elected by it for a term of one year. The supervisory committee consists of two members elected by the representative assembly and performs supervisory functions. The government of the *fang* is represented by an assembly, a chairman, a conciliatory committee,

and a supervisory committee with functions very similar to those of the same institutions in the ward. Both the *lu* and *lin* have an assembly and a chairman. The assembly consists of all those persons who, having attained the age of 20, have resided continuously in the locality for six months or more, or who possess dwelling house. The chairman is a executive officer appointed simply t carry out the orders of the superio governmental authority or to pu into effect what has been decided b the assembly.

NUMBER OF ADMINISTRATIVE UNITS

Name of Province	*Location of the Metropolis*	*No. of Hsien*	*No. of Cities*	*No. of Special Administrative Units Governed by Special Bureaus*
Kiangsu	Chinkianghsien	61	1	—
Chekiang	Hangchow City	75	1	—
Anhwei	Hweininghsien	62	—	—
Kiangsi	Nanchang City	83	2	—
Hupeh	Wuchang City	70	2	—
Hunan	Changsha City	75	1	—
Szechwan	Chengtu City	148	2	1
Sikang	Paoanhsien	31	—	—
Chinghai	Sininghsien	16	—	—
Fukien	Minghouhsien	62	1	—
Kwangtung	Canton City	97	2	—
Kwangsi	Yungninghsien	99	—	—
Kweichow	Kweiyang City	84	1	—
Yunnan	Kunming City	112	1	13
Honan	Kaifeng City	111	—	—
Hopei	Tsingwoenhsien	130	—	1
Shantung	Tsinan City	108	1	—
Shansi	Yangcheohsien	105	—	—
Shensi	Changanhsien	92	—	—
Jehol	Chengtehhsien	16	—	2
Chahar	Wantsuanhsien	16	—	3
Suiyuan	Kweisuihsien	16	1	1
Ninghsia	Ninghsiahsien	10	—	3
Kansu	Lanchow City	66	1	1
Liaoning	Shenyanghsien	59	—	—
Kirin	Yungkihsien	41	—	1
Heilungkiang	Lunkianghsien	43	—	10
Sinkiang	Dihuahsien	59	—	6
TOTAL		1947	17	42

This table is adapted from the "Table Showing the Administration Districts of China" issue by the Ministry of Interior in January, 1937.


National Government
Commission for the Disciplinary Punishment of Political Officials
National Economic Council
Sun Yat-sen's Mausoleum Commission
National Reconstruction Commission
Academia Sinica
Military Advisory Council
Directorate-General of Military Training
National Military Council
Board of General Staff
Directorate-General of Opium Suppression
Control Yuan
Ministry of Audit
Examination Yuan
Ministry of Personnel
Examinations Commission
Judicial Yuan
Commission for the Disciplinary Punishment of Public Functionaries
Administrative Court
Supreme Court
Ministry of Justice
Legislative Yuan
Executive Yuan
Ministry of the Interior
Ministry of Foreign Affairs
Ministry of Military Affairs
Ministry of Navy
Ministry of Finance
Ministry of Industry
Ministry of Education
Ministry of Communications
Ministry of Railways
Commission on Mongolian and Tibetan Affairs
Commission on Overseas Chinese Affairs
National Health Administration
Provincial and Special Municipal Governments
Hopei-Chahar Political Council
Mongolian Local Autonomy Political Council
Weihaiwei Administration
Preparatory Commission for the Sikang Provincial Government
Board of Trustees for the British Share of the Indemnity of 1901
Board of Trustees for the Dutch Share of the Indemnity of 1901
Committee on Administrative Efficiency
Committee on National Economic Reconstruction
Committee on the Examination of Petitions

EXECUTIVE YUAN[1]

WANG CHUNG-HUI (王寵惠)

The Executive Yuan was formally established in October, 1928, following the promulgation of the Organic Law of the National Government. With the capture of Peiping in July, 1928, practically the whole of China was brought under Kuomintang rule, and the military phase of the nationalist revolution was thus successfully concluded. It was then decided by the Kuomintang authorities that the Government already existing at Nanking should be enlarged and remodeled to conform to the political system envisaged by Dr. Sun Yat-sen. The Organic Law promulgated on October 4, 1928, was the first step taken in that direction.

During his lifetime Dr. Sun had strongly urged the adoption of a Five-Power Constitution conceived by himself after careful study of China's political needs and traditions. The five powers were: legislative, executive, judicial, impeachment, and examination—all completely independent of one another. The Organic Law represented the fruition of Dr. Sun's ideas in as much as provision was made for the establishment of five Yuan for the exercise of the five powers.

Under the Organic Law the Executive Yuan "shall be the highest executive organ of the National Government." It is further provided that the Executive Yuan "shall establish ministries to which shall be intrusted the various executive duties" and "may appoint commissions to take charge of specified executive matters." The component ministries and commissions are not, however, specified in the Organic Law, which leaves the matter to be determined according to changing needs and circumstances.

Since its inception in 1928 the composition of the Executive Yuan has undergone several changes. New commissions have been added to share the gigantic burden of political and economic reconstruction, while others have been abolished or amalgamated for the sake of economy and greater efficiency. At present the Executive Yuan is composed of nine ministries (Interior, Foreign Affairs, War, Navy, Finance, Industry, Education, Communications, and Railways), two commissions (Mongolian and Tibetan Affairs and Overseas Chinese Affairs), and one directorate (National Health Service).

Strictly speaking, the Executive Yuan comprises the entire executive branch of the National Government, that is, the Yuan itself and all its component ministries and commissions. But in its current usage the term "Executive Yuan" is often applied in a narrower sense to denote the institution presided over by the President of the Executive Yuan, exclusive of its component ministries and commissions. Using the term in this narrower sense, the present outline will confine itself to a brief discussion of the Executive Yuan itself without touching upon the work of the various ministries and commissions, which are dealt with elsewhere in this volume.

During the period of political tutelage the National Government as a whole is responsible to the Kuomintang through the Central Political Council of its Central Executive Committee. Both the President and the Vice-President of the Executive

[1] The organization and functions of the various ministries and commissions under the Executive Yuan are treated elsewhere in this volume.

Yuan, as well as those of the four other Yuan, are appointed by its Central Executive Committee, or, when it is not in session, by its Standing Committee. It is through the Executive Yuan that the orders and decisions of the highest organs of the party reach the various ministries and commissions and the provincial and special municipal governments. Though it is these latter bodies which actually carry out the various administrative and reconstruction measures, the Executive Yuan, standing at the head of the administrative hierarchy, provides the propelling force and assumes responsibility for their activities. The duty of the Executive Yuan is to direct, co-ordinate and keep under constant review the work of the ministries and commissions, and, either directly or through them, to exercise general supervision over the administration of the provinces and municipalities. Thus the Executive Yuan is the sole directing and co-ordinating factor in the entire executive machinery, both at the seat of the National Government and in the provinces.

It falls within the sphere of the Executive Yuan to effect economy in public administration, to adjust the inter-relations between the various ministries and commissions, to examine their budgets, appointments and policies as well as those of the provincial and special municipal governments, to review the progress of their work, to issue instructions on matters which they cannot decide for themselves, and to eliminate the overlapping of functions and prevent the shifting of responsibility. In short, its *raison d'être* is to insure the smooth working of the executive machinery so that the administrative measures and reconstruction plans of the Government may be realized throughout the land with maximum efficiency and minimum wastage. The stupendous character of this task becomes apparent when one visualizes the vast distances of China, the extreme heterogeneity of conditions prevailing in different provinces and the variety, magnitude, and complexity of the problems involved in China's progress towards modern statehood.

In the execution of his duties the President of the Executive Yuan is assisted by a chief secretary and a director of political affairs. While routine matters are usually disposed of by them, with the assistance of a staff of secretaries and counselors, important questions are always reserved for discussion at the meeting of the Executive Yuan attended by its President and Vice-President as well as by the ministers and chairmen of the various ministries and commissions.

The regular meeting of the Executive Yuan is held once a week, usually on Tuesday, but whenever circumstances require the President may call a special meeting at any time. The weekly meetings afford a valuable channel for the exchange of views between the various administrative heads and this has proved extremely useful in the solution of questions involving two or more ministries. According to law, budget measures, executive bills, and all matters pertaining to foreign affairs should be reported to the Executive Yuan meeting before they are passed on to the Legislative Yuan or the Central Political Council for consideration. Reports by ministers, chairmen of the provincial governments, and mayors of special municipalities are usually submitted to the Executive Yuan meeting, after scrutiny by the secretariat.

A distinct product of the Kuomintang ideology, the Executive Yuan has no exact parallel in the past political institutions of China. Not only this, but the tasks it has set for itself and its component organizations are undoubtedly more far-reaching than those ever attempted by the previous régimes. Under its successive presidents the Executive Yuan and its component ministries and commissions have been steadily forging ahead in the execution of the program of political and economic reconstruction. Remarkable progress has been achieved in many fields. The vast improvements in the means of communication and

transportation; the agricultural, taxation, and currency reforms; the administration of public health and the prevention of disease and natural calamities; the regulation and encouragement of commerce and industry; the increase in educational facilities, and the gradual emergence of a permanent civil service—these are but a few of the outstanding achievements which have greatly strengthened the confidence of the people in the Government and brightened their outlook on the future of their country.

The task ahead is admittedly great, but there is no doubt that, with the complete unification of the country, the pace of progress will not only be maintained but also accelerated. During the past few years the machinery for carrying on the various executive duties of the Government has been put to a most severe test and, in spite of the great strain, has been found working with a satisfactory degree of efficiency. Continued efforts will be made to safeguard and further improve the executive machinery through which all future reforms and constructive measures are to be carried out through the length and breadth of the country.

LEGISLATIVE YUAN

P. C. Hsieh (謝保樵)

I. ORGANIZATION OF THE LEGISLATIVE YUAN

Article 19 of Dr. Sun Yat-sen's "The Fundamental Principles of Reconstruction" (建國大綱) provides that at the beginning of the Constitutional Period, the Central Government, in order to experiment on the five-power system, shall establish the five yuan in the following order, the Executive Yuan (行政院), the Legislative Yuan (立法院), the Judicial Yuan (司法院), the Examination Yuan (考試院), and the Control Yuan (監察院). Article 32 of the Provisional Constitution of the Republic of China (中華民國訓政時期約法), promulgated on June 1, 1931, provides that five powers, namely, the executive, legislative, judicial, examination and censorial powers, shall be exercised by the National Government. Again Article 71 of the same constitution provides that the National Government shall establish the Executive Yuan, the Legislative Yuan, the Judicial Yuan, the Examination Yuan, the Control Yuan and the various ministries and commissions. The Organic Law of the National Government further provides in Article 27 that the Legislative Yuan is to be the highest legislative organ of the National Government. Based on those provisions, the Legislative Yuan was established and began its work on December 5, 1928.

In the Legislative Yuan there are a president (院長), a vice-president (副院長) and 86 members[1] (委員). Its present administrative staff consists of one secretary-general (祕書長), one director of the Bureau of Legislative Research (編譯處長), five research fellows (編修), ten secretaries (祕書), ten committee secretaries, one section chief (科長), a number of specialists or technical experts (專員), clerks (科員), shorthand writers (速記), typists and copyists (書記), etc., and one yuan surgeon (醫官).[2]

The president and vice-president are elected by the Central Executive Committee of the Kuomintang. The members are nominally appointed by the National Government but, as they are political officers, the approval of the Central Executive Committee is necessary. Thus in practice the president of the Yuan makes the nomination and submits a list of candidates to the Political Council of the Central Executive Committee, which approves the list and passes it to the National Government for official appointment. Vacancies are filled by the same procedure.

Nominally, the secretary-general, the director of the Bureau of Legislative Research, the research fellows and four of the ten secretaries are appointed by the National Government. Six of the ten secretaries and the committee secretaries are appointed by the National Government upon the recommendation of the president and the rest are appointed by the president. Actually, all of the members and the staff are appointed by the president, as only in very exceptional cases has a recommendation ever been rejected. The committee secretaries and other members of the committee staff are appointed upon the recommendation of the

[1] Art. 30, Organic Law of the National Government, provides that there shall be between 49 and 99 members in the Legislative Yuan. At the time this book goes to press, there are 86 members.

[2] Figures are taken from Personnel List of the Legislative Yuan for 1937.

committee chairmen. In practice the Political Council has rarely voted down a nomination. Theoretically the president has also the power to dismiss members but hitherto this prerogative has never been exercised.

The tenure of office is not fixed in the case either of the president or vice-president but the members of the Legislative Yuan hold office for a term of two years and are eligible for re-appointment. Members of the present (fourth) term should have ended their term of office at the beginning of the year. But on account of the postponement of the convening of the National People's Congress their term was extended by an act of the Central Political Council until such time as the permanent constitution comes into force. Many members who began their service at the first term are still serving in the same capacity. The Legislative Yuan started its first year with 49 members. This number increased to 63 in the third year, decreased to 62 and later to 61 in the fourth but increased to 90 in the fifth and sixth years of its existence and decreased to 86 in the seventh, eighth and ninth years. Legally the president has powers both of appointment and of dismissal but the latter power has never been exercised so far. Resignation or transference to other services may cause a vacancy in the membership, as no member may concurrently hold another public office.[1] Such a vacancy need not necessarily be filled, however. The term of office for the administrative staff is indefinite. Legally, they are under the protection of the Civil Service Law.

Under the president and vice-president are two administrative departments, namely, the Secretariat (祕書處) and the Bureau of Legislative Research (編譯處). The secretariat is headed by a secretary-general, who is assisted by ten secretaries and a number of officials of various ranks. It attends to correspondence, yuan meetings, minutes, personnel, custody of the yuan seal, statistics, accounts, and miscellaneous business and other work not assigned to the bureau of Legislative Research or to a committee.

The Bureau of Legislative Research is headed by a director, assisted by five research fellows as well as a number of specialists, clerks and copyists. It edits and publishes laws and regulations of the National Government, collects material for the information of members, translates foreign laws into Chinese and *vice versa* and manages the library. Sometimes reference material is published after it has been used by the members.[2]

There are five standing committees, i, e., the General Committee (法制委員會), the Foreign Relations Committee (外交委員會), the Finance Committee (財政委員會), the Economic Committee (經濟委員會) and the Military Affairs Committee (軍事委員會). Each member belongs to one of the standing committees. Each committee has a chairman appointed from among the members by the president, a staff of two secretaries, two to four clerks, one to three shorthand writers, two to six copyists and sometimes one or several specialists. The committee and department staffs are interchangeable from time to time, depending on the amount of work which each one may have to do.

Besides the standing committees there are at present six select committees. These were created for specific pieces of legislation in the following order: the Civil Law Committee (民法委員會), the Penal Law Committee (刑法委員會), the Commercial Law Committee (商法委員會), the Labor Law Committee (勞工法委員會), the Self-Government Law Committee (自治法委員會), and the Land Law Committee (土地法委員會). In these committees there are no permanent chairmen, but the first member on the list is charged with the duty of presiding over and calling meetings.

Members of the select committees are chosen from the whole body of

[1] Art. 32, Organic Law of the National Government.
[2] See List of publications.

members. A member may therefore serve in more than one of the select committees. Each select committee has a small staff of one or two specialists, shorthand writers, clerks or copyists. When necessary, the staff of the standing committees or of the two departments may be detailed to a select committee for temporary work.

Other select committees may be created as special legislative work demands. Such select committees will be abolished at the completion of the assigned work. The staff of such a committee varies with the amount of its work. In most cases they are temporarily detailed from the standing committees or departments. Special appointments to temporary committees are only temporary creations abolishable at the dissolution of the committee and do not form part of the permanent yuan staff.

II. POWERS OF THE LEGISLATIVE YUAN

According to Art. 67, Organic Law of the National Government, the National Government shall exercise the powers of declaring war, negotiating peace, and concluding treaties; and according to Art. 68, the National Government shall exercise the power of amnesty, remission of sentences, and restoration of civil rights. Art. 70 further provides that the National Government shall make the national budget. But the National Government exercises its five governing powers through the five respective yuan.[1] In other words, the National Government does not directly exercise its governing powers, and each yuan independently exercises the one kind of governing power which its name designates. The Legislative Yuan therefore has the powers to decide on law bills, budget making, bills on amnesty, declaration of war, negotiation of peace and other problems of international affairs.[2]

Aside from the general meaning almost universally accepted in the legislative world, the terms "budget," "amnesty," "declaration of war" and "negotiation of peace" bear no special significance in the Chinese legislature. The term "law," however, has a legal definition. A law in China means a law bill which has passed through the procedure of three readings and has obtained an assenting vote of the Legislative Yuan and has been promulgated by the National Government.[3] And a law bill means (1) a bill changing or abolishing the law in force, (2) a bill defining the existing law which expressly stipulates that it shall be defined by law, or (3) a bill concerning the organization of a government office or rights and duties of citizens which the Legislative Yuan considers it necessary to determine by law.[4] Rules and regulations are only supplementary to law. Without law as a basis they cannot be made and enforced; against law they will be null and void.[5]

By important problems of international affairs are here meant treaties, agreements and other foreign relations. The Legislative Yuan, unlike any other national legislature, is not a policy formulating body. It decides neither upon foreign nor domestic policy. Policies may be adopted and executed without a formal resolution of the Legislative Yuan. But a treaty must pass the yuan before it can become effective. In treaty making the yuan is therefore a deliberating rather than an originating body. If a treaty is introduced by the Political Council, it becomes a Central Executive Committee bill. Then the yuan cannot change its principles, as we shall see later. Changes in its contents may be made by the yuan, but if these changes go so far as to make the revised bill deviate from the original principle they may be rejected by the Central Executive Committee and hence over-

[1] Art. 8, Organic Law of the National Government.
[2] Art. 27, ditto.
[3] Art. 1, the Law Governing the Standard of Law-Making promulgated by the National Government, May 14, 1929.
[4] Art. 2, ditto.
[5] Arts. 3 & 4, ditto.

ruled. In matters of foreign policy and treaty-making, the Legislative Yuan is only an advisory body on technical matters and not a deciding organ.

Another power exercised by the Legislative Yuan is that of interrogation.[1] When the Legislative Yuan considers or finds that any other yuan, a ministry or a commission has failed to enforce the law or resolution it has passed, it may request the yuan president, the minister or the commission chairman to attend a yuan meeting[2] and be interrogated. The request will be made by a resolution of the Legislative Yuan brought forth by the presiding officer or one-third of the members present.[3]

Interrogation is not only a power but also a responsibility. No law of any kind, including rules, regulations, and organic laws, finance measures increasing the burden of the people, treaties giving rise to obligations affecting national sovereignty and other international agreements within the competence of the Legislative Yuan can be valid unless and until decided by resolution of the yuan. Should any of the abovementioned laws be promulgated or enforced without a previous resolution of the legislature, the Legislative Yuan will be charged with the duty of exercising its power of interrogation and the promulgating or enforcing office will be deemed guilty of having usurped the legislative power. Should the Legislative Yuan fail to interrogate the usurping office, it will be considered guilty of dereliction of duty.[4]

The head of the office thus interrogated usually attends the meeting in person unless he can be sure that a delegate is acceptable. In the latter case a responsible officer may be present in his stead. But when it is specified that no representative will be acceptable, he must attend in person. The interrogation may go beyond the matter in connection with which a request for the attendance of the interrogated official was made. Hence even though no specific decision to disallow delegates be made, it is always safer for the responsible head himself to go through the ordeal, as even his most trusted and immediate lieutenant may not be able to answer unexpected questions as suitably and satisfactorily as himself. Should the yuan consider the answers satisfactory, all will be well; otherwise the interrogated official will be dealt with politically. The Legislative Yuan is empowered to criticize the government but not to pass a vote of non-confidence, as the legislature as well as the other yuan is responsible to the Central Executive Committee and the ministries and commissions (except the National Military Council and a few others which are directly under the National Government) are responsible to the Executive Yuan.

In China the impeachment power usually exercised by the legislature is exercised by the Control Yuan, except when a member of the Control Yuan is found guilty of violating law or of dereliction of duty. In that case the impeachment will be instituted by the Legislative Yuan[5] by a resolution brought up by one-third of the members present at the meeting and approved by the presiding officer. After a resolution has been passed to let the case stand, the impeached person will be tried by the Commission for the Disciplinary Punishment of Political Officials, as the Chinese legislature neither acts as judge nor delivers the judgment even in an impeachment case of this kind. Its impeachment power, is thus doubly limited.

[1] Art. 14, Organic Law of the Legislative Yuan.
[2] Art. 15, ditto.
[3] Art. 29, Rules of Legislative Procedure.
[4] An Act to Determine the Exercise of Governing Powers passed by the Second Plenary Session of the Central Executive Committee, June 10, 1929. This act only has the force of law but forms part of the foundation of law in the National Government.
[5] Art. 29, Rules of Legislative Procedure.

III. POWERS OF THE PRESIDENT OF THE LEGISLATIVE YUAN

The president of the Legislative Yuan exercises certain powers which are peculiarly his own. He countersigns all administrative orders concerning legislation and the Legislative Yuan, and is at the same time the administrative head of the yuan. He recommends the appointment and dismissal of members and actually appoints and dismisses all of the administrative officers. He appoints the technical staff and determines their titles, ranks and salaries. He assigns the members to the various committees and appoints the committee chairmen. He assigns bills to the committees for deliberation and fixes the dates on which reports on the assigned cases shall be made. He creates, abolishes or amalgamates select committees. He directs all affairs inside the yuan and all affairs of all committees and departments under it. In short he is at the same time the political and the administrative head of the Legislative Yuan.

In the meetings of the yuan the president exercises wide powers. He fixes the day and hour for the meeting and convenes it. When one-third or more of the members make a request to call a meeting, the president decides whether or not the request shall be complied with. He presides over the meeting and when he is not able to attend the vice-president takes his place; in the event of neither the president nor the vice-president being able to attend one of the members may be appointed to act as presiding officer. Once the meeting is opened, the president assumes full control and maintains order by exercising his power to deprive a member of his right to speak. Whether attempting to participate in the discussion or to introduce a bill in the meeting, a member may not speak without the president's approval, nor can a member leave the meeting place without his consent. When a member wishes to speak, he reports his number and waits for the president to call on him. When more than one member want to speak at the same time, the president decides the question of precedence.

The president has the power to command the committee chairmen to report verbally in the yuan meeting on the committee findings. He may change the agenda, stop the discussion and put the bill to vote or do away with the third reading and put the bill to vote after the second reading. He decides whether bills introduced by members in the meeting will be put to discussion immediately or in the next meeting. Finally, he may adjourn a meeting. He also declares the meeting adjourned when a quorum is lacking after two roll calls. Although he does not vote, he casts the deciding vote in case of a tie. Very often he can influence the decision of the members by expressing his opinion before the vote is cast, especially on bills concerning policy when the Legislative Yuan is much more a technical advisory body than a deciding organ. In case a bill is voted down or killed and the president does not agree with the majority but thinks that such a bill should be reconsidered, he may bring it up in the Central Political Council of the Central Executive Committee, which may refer the dead bill back to the Legislative Yuan for reconsideration. The members cannot then vote it down or kill it again.

Members' leave of absence from a committee or yuan meetings has to be approved by the president. Thus his control over the members is so complete that other ways and means of ensuring parliamentary discipline are rendered quite unnecessary.

IV. MEETINGS OF THE LEGISLATIVE YUAN

A term is not divided into sessions; hence the Legislative Yuan is in session throughout the whole year. While it is in session, at least one yuan meeting is held every week, the day and hour to be fixed by the president.[1] When work is pressing, more than one meeting is sometimes called

[1] Art. 27, Rules of Legislative Procedure.

each week for several weeks in succession. A meeting may last for several days each of two sittings, although the yuan usually adjourns after one sitting. Besides being called by the president, a yuan meeting may be called at the request of one-third or more of the whole body of members when the bill concerns interrogation or impeachment of a Control Yuan member. But here again the president has the power to decide whether the members' request will be complied with and the meeting called.[1] One-third of the entire membership forms the quorum of a yuan meeting.[2] So far no meeting has ever been called off on account of lack of a quorum.

A yuan meeting differs from the joint meeting of all standing committees, which all members attend. Such a meeting is not presided over by the president but by one of the committee chairmen, to be chosen at the meeting from among the members themselves. Its resolutions are merely committee meeting resolutions and do not have the force of a yuan meeting resolution.

Yuan meetings may be attended by presidents of the other yuan, ministers and commission chairmen of the Executive Yuan when they have explanations to make before the legislature.[3] In addition to giving explanations, these officials may also express their opinions on the bill but they have no voting power.[4]

Yuan meetings are held openly except upon request of seven or more members present or when a president of another yuan, a minister or a commission chairman attends and the non-legislative official requests secrecy.[5]

V. PROCESS OF LAW-MAKING

In principle, bills may be divided into four kinds:

1. **Central Executive Committee Bills.**—These include bills introduced by the central, provincial and local party headquarters or by members of the Central Executive Committee with the approval of and through the Central Executive Committee. The Central Executive Committee itself does not directly introduce the bills, however; they go through the Central Political Council, and may therefore also be designated as Central Political Council bills.
2. **National Government Bills.**—These introduced by the National Government Council.
3. **Bills Originated by Other Yuan.**—These include all bills introduced by the Executive, Judicial, Examination or Control Yuan, but not those introduced by the Legislative Yuan itself.
4. **Members' Bills.**—These are bills introduced by members of the Legislative Yuan in accordance with law.[6] In this category are included bills introduced by the President of the Legislative Yuan and those introduced in the yuan's name.

A ministry, or commission under any yuan, or a provincial, local or municipal government under the Executive Yuan may introduce a law bill into the Legislative Yuan concerning matters within their respective competence with the approval and in the name of its direct superior yuan. When an office not under any of the five yuan but directly under the National Government wishes to introduce a law bill into the Legislative Yuan, it must submit the bill to the National Government Council, which, after deliberation, will bring the bill before the legislature, provided that the bill concerns matters within the competence of the originating office.[7]

Whenever a bill is introduced, its principles are always laid down and

[1] Art. 29, Rules of Legislative Procedure.
[2] Art. 16, Organic Law of the Legislative Yuan.
[3] Art. 29, ditto.
[4] Art. 8, Rules of Legislative Procedure.
[5] Art. 21, Organic Law of the Legislative Yuan.
[6] Art. 1, Principles of Legislative Procedure passed by the 25th meeting of the Standing Committee of the Fourth Plenary Session of the Central Executive Committee on June 23, 1932, and twice revised by the same body, once in July 14 of the same year and a second time on April 20, 1933.
[7] Art. 2, ditto.

these are determined by the Political Council of the Central Executive Committee. In the introduction of a National Government Council bill, a yuan bill, a member's bill or one mentioned in the preceding paragraph, the originator makes out a draft of the principles and submits it to the Political Council, which decides whether or not it shall be adopted. Except for bills concerning political, military, or diplomatic problems which require secrecy, the Political Council may refer the principles of a bill to the Legislative Yuan for deliberation before a decision is made. Where the Legislative Yuan has a dissenting opinion on the principles of a bill, this opinion may be expressed to the Political Council, but the legislature has no power to change the principles of a bill nor its contents to such an extent as to effect a fundamental change of principle. In every case the Political Council makes the final decision in laying down legislative principles. A draft of the law may also be attached when the principles are submitted.[1]

All the first three types of bill above-mentioned may be classified as government bills. But even in the case of the fourth kind only those introduced by and in the name of the members may be designated as private bills. As the legal status of the president of the Legislative Yuan does not differ from that of any other yuan president and the status of the Legislative Yuan is not different from that of any other yuan, a bill introduced by the Legislative Yuan or its president cannot be different from one under the third category, and therefore it is both practically and nominally a government bill.

In the agenda of a Legislative Yuan meeting, reports come before bills. Bills are arranged in the following order: first, Central Executive Committee bills; second, National Government Council bills; third, bills from the various yuan; and fourth, member's bills.

The order of precedence for the same class of bill is fixed in accordance with the date of their arrival at the yuan. As a matter of courtesy, a Legislative Yuan bill is usually placed after those from other yuan. Three days before the meeting takes place the agenda of the forthcoming meeting is sent to the members and to those other individuals who are expected to attend.

A bill must be introduced in writing.[2] When a bill is introduced in the Legislative Yuan, it is first assigned to a committee for consideration. The committee may be a standing committee, or a select committee, or a temporary one appointed by the president. The committee submits a report on the bill when it is brought before the yuan meeting. In case of emergency, the bill goes directly to the yuan meeting.[3] A law, the budget, pardons, a treaty bill or a bill relating to important international affairs usually goes through a committee examination. The report on a budget bill must be made by the committee within two weeks from assignment.[4]

Before a decision is made concerning a bill introduced by any yuan, the bill may be amended or rescinded by the originating yuan.[5]

Either in the committee stage or in the yuan meeting, the principles of a bill from the Political Council cannot be amended or altered. Amendments or alterations may be made on the contents of such a bill provided that the amendments or alterations do not effect the principles laid down by its originators.[6]

Members of the Legislative Yuan may introduce bills.[7] A member may also introduce a bill at the meeting,

[1] Art. 1, Principles of Legislative Procedure passed by the 25th meeting of the Standing Committee of the Fourth Plenary Session of the Central Executive Committee on June 23, 1932, and twice revised by the same body, once on July 14 of the same year and a second time on April 20, 1933.
[2] Art. 12, Rules of Legislative Procedure.
[3] Art. 14, ditto.
[4] Art. 15, ditto.
[5] Art. 13, Organic Law of Legislative Yuan.
[6] Art. 13, Rules of Legislative Procedure.
[7] Art. 16, ditto.

provided it is seconded by four other members who give their assent by joint signatures.[1] Such bills may be brought up only (1) after the reports are over and before the discussion of bills begins, (2) after the decision of one bill and before that of another, or (3) after the whole agenda is over, if the meeting has not been declared adjourned. Under any one of the three foregoing mentioned circumstances, a member must also secure the consent of the presiding officer before he can introduce his bill.[2]

Part of the work is done in the committee stage. When the president assigns a bill to a committee, he also fixes the time within which the committee shall make its report, except in the case of certain bills, such as a budget bill, for which the law determines the time limit for the report. Actually the committee chairman has some influence in deciding the time limit for the report, as he knows best how much time it may take the committee to complete its deliberations. A committee meeting is called by the chairman or by request of one-third of the members of the committee.[3] The committee chairman presides over committee meetings. In case he is unable to attend, the president appoints one of the members to take his place.[4] One-half of the membership forms the quorum of a committee meeting.[5] The order of agenda at a committee meeting runs as follows:—first, bills assigned by the president; second, bills assigned at the meeting; third, bills proposed by the members; and fourth, bills concerning more than one committee and referred to the meeting by another committee.[6]

The records of committee meetings are kept by a committee secretary assigned by the chairman.[7] The opinion of the members expressed in such a meeting is recorded only when the chairman thinks necessary.[8] The decision of a committee meeting is made by a majority of the members present. The chairman has no vote except in case of a tie.[9] Committee reports may be made in writing to the president prior to the yuan meeting in which the bill will come up, or else verbally in the yuan meeting at the command of the presiding officer.[10] In either case the minority opinion must be included in the report.[11]

Joint committee meetings may be called to consider or decide on matters concerning more than one committee.[12] Such meetings are called jointly by the committees concerned and are presided over by a chairman chosen from among themselves.[13] Their records are taken and kept by a staff specially selected for the occasion[14] and reports are made jointly by the chairmen.

In the case either of a cmmittee meeting or a joint meeting, the related offices are requested to send representatives to attend while the bill is being considered by the committee. If the bill has originated with a government office other than the Legislative Yuan, the originating office is accorded this same privilege. For instance, for a finance bill the Ministry of Finance sends its representatives, while for a treaty bill the Ministry of Foreign Affairs does likewise. If the bill includes matters concerning more than one department of the government, all of the related departments will be accorded that privilege. Representatives are usually requested to retire after having given their information and explanations, and when the discussions begin. Thus the legislators

[1] Art. 19, Rulue of Legislative Procedure.
[2] Arts. 17 and 18, ditto.
[3] Art. 4, Organic Law of the Legislative Yuan Committees
[4] Art. 5, ditto.
[5] Art. 6, ditto.
[6] Art. 2, ditto.
[7] Art. 9, ditto.
[8] Art. 8, ditto.
[9] Art. 7, ditto.
[10] Art. 9, Rules of Legislative Procedure.
[11] Art. 7, Organic Law of Legislative Yuan Committees.
[12] Art. 14, ditto.
[13] Arts. 15 and 16, ditto.
[14] Art. 17, ditto.

are enabled to see the point of view of the enforcing offices and to weed out impracticable provisions.

After the committee stage, a bill comes to the yuan meeting, where it goes through three readings. The first reading is more or less a formal procedure. There the bill is read aloud and the originator explains its principles. In case of doubt or upon request, further explanations must be given.[1] For government bills, the originator attends the yuan meeting to offer whatever explanations necessary. After that a motion is made for a second reading of the bill.[2] If the motion is carried, the bill will pass on to the second reading; otherwise a second reading of the bill will not take place which means that the bill is pigeonholed. But a Central Executive Committee bill may go directly to the second reading without going through the first reading and therefore cannot be killed.

The second reading is the most important of the three for there discussions and debates take place. Except for Central Executive Committee bills, both principles and contents of the bill will be here deliberated upon. Amendments recommended by the committee reports will be considered and other amendments may be brought up. In case amendments are adopted, a special committee will be made responsible for their phraseology. The second reading may take place in the same way as the first.

After the second reading the bill comes to the third reading. There discussion and amendments are limited to the phraseology of the articles and clauses, or to other technicalities. Finally comes the voting, which is more or less a formal process and may take place after the second reading, since the third reading may be omitted either when the presiding officer sees fit[3] or at the request of one-third of the entire membership of the Yuan.[4]

A decision is taken by vote, the members either standing up or casting a ballot. The vote of majority of the members present decides the issue. In case of a tie, the presiding officer casts the deciding vote.[5]

When there are two or more motions for one bill, the presiding officer puts them to the vote in order in which the motions were made. If the first motion is passed by a majority, the rest need not be voted on. Amendments are voted on in due order in which they were proposed. When an amendment is voted down, the original bill will be voted on. In case both the amendment and the original are voted down, the bill will be re-drafted by a special committee to be appointed by the president, provided that the bill voted down is considered an important one. A member cannot object to a resolution passed at a yuan meeting from which he was absent.[6] When a bill concerns a member personally, he has no right to vote on that bill.[7]

After a bill is passed or a resolution adopted the Legislative Yuan reports its decision to the National Government, which puts on the finishing touch by promulgating it or declaring it law. The National Government has no power of veto; but before promulgation, the Central Political Council may disapprove of any of the bills. In that case the party office will lay down the principles and refer the bills back to the Legislative Yuan for reconsideration.[8]

VI. THE DRAFT CONSTITUTION

Among the more important laws enacted during the third and fourth terms,[9] the most significant piece of legislative work was the drafting of the constitution,[10] which "represents the culmination of three years' work and seven changes of drafts." When it comes into force, a new legislature will be instituted.

[1] Art. 40, Rules of Legislative Procedure.
[2] Art. 41, ditto.
[3] Art. 9, ditto.
[4] Art. 10, ditto.
[5] Art. 17, Organic Law of the Legislative Yuan.
[6] Art. 18, ditto.
[7] Art. 19, ditto.
[8] Art. 5, Principles of Legislative Procedure.
[9] See Appendix III.
[10] For the text of the Draft Constitution, see the second issue of this Year Book, pp. 283–292.

APPENDIX I

LIST OF PRINCIPAL PERSONNEL OF THE LEGISLATIVE YUAN

(February 28, 1937)

President: Sun Fo 院長孫科
Vice President: Yeh Chu-ts'ang 副院長葉楚傖
Standing Committee Chairmen:—
General Committee: Wu Ching-hsiung 法制委員會委員長吳經熊
Foreign Relations Committee: Foo Ping-sheung 外交委員會委員長傅秉常
Finance Committee: Ma Yin-cho 財政委員會委員長馬寅初
Economic Committee: Wu Shang-ying 經濟委員會委員長吳尚鷹
Military Affairs Committee: Ho Sui 軍事委員會委員長何遂

Members:—

Ai Sha (艾沙)
Chang Kuo-yuan (張國元)
Chang Si-men (張西曼)
Chang Wei-han (張維翰)
Chao Ch'eng (趙琛)
Chao Mao-hua (趙懋華)
Chao Nai-chuan (趙迺傳)
Chao Wen-pin (趙文炳)
Ch'en Chang-heng (陳長蘅)
Ch'en Ju-hsuan (陳茹玄)
Ch'en Koo-yuen (陳顧遠)
Cheng Chung-hsing (程中行)
Cheng Hung-nien (鄭洪年)
Chi Chih-hou (祁志厚)
Chien Yu-wen (簡又文)
Chou I-chih (周一志)
Chou Wei (周緯)
Chu Ho-chung (朱和中)
Chu Tseng-tse (瞿曾澤)
Chung Tien-hsin (鍾天心)
Feng Tzu-yu (馮自由)
Foo Ping-sheung (傅秉常)
Heng Chin-tao (杭錦濤)
Ho Sui (何遂)
Hsia Chin-lin (夏晉麟)
Hsiao Shu-yu (蕭淑宇)
Hsu Yuan-kao (徐元誥)
Hu Hsuan-ming (胡宣明)
Huang I-ou (黃一歐)
Huang Yu-chang (黃右昌)
Kou Ke-chin (緱克敬)
Kuan So-jen (關素人)
Kung Chiao Chung Ni (貢覺仲尼)
Li Chung-kung (李仲公)
Li Teng-hui (李登輝)
Liang Han-ts'ao (梁寒操)
Lien Sheng-hai (連聲海)
Ling Pai-sheng (林柏生)
Ling Pin (林彬)
Ling Ping (凌冰)
Ling Keng-pai (林庚白)
Ling Yueh (凌鉞)
Liu Chen-tung (劉振東)
Liu Chi-hsueh (劉積學)
Liu Ke-chun (劉克儁)
Liu Kuan-hsun (劉盥訓)
Liu Ting-fong (劉廷芳)
Liu Tung (劉通)
Lo Sang Chien Tsan (羅桑堅贊)
Lo Ting (羅鼎)
Lo Yun-yen (羅運炎)
Lou T'ung-sun (樓桐孫)
Lu Chih-I (呂志伊)
Lu Chung-lin (盧仲琳)
Ma Yin-cho (馬寅初)
Mei Ju-ao (梅汝敖)
Mei Shu-tseng (梅恕曾)
P'ang Chu-chi (龐珠祁)
Peng Chun-shih (彭醇士)
Peng Yang-kuang (彭養光)
Pu Ying Ta Lai (補英達賴)
Sheng Chen-wei (盛振爲)
Shih Shang-kuan (史尚寬)
Shih Wei-huan (史維煥)
Tai Hsia (戴夏)
Tai Hsiu-chun (戴修駿)
Teng Hung-yeh (鄧鴻業)
Teng Kung-hsuan (鄧公玄)
Ti Ying (狄膺)
Tung Ch'i-chen (董其政)
Ts'ai Hsuan (蔡瑄)
Wang Cheng (王徵)
Wang K'un-lun (王崑崙)
Wang Ping-ch'ien (王秉謙)
Wang Tseng-shan (王曾善)
Wang Yu-hsiang (王毓祥)
Wei T'ing-shan (衛挺生)

LEGISLATIVE YUAN

Wen Yuan-ning (溫源甯)
Wu Ching-hsiung (吳經熊)
Wu Huan-chang (吳煥章)
Wu K'ai-hsin (吳開先)
Wu Shang-ying (吳尙鷹)
Yang Kung-ta (楊公達)
Yang Yu-chiung (楊幼炯)
Yao Ch'uan-fa (姚傳法)
Yeh Hsia-sheng (葉夏聲)

Secretary-General:
Liang Han-Ts'ao
(祕書長梁寒操)

Director, Bureau of Legislative Research:
Hsieh Pao-chao
(編譯處長謝保樵)

APPENDIX II

LIST OF PUBLICATIONS

(*All publications are in Chinese unless specially marked.*)

I. PERIODICALS:

1. Legislative Gazette (立法公報) (Monthly.)
2. Legislative Records (立法專刊) (Semi-annual). (Containing all laws and regulations passed by the Legislative Yuan. Fourteen numbers have been issued.)
3. Annual Report of the Legislative Yuan (立法院週年工作報告) (Eight numbers have been issued.)
4. Annual Charts and Tables Showing Works of the Legislative Yuan (週年工作概況圖表) (Eight numbers have been issued.)
5. Laws and Regulations of the Republic of China (中華民國法規彙編各週年輯) (Annual publication supplementing a book published under the same title. It contains all laws and regulations passed by the Legislative Yuan and promulgated by the National Government applicable throughout the whole Republic during the previous calendar year. The 1934 and 1935 series in four and three volumes respectively have been issued.)
6. Statistical Monthly of the Legislative Yuan (統計月報) (Discontinued in April 1931, after three numbers of the third series were published. Its discontinuation was caused by the abolition of the Bureau of Statistics of the Legislative Yuan.)

II. NON-PERIODICAL PUBLICATIONS:

1. The Civil Code of the Republic of China:
   Book I. General Provisions
   Book II. Obligations
   Book III. Rights over Things
   Book IV. Family
   Book V. Succession
   Appendix. Laws of Applications
   (民法總則債編物編親屬繼承附施行法)
2. The Code of Civil Procedure (民事訴訟法)
3. The Code of Civil Procedure, Book V, Chapter 4, Personal Procedure (民事訴訟法第五編第四章人事訴訟程序)
4. New Criminal Code of the Republic of China (中華民國新刑法)
5. Law for the Application of the New Criminal Code (新刑法施行法)
6. New Code of Criminal Procedure (新刑事訴訟法)
7. Law for the Application of the Code of Criminal Procedure (新刑事訴訟法施行法)
8. Classified private Drafts of the Constitution of the Republic of China (各方私擬憲法條文分類彙纂)
9. Revised First Draft of the Constitution of the Republic of China (drafted by the Legislative Yuan.) (中華民國憲法草案初稿審查修正案) (本院擬)

10. Draft Constitution of the Republic of China (promulgated by the National Government)
(中華民國憲法草案國府公布)

11. Draft Constitution of the Republic of China with English, French, and Italian Translations
(中華民國憲法草案附英意法文譯本)

12. Constitution Provisoire et Lois Organiques de la Republique Chinoise (a translation)
(中華民國約法法文譯本)

13. The Bankruptcy Law of the Republic of China
(中華民國破產法)

14. The Bankruptcy Law of the Republic of China with English Translation
(中華民國破產法英文譯本)

15. Land Law
(土地法)

16. Land Law with English Translation (in press)
(土地法英文譯本) (印刷中)

17. Synopsis of Opinions on the Draft Constitution
(憲法草案意見書摘要)

18. Import Tariff Rates of the Republic of China in the 19th year of the Republic
(民國十九年中華民國海關進口稅稅則)

19. The Law Governing the System of Revenue and Expenditure
(財政收支系統法)

20. The Draft Bill Concerning the Rehabilitation of Local Taxes
(整理地方稅捐條例草案)

21. Foreign Trades of Modern China
(近世中國對外貿易)

22. Export Trades of the Three Eastern Provinces for the four years before last
(近年東三省出口貿易)

23. New Tendencies of European Politics
(歐洲政界之新趨勢)

24. Economic History of Medieval Europe
(中古歐洲經濟史)

25. Problems of Rural Laws
(農村法律問題)

26. Lombroso on Criminology (a translation)
(倫勃羅根犯罪人論)

27. Civil Code of the Republic of China (English Translation)
(中華民國民法英文譯本)

28. Code Civil de la Republique de Chine (a translation)
(中華民國民法法文譯本)

29. The Labor Law of Spain (a translation)
(西班牙勞工法)

30. Laws and Regulations of the Republic of China
(中華民國法規彙編)
(In eight volumes with one volume of Index containing all laws and regulations effective throughout the whole Republic enacted and promulgated from the establishment of the National Government in Canton 1925 to the end of 1933, to be supplemented by an annual series every year from 1934 on.)

31. Constitutions of All Nations
(各國憲法彙編)
(In Two Volumes. Volume I contains eleven past constitutions and drafts of the Chinese Republic and thirty-six constitutions of foreign countries. Volume II contains a revised draft of the Constitution of the Republic of China, twenty-eight constitutions of foreign independent states, eight constitutions and fundamental laws of the self-governing dominions of the British Empire and constitutional amendments of six foreign countries.)

32. Selected Bankruptcy Laws of Foreign Nations
(各國破產法選編)

(In one volume containing the Bankruptcy Law of the Republic of China and nineteen bankruptcy laws of foreign countries.)

33. The Fourth Anniversary of the Legislative Yuan
(立法院四週年紀念刊)

34. The Fifth Anniversary of the Legislative Yuan
(立法院五週年紀念刊)

35. The Sixth Anniversary of the Legislative Yuan
(立法院六週年紀念刊)

36. The Seventh Anniversary of the Legislative Yuan
(立法院七週年紀念刊)

37. The Eighth Anniversary of the Legislative Yuan
(立法院八週年紀念刊)

38. Statistical Report on the Work of the Legislative Yuan from Its First Year to Fifth Year
(立法院五週年立法工作統計)

39. Statistical Report on the Work of the Legislative Yuan during Its Sixth Year
(立法院六週年立法工作統計)

40. Statistical Report on the Work of the Legislative Yuan during Its Seventh Year
(立法院七週年立法工作統計)

41. Statistical Report on the Work of the Legislative Yuan during Its Eighth Year (In press.)
(立法院八週年立法工作統計)
(印刷中)

APPENDIX III

LIST OF MORE IMPORTANT LAWS PROMULGATED BY THE NATIONAL GOVERNMENT

CONSTITUTION

Provisional Constitution of the Republic of China. Adopted by the People's Convention in May, 1931; promulgated by the National Government, June 1, 1931.

Final Draft of Constitution of the Republic of China. (For full text see the *Chinese Year Book*, 1936–37, pp. 283–292.)

Organic Law of the National People's Congress. Promulgated, May 4, 1936 and revised, Sept. 11, 1936.

Law of Election of the Delegates to the National People's Congress. Promulgated, May 4, 1936; revised, June 26, 1926.

GOVERNMENT ORGANIZATION

(1) Central Government

	Date of Promulgation	*Date of Enforcement*
Organic Law of the National Government of the Republic of China	Oct. 8, 1928 (Revised, Nov. 24, 1930; June 15, 1931; Oct. 17, 1934)	Oct. 8, 1928
Organic Law of the Executive Yuan.. ..	Oct. 20, 1928 (Revised, May 12, 1934)	Oct. 20, 1928
Organic Law of the Legislative Yuan.. ..	Oct. 20, 1928 (Revised, Oct. 2, 1936)	Oct. 20, 1928
Organic Law of the Judicial Yuan ..	Oct. 20, 1928 (Revised, Oct. 2, 1936)	Oct. 20, 1928
Organic Law of the Examination Yuan ..	Oct. 20, 1928 (Revised, Oct. 2, 1936)	Oct. 20, 1928
Organic Law of the Censor Yuan	Oct. 20, 1928 (Revised, Oct. 2, 1936, Jan. 8, 1937)	Oct. 20, 1928
Organic Law of the National Military Commission	March 11, 1932 (Revised, July 16, 1932)	March 11, 1932
Organic Law of the General Staff	Sept. 26, 1932 (Revised, Feb. 9, 1936)	Sept. 26, 1932
Table Showing the System and Organization of the General Staff	June 20, 1936	June 20, 1936
Organic Law of the Directorate-General of Military Training	March 7, 1933 (Revised, Feb. 19, 1936)	March 7, 1933

Organic Law of the Military Advisory Council	April 18, 1932	April 18, 1932
Organic Law of the Academia Sinica	Nov. 9, 1928 (Revised, Oct. 2, 1936)	Nov. 9, 1928
Provisional Regulations Governing the Organization of the National Musium of Former Palaces of Peiping	Oct. 2, 1936	Oct. 2, 1936
Regulations Governing the Organization of the National Finance Committee	August, 1928	August, 1928
Organic Law of the National Economic Council	Oct. 2, 1936	Oct. 2, 1936
Organic Law of the National Reconstruction Commission	March 9, 1928 (Revised, Oct. 2, 1936)	March 9, 1928
Organic Law of Commission on Hwai River	Jan. 31, 1931 (Revised, May 8, 1933)	Jan. 31, 1931
Organic Law of Commission on Yellow River	Jan. 26, 1929 (Revised, Jan. 8, 1937)	Jan. 26, 1929
Organic Law of the Ministry of Interior	March 30, 1928 (Revised, July 3, 1936)	March 30, 1928
Organic Law of the Ministry of Foreign Affairs	Dec. 8, 1928 (Revised, Oct. 2, 1936)	Dec. 8, 1928
Organic Law of the Ministry Affairs	Nov. 21, 1928	Nov. 21, 1928
Organic Law of the Ministry of Navy	Feb. 4, 1930 (Revised, Dec. 18, 1936)	Feb. 4, 1930
Organic Law of the Ministry of Finance	Dec. 8, 1928 (Revised, March 20 and June 19, 1936)	Feb. 8, 1928
Organic Law of Customs Administration	March 20, 1936 (Revised, June 19, 1936)	
Organic Law of Salt Administration	March 20, 1936 (Revised, June 19, 1936)	
Organic Law of Tax Administration	March 20, 1936 (Revised, June 19, 1936)	
Organic Law of the Ministry of Industry	Jan. 11, 1931 (Revised, June 11, 1935; Oct. 2, 1936)	Jan. 17, 1931
Organic Law of the Ministry of Education	Dec. 8, 1928 (Revised, Oct. 2, 1936)	Dec. 8, 1928
Organic Law of the Ministry of Communications	Nov. 7, 1928 (Revised, Oct. 2, 1936)	Nov. 7, 1928
Organic Law of the Ministry of Railways	Nov. 7, 1928 (Revised, Oct. 2, 1936)	Nov. 7, 1928
Organic Law of the Ministry of Judicial Administration	April 17, 1929 (Revised, Oct. 2, 1936)	Nov. 17, 1929
Organic Law of the National Commission on Mongolian and Tibetan Affairs	Feb. 7, 1929 (Revised, Oct. 2, 1936)	Feb. 7, 1929
Organic Law of the Commission on Oversea Chinese Affairs	August 13, 1932 (Revised, Oct. 2, 1936)	August 13, 1932
Organic Law of Metropolitan Police	Oct. 22, 1929 (Revised, Oct. 2, 1936)	Oct. 22, 1929
Organic Law of the Committees of the Legislative Yuan	Dec. 26, 1928	Dec. 26, 1928

Rules of Procedure adopted by the Legislative Yuan	Nov. 13, 1928	Nov. 13, 1928
Guiding Principles relating to Proposing New Legislation adopted by Central Executive Council	June 23, 1932	June 23, 1932
Organic Law of the Supreme Court	Nov. 17, 1928 (Revised, August 14, 1932)	Nov. 17, 1928
Organic Law of the Commission on Disciplinary Punishment of Public Functionaries	June 8, 1928 (Revised, Oct. 2, 1936)	June 8, 1928
Organic Law of the Administrative Court	Nov. 17, 1932 (Revised, Oct. 2, 1936)	Nov. 17, 1932
Organic Law of Courts	Oct. 28, 1932	Nov. 28, 1932
Organic Law of the National Opium Suppression Commission	Feb. 27, 1929 (Commission was abolished; Mandate issued by the National Government, June 5, 1935)	Feb. 27, 1929
Organic Law of the Commission on Famine Relief and Rehabilitation Works	June 30, 1931 (Revised, Oct. 2, 1936)	June 30, 1931
Organic Law of the Bureau of Trade Marks	Nov. 22, 1928 (Revised, May 31, 1932)	Nov. 22, 1928
Organic Law of Bureau of Navigation	April 26, 1935	
Organic Law of Salt Commission	June 22, 1935	
Law of Examination	August 1, 1929 (Revised, Feb. 23, 1933; July 31, 1935)	August 1, 1929
Organic Law of the Ministry of Public Service Registration	Dec. 17, 1928 (Revised, Oct. 2, 1936)	Dec. 17, 1928
Organic Law of the Commission on Public Examinations	August 1, 1929 (Revised, Oct. 2, 1936)	August 1, 1929
Organic Law of the Ministry of Audit	Oct. 29, 1929 (Revised, Oct. 2, 1936)	Oct. 29, 1929
Organic Law of Bureau of Audit	June 17, 1932	
Law of Impeachment	June 25, 1932	July 17, 1932
Provisional Regulations Governing the Organization of the Commission on Readjustment of Political Affairs	May 4, 1933	May 4, 1933
Provisional Regulations relating to the Office of the Director-General over Local Government in Mongolia	March 7, 1934	March 7, 1934
Provisional Regulations Relating to the Organization of the Commission on Political Affairs over Local Government in Mongolia	March 7, 1934	March 7, 1934
Law of Railways	July 21, 1932	July 21, 1932
Regulations of Public Railways	Nov. 26, 1935	Nov. 26, 1935
Regulations of Private Railways	Nov. 26, 1935	Nov. 26, 1935
Regulations of Executive Railways	Nov. 26, 1935	Nov. 26, 1935
Regulations Governing the Organization of the Preparatory Commission on Abolition of Extraterritority	August 1, 1929	August 1, 1929
Regulations Governing the Organization of Weihaiwei Administration	Oct. 2, 1930 (Revised April 25, 1931; Jan. 29, 1937)	Oct. 2, 1930
Regulations Governing the Organization of the Office of Censorship	April 14, 1936	April 14, 1936
Regulations Governing the Organization of the National Bureau of Plague Prevention	March 24, 1930	March 24, 1930

Organic Law of the National Health Administration	Oct. 2, 1936 (Revised, Dec. 19, 1936)	Oct. 2, 1936
Regulations Governing the Organization of the Land Survey Bureau of the General Staff	July 7, 1936	July 7, 1936
Regulations Governing the Organization of the Land Survey School of the General Staff	Sept. 25, 1936	Sept. 25, 1936

(2) **Local Governments**

	Date of Promulgation	*Date of Enforcement*
Organic Law of Provincial Governments ..	Feb. 3, 1928 (Revised Feb. 3, 1930, March 23, 1931)	Feb. 3, 1929
Organic Law of District Governments ..	June 5, 1929 (Revised, July 7, 1930)	June 5, 1929
Rules Governing the Application of the Organic Law of District Governments..	Oct. 2, 1929	Oct. 2, 1929
Organic Law of Municipal Governments ..	July 3, 1929 (Revised, May 20, 1930)	July 3, 1929
Organic Law of Provincial Police	June 27, 1929	June 27, 1929
Organic Law of District Advisory Councils	June 23, 1932	June 23, 1932
Law of Election of Members of District Advisory Councils	August 10, 1932	August 10, 1932
Organic Law of Municipal Advisory Councils	August 10, 1932	August 10, 1932
Rules Governing the Appointment of District Magistrates	July 30, 1932	July 30, 1932
Organic Law of Various Local Governments in Mongolia	Oct. 12, 1931	Oct. 10, 1931
Regulations Governing the Appointment of Functionaries to Mongolia and Tibet ..	Dec. 18, 1936	Dec. 18, 1936
Regulations Governing the Organization of the Municipal Government of Nanking..	August, 1929	August, 1929
Regulations Governing the Organization of the Municipal Government of Greater Shanghai	May 2, 1931	May 2, 1931
Regulations Governing the Organization of the Land Survey Bureau in the Province	Sept. 25, 1936	Sept. 25, 1936
Regulations Governing the Organization of the Land Survey School in the Province	Sept. 25, 1936	Sept. 25, 1936
Organic Law of the Public Service Registration Bureau in the Province	June 5, 1936	June 5, 1936
Law of District Self-government	Sept. 9, 1936	
Law for the Application of Law of District Self-government	Sept. 11, 1936	
Law of Municipal Self-government	Sept. 11, 1936	
Law for the Application of Law of Municipal Self-government	Sept. 11, 1936	
Regulations Governing the Ward System (Pao-chah) in Local Self-government ..	Sept. 18, 1936	

ADMINISTRATION OF INTERNAL AFFAIRS

	Date of Promulgation	*Date of Enforcement*
Law of National Emblem and National Flag of the Republic of China	Dec. 17, 1928	Dec. 17, 1928
Law of Publications	Dec. 16, 1930 (Revised, Nov. 17, 1936)	Dec. 16, 1930
Law of Copyright	May 14, 1928	May 14, 1928
Rules Governing the Application of the Law of Copyright	May 14, 1928	May 14, 1928
Law of Nationality	Feb. 5, 1929	Feb. 5, 1929
Law Governing the Application of the Law of Nationality	Feb. 5, 1929	Feb. 5, 1929
Land Law	June 30, 1930	
Law Governing the Application of the Land Law	April 5, 1935	
Law of District Militia	July 13, 1929	July 13, 1929
Law of Budget	April 24, 1932	April 24, 1932
Law of Conscription	June 17, 1933	June 17, 1933
Martial Law	Nov. 29, 1934	Nov. 29, 1934
Law of Supervision over Charitable Organizations	June 12, 1929	June 12, 1929
Rules Governing the Application of the Law of Supervision over Charitable Organizations	July 15, 1929	July 15, 1929
Granary Law	May 9, 1935 (Revised, Feb. 26, 1937)	
Law Governing the Conferment of Academic Degrees	April 23, 1935	
Postal Law	July 5, 1935	
Employment Law	August 7, 1935	
Laws Governing Supervision over Temples and Monasteries	Dec. 7, 1929	Dec. 7, 1929
Regulations Governing the Supervision over Public Utilities Operated by Private Interests	Dec. 20, 1929	
Regulations Governing Preservation of Historical Spots and Ancient Objects	Sept. 13, 1928	Sept. 13, 1928
Regulations Governing Ship Radio-Stations	March 25, 1935	
Law of Census	Dec. 12, 1931 (Revised, March 31, 1934)	July 1, 1934
Law Governing the Application of Law of Census	June 5, 1934	July 1, 1934
Contraventions against Police Regulations	July 21, 1929	July 21, 1929
Provisional Regulations Governing Procurators, Badge of Command over Judicial Police	Feb. 14, 1929	Feb. 14, 1929
Rules Governing the Employment of Weapons by Police Officials and Police-men	Sept. 25, 1933	Sept. 25, 1933
Rules Governing Police in Mining Districts	Oct. 20, 1932	Oct. 20, 1932
Rules Governing Electrical Enterprises	April 15, 1932	April 15, 1932
Regulations Governing Midwives	July 30, 1928	July 30, 1928
Regulations Governing the Prevention of Infectious Diseases	July, 1928	July, 1928
Regulations Governing the Practice of Chinese Medicine	Jan. 22, 1936 (Revised, Dec. 19, 1936).	
Law Governing the Appointment of Public Functionaries	Nov. 13, 1935 (Revised, Jan. 15, 1937)	Nov. 13, 1935
Law Governing the Appointment of Technical Experts	Nov. 8, 1935	Nov. 8, 1935
Law Governing the Appointment of Police Officers	Nov. 9, 1935	Nov. 9, 1935

Regulations Governing the Appointment of Accountants and Statisians in the Various Public Organs	Oct. 2, 1936 (Revised, Feb. 26, 1937)	Oct. 2, 1936
Regulations Governing the Registration of Public Functionaries	April 23, 1934	April 23, 1934
Rules for the Application of the Regulations Governing the Registration of Public Functionaries	May 26, 1935	May 26, 1935
Law Governing the Application of Date of Law	Dec. 23, 1932	Dec. 23, 1932
Law of Interment with National Honor	July 3, 1936	July 3, 1936
Regulations Governing the Burial Grounds of Interment with National Honor	July 3, 1936	July 3, 1936
Regulations Governing the Administration of Chinese Red Cross Society	June 30, 1936	June 30, 1936
Law Governing the Composition in Disputes of Building Rent	June 19, 1936	June 19, 1936
Regulations Governing the Prevention of Theft of Electricity	Sept. 18, 1936	Sept. 18, 1936

CIVIL LAWS

	DATE OF PROMULGATION	*DATE OF ENFORCEMENT*
Civil Code of the Republic of China:		
Book I: General Provisions	May 23, 1929	Oct. 10, 1929
Book II: Obligations	Nov. 22, 1929	Nov. 25, 1930
Book III: Rights over Things	Nov. 30, 1930	May 5, 1931
Book IV: Family	Dec. 26, 1930	May 5, 1931
Book V: Succession	Dec. 26, 1930	May 5, 1931
Law for the Application of the General Provisions	Sept. 24, 1929	Oct. 10, 1929
Law for the Application of "Suligations"	Feb. 10, 1929	May 5, 1930
Law for the Application of "Rights over Things"	Feb. 10, 1929	May 5, 1930
Law for the Application of "Family"	Jan. 24, 1931	May 5, 1931
Law for the Application of "Succession"	Jan. 24, 1931	May 5, 1931
Rules relating to Married Women's Claim to Inheritance	August 19, 1929	
Law of Conciliation in Civil Cases	Jan. 20, 1930	Jan. 1, 1931
Regulations for the Application of Law of Conciliation in Civil Cases	June 3, 1930	Jan. 1, 1931
Matters of Concern relating to the Conciliation in civil cases	Dec. 24, 1930	Dec. 24, 1930
Regulations governing the Judicial Functions of District Magistrates	July 9, 1921 (Adopted by the National Government, August 12, 1928.)	
Provisional Regulations governing Appeals from a Neighboring District	August 11, 1921	
Provisional Rules governing the Re-Hearing of Cases by Higher Court	Sept. 19, 1928	Sept. 19, 1928
Rules governing Execution of Civil Cases	August 12, 1927	August 12, 1927
Rules governing Legal Papers in Courts	Jan. 9, 1931	Jan. 9, 1931
Rules governing the Court Costs of Civil Cases	August 12, 1927	August 12, 1927
Provisional Rules governing the Charges for Non-litigious Matters	May 3, 1930	May 3, 1930
Administrative Law	Nov. 17, 1932	
Habeas Corpus Law	Jan. 22, 1932	
Code of Civil Procedure	Dec. 26, 1930	May 20, 1932

Law for the Application of Code of Civil Procedure	May 14, 1932	May 20, 1932
New Code of Civil Procedure	Feb. 1, 1935	July 1, 1935
Law for the Application of the New Code of Civil Procedure	May 10, 1935	July 1, 1935
Law governing the Administration of the Supreme Court	Feb. 26, 1929	Feb. 26, 1929
Law governing the Administration of the Public Procurator Office of the Supreme Court	May 4, 1929	May 4, 1929
Provisional Rules governing the Scope of Respective Higher Court Presidents	Dec. 1, 1927	Dec. 1, 1927
Provisional Rules governing the Scope of Respective Higher Court Public Procurators	Dec. 1, 1927	Dec. 1, 1927
New Protocol governing the Courts in the International Settlement, Shanghai	April 1, 1930	April 1, 1930
Protocol regarding the Chinese Courts in the French Concession, Shanghai	July 28, 1931	July 28, 1931
Rules governing Aliens in China	May 4, 1931	
Supplementary Rules for Disposing Legal Proceedings in the District Courts	June 12, 1936	June 12, 1936
Law of Specific Performance	July 3, 1936	July 3, 1936
Law of Administrative Procedure	Nov. 17, 1932 (Revised, Dec. 18, 1936)	June 23, 1933
Law of Petition of Complaint	March 24, 1930 (Revised, Dec. 18, 1936)	March 24, 1930
Law of Lodgment	Dec. 25, 1936	

CRIMINAL LAWS

	Date of Promulgation	*Date of Enforcement*
Criminal Code of the Republic of China	March 10, 1928	Sept. 1, 1928
Law for the Application of the Criminal Code	June 9, 1928	Sept. 9, 1928
New Criminal Code	Jan. 1, 1935	July 1, 1935
Law for the Application of the New Criminal Code	April 1, 1935	July 1, 1935
Code of Criminal Procedure	July 28, 1928	Sept. 1, 1928
Law for the Application of the Code of Criminal Procedure	July 28, 1928	Sept. 1, 1928
New Code of Criminal Procedure	Jan. 1, 1935	July 1, 1935
Law for the Application of the New Code of Criminal Procedure	April 1, 1935	July 1, 1935
Law governing the Self-surrender of Communists	July 25, 1935	
Provisional Regulations governing Counter Revolutions	March 9, 1928	March 9, 1928
Provisional Regulations governing Jury Trial in Counter Revolution Cases	August 17, 1929 (Revised, Dec. 30, 1930)	August 17, 1929
Rules for the Application of the Provisional Regulations governing Jury Trial in Counter-Revolution Cases	Sept. 30, 1929	Sept. 30, 1929
Provisional Regulations governing False Accusation in Special Criminal Cases	July 24, 1928	July 24, 1928
Law governing the Disciplinary Punishment of Army, Navy and Air Forces	March 7, 1935	
Penal Code governing Army, Navy and Air Forces	Sept. 25, 1929	Sept. 25, 1929
Police Code	July 21, 1929	July 21, 1929
Anti-Opium Law	July 25, 1929	July 25, 1929

Regulations Relating to Summary Procedure in Opium Cases	April 2, 1927	April 2, 1927
Criminal Procedure for Army, Navy, and Aerial Cases	March 24, 1930	March 24, 1930
Rules Governing Contrabands	August 16, 1927	August 16, 1927
Regulations Governing Penipotentiary for Counter-Revolutionists	Dec. 2, 1929	Dec. 2, 1929
Regulations Governing Detention Houses	May 3, 1930	May 3, 1930
Regulations Governing the Organization and Administration of Prisons	Sept. 21, 1928	Sept. 28, 1928
Regulations Governing Provisional Release	April 29, 1929	April 29, 1929
Rules Governing Inspection of Prisons	May 19, 1932	May 19, 1932
Regulations Governing the Training of Prison Warders	Feb. 29, 1932	Feb. 29, 1932
Provisional Regulations Governing the Review of Criminal Cases of the District Courts	June 12, 1936	June 12, 1936
Provisional Regulations Governing the Offenses relating to Legal Tenders	July 15, 1935	Nov. 15, 1935
Regulations Governing Subsidiary Coins	Jan. 11, 1936	Jan. 11, 1936
Provisional Regulations governing the Punishment Measures Agt. Smuggle and Evasion of Customs Duties	June 26, 1936	July 4, 1936
Law Governing the Disposal of Smuggled Goods	Jan. 10, 1936	

COMMERCIAL LAWS

	Date of Promulgation	*Date of Enforcement*
Company Law	Dec. 26, 1929	July 1, 1931
Law for the Application of Company Law	June 30, 1931	July 1, 1931
Law of Negotiable Instruments	Oct. 30, 1929	Oct. 30, 1929
Law for the Application of Law of Negotiable Instruments	July 1, 1930	July. 1, 1930
Maritime Law	Dec. 30, 1929	Jan. 1, 1931
Regulations Governing the Application of Maritime Law	Nov. 25, 1930	Jan. 1, 1931
Law of Trade Marks	May 6, 1930 (Revised, Nov. 23, 1935)	Jan. 1, 1931
Insurance Law	Dec. 30, 1929 (Revised, Nov. 27, 1936)	
Law of Insurance Business	July 5, 1935 (Revised, Nov. 27, 1936)	
Regulations Governing the Applications of Law of Trade Marks	Dec. 30, 1930	Jan 1, 1931
Law for the Application of Law of Insurance Business	Nov. 27, 1936	
Provisional Regulations Governing the Inspection of Trade Marks	Dec. 19, 1928	Dec. 19, 1928
Law of Stock Exchange	Oct. 3, 1929 (Revised, April 27, 1935)	June 1, 1930
Regulations Governing the Application of Law of Stock Exchange	March 31, 1930	June 1, 1930
Bankruptcy Law	April 17, 1935	Oct. 1, 1935
Law for the Application of Bankruptcy Law	April 18, 1935	Oct. 1, 1935
Law of Summary Life Insurance	May 10, 1935	
Law of Chambers of Commerce	August 15, 1929	August 15, 1929
Regulations Governing the Application of Law of Chambers of Commerce	July 25, 1930	July 25, 1930
Law of Weights and Measures	Feb. 16, 1929	

Regulations Governing the Application of Law of Weights and Measures	Dec. 5, 1931	Dec. 5, 1931
Law Governing the Makers of Weights and Measures	Sept. 1, 1930	Sept. 1, 1930
Regulations for the Application of Law Governing the Makers of Measures and Weights	Jan. 29, 1931	Jan. 29, 1931
Rules Governing the Inspection-charges of Weights and Measures	Jan. 30, 1931	Jan. 30, 1931
Salt Law	May 30, 1931	
Law of Business Tax	June 13, 1931	June 13, 1931
Law Governing Commercial and Industrial Guilds	August 17, 1929	August 17, 1929
Regulations for the Application of Law Governing Commercial and Industrial Guilds	June 25, 1930	June 25, 1930
Banking Law	March 28, 1931	
Rules Governing the Registration of Banks	Jan. 30, 1929	Jan. 30, 1929
Regulations for the Application of Rules Governing the Registration of Banks ..	April 20, 1929	April 20, 1929
Law Governing the Tax on the Issuance of Bank Notes	Oct. 29, 1932	Oct. 29, 1932
Law of Income Tax on Banks	August 1, 1931	August 1, 1931
Law of Stamp Duties	Dec. 8, 1934	
Rules Governing Importation of Aeroplanes and Their Accessories	March 24, 1932	March 24, 1932
Rules and Regulations Governing Consular Invoices	June 11, 1932	June 11, 1932
Rules Governing the Registration of Companies	June 30, 1931	July 1, 1931
Shipping Law	Dec. 4, 1930	July 1, 1931
Ship Registration Law	Dec. 5, 1930	July 1, 1931
Ship Inspection Law	June 5, 1931 (Revised, Dec. 28, 1933)	July 1, 1931
Central Bank Law	May 23, 1935	May 23, 1935
Accountancy Law	August 14, 1935	
Regulations Relating to Accountants	May 4, 1935	
Provisional Regulations Relating to Vital Statistics	Jan. 25, 1929	Jan. 25, 1929
Law of Statistics	Oct. 9, 1932	
Rules for Registration of Legal Persons ..	Dec. 2, 1929	Dec. 2, 1929
Rules for Registration of Foreign Companies	July 5, 1930	July 5, 1930
Law of Registration of Domiciles	Dec. 12, 1931	
Regulations Governing the Registration of Immovables	May 21, 1922	June 11, 1928
Rules for the Application of Regulation Governing the Registration of Immovables	August 25, 1922	August 12, 1928
Rules Governing the Appointment of Registrars and Schedule of Fee for Registration	Feb. 25, 1932	Feb. 25, 1932
Provisional Rules for the Lease of Lands and Houses to Foreign Missionaries in the Inland	June 11, 1928	June 11, 1928
Law of Benevolent Associations	June 12, 1929	Oct. 15, 1929
Regulations for the Application of Law of Benevolent Associations	July 5, 1929	
Rules Relating to Lawyers	July 23, 1927	July 23, 1927
Rules Relating to the Registration of Lawyers	July 23, 1927	July 23, 1927
The Mining District Law	June 12, 1936	June 25, 1936
Law for the Encouragement of Ship-building	Sept. 18, 1936	Oct. 9, 1936
Provisional Regulations for Prohibiting Watering Cotton	March 23, 1936	March 23, 1936
The Income Tax Law	July 21, 1936	Sept. 1, 1936
Regulations Governing the Levy of Alcohol Tax	Oct. 8, 1936	Oct. 8, 1936

AGRICULTURAL AND LABOR LAWS

	Date of Promulgation	*Date of Enforcement*
Farmer-Tenants Production Law	May 10, 1927	May 10, 1927
Regulations Relating to Inspection of Agricultural Products	Dec. 14, 1928	Dec. 14, 1928
Rules for the Application of Regulations Relating to Inspection of Agricultural Products	March 9, 1929	March 9, 1929
Law of Forestry	Sept. 15, 1932	
Regulations Governing the Cultivation of Government-owned Waste Lands	March 3, 1914	August 12, 1927
Law of Agriculture Associations	Dec. 30, 1930	Dec. 30, 1930
Regulations for the Application of Law of Agriculture Associations	Jan. 31, 1931	Jan. 31, 1931
Law of Fishery	June 28, 1930	July 1, 1930
Law Governing the Registration of Fishery	July, 1930	
Rules Governing the Application of Law of Registration of Fishery	Sept. 20, 1930	Sept. 20, 1930
Law Governing the Associations of Fishermen	Nov. 11, 1929	July 1, 1930
Regulations for the Application of Law Governing the Associations of Fishermen	June 28, 1930	July 1, 1930
Mining Law	May 26, 1930	Dec. 1, 1930
Regulations for the Application of Mining Law	Oct. 25, 1930	Dec. 2, 1930
Law Governing Arbitration of Disputes between Capital and Labor	Sept. 15, 1932	Sept. 15, 1932
Law of Labor Unions	Oct. 21, 1929 (Revised, Dec. 12, 1932, Sept. 27, 1933)	June 6, 1930
Law for the Application of Law of Labor Unions	June 6, 1930	June 6, 1930
Law Relating to Minimum Wages	Dec. 23, 1936	Dec. 26, 1936
Law of Collective Labor Agreement	Oct. 28, 1930	Nov. 1, 1932
Law Relating to Labor Contracts	Dec. 25, 1936	Dec. 26, 1936
Factory Law	Dec. 30, 1932	Dec. 30, 1932
Regulations for the Application of Factory Law	Dec. 30, 1932 (Revised, Nov. 17, 1936)	Dec. 30, 1932
Law of Factory Inspection	Feb. 10, 1931	Oct. 1, 1931
Regulations of Factory Registrations	Dec. 18, 1931	Dec. 18, 1931
Regulations Governing Encouragement for Industrial Inventions	Sept. 30, 1932	Sept. 30, 1932
Rules Governing the Organization of Postmen's Union	August 11, 1932	August 11, 1932
Rules Governing the Organization of Chinese Seamen's Union	Oct. 5, 1932	Oct. 5, 1932
Regulations Governing the Raising of Silkworms	Feb. 18, 1936	Feb. 18, 1936
Regulations Governing the Animal Culture Stations of Ministry of Industry	Feb. 5, 1937	

APPENDIX IV

TABLE SHOWING THE NUMBER OF LAWS ENACTED BY THE LEGISLATIVE YUAN IN THE PAST EIGHT YEARS (1929–1936 INCLUSIVE)

Kind / Year	Statutory Bills		Budget Bills		Treaty Bills		Others		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
1st Year	160	82.90	17	8.81	6	3.11	10	5.18	193	100.00
2nd Year	123	83.68	12	8.16	7	4.76	5	3.40	147	100.00
3rd Year	96	76.19	21	16.67	5	3.97	4	3.17	126	100.00
4th Year	95	84.07	10	8.85	2	1.77	6	5.31	113	100.00
5th Year	63	72.41	23	26.44	1	1.15	—	—	87	100.00
6th Year	57	60.00	27	28.42	11	11.58	—	—	95	100.00
7th Year	122	71.76	37	21.77	11	6.47	—	—	170	100.00
8th Year	104	64.60	44	27.33	12	7.45	1	0.62	161	100.00
GRAND TOTAL ..	820	75.09	191	17.49	55	5.04	26	2.38	1,092	100.00

JUDICIAL YUAN

HSIEH KUAN-SHENG (謝冠生)

I. ORGANIZATION OF THE JUDICIAL YUAN AND THE ORGANS DIRECTLY UNDER IT

The Judicial Yuan is the highest judicial organ in China, and is also one of the five yuan of the National Government, being directly responsible to the Kuomintang and the Central Executive Committee. Four organs are directly under it: (1) the Ministry of Justice, (2) the Supreme Court, (3) the Administrative Court and (4) the Commission for the Disciplinary Punishment of Civil Officers.

The rights and duties of the Judicial Yuan are as follows:

1. The execution of judicial rights according to Article 8 of the Organic Laws of the National Government and the issuance of decrees according to law.
2. The initiation of proposals before the Legislative Yuan according to Article 40 of the Organic Laws of the National Government.
3. The initiation of pardons, the mitigation of sentences and the recovery of forfeited civil rights before the National Government according to Article 35 of the Organic Laws of the National Government.
4. In case of necessity the President of the Judicial Yuan may sit as judge in administrative litigations as well as in cases involving the disciplinary punishment of civil officers according to Article 38 of the Organic Laws of the National Government.
5. The President of the Judicial Yuan may explain judicial mandates and alter judgments after the decision for such is reached at the conference of the Chief of the Supreme Court and the chiefs of the subordinate departments, according to Article 3 of the Organic Laws of the Judicial Yuan.
6. The President of the Judicial Yuan may direct and supervise judicial affairs of the Ministry of Justice according to Article 4 of the Organic Laws of the Judicial Yuan.
7. The supervision of private and government law schools according to the Regulations Governing the Supervision of Law Faculties of Government Universities and the establishment of private law schools.

The internal organization of the Judicial Yuan consists of the councillors' office and the secretariat, which attend separately to various official matters. Attached to the yuan are the Committee for the Study of Laws and Regulations, which does research work in all laws and regulations at present in force, and the Training Institute of Judicial Officers, established for the training of judicial personnel.

The Ministry of Justice controls the judicial affairs of the entire nation by order of the President of the Judicial Yuan and also supervises the administration of justice by local administrative officials. In cases of unjudicial and sxcessive authority it may apply for injunction or repeal by the National Government through the Judicial Yuan. The principal affairs of the Ministry of Justice are handled by four departments, namely: the General Affairs Department, the Civil Department, the Criminal Department and the Prison Department.

The Supreme Court is the highest tribunal for both civil and criminal cases in China, which has at present five courts for civil cases and 11 courts for criminal cases. In each court there are five judges, one of whom is the presiding judge. At the trial and in rendering judgment either three or five judges must confer together.

The Administrative Court is concerned with law suits involving administrative justice. All complainants whose rights have been injured through maladministration may appeal to the Administrative Court when not satisfied with the decision of the judicial courts. At present the Administrative Court is composed of two courts, the first and the second. Five judges

attend each court, one of whom is the presiding judge. In trying the case and in rendering judgment the five judges must confer together.

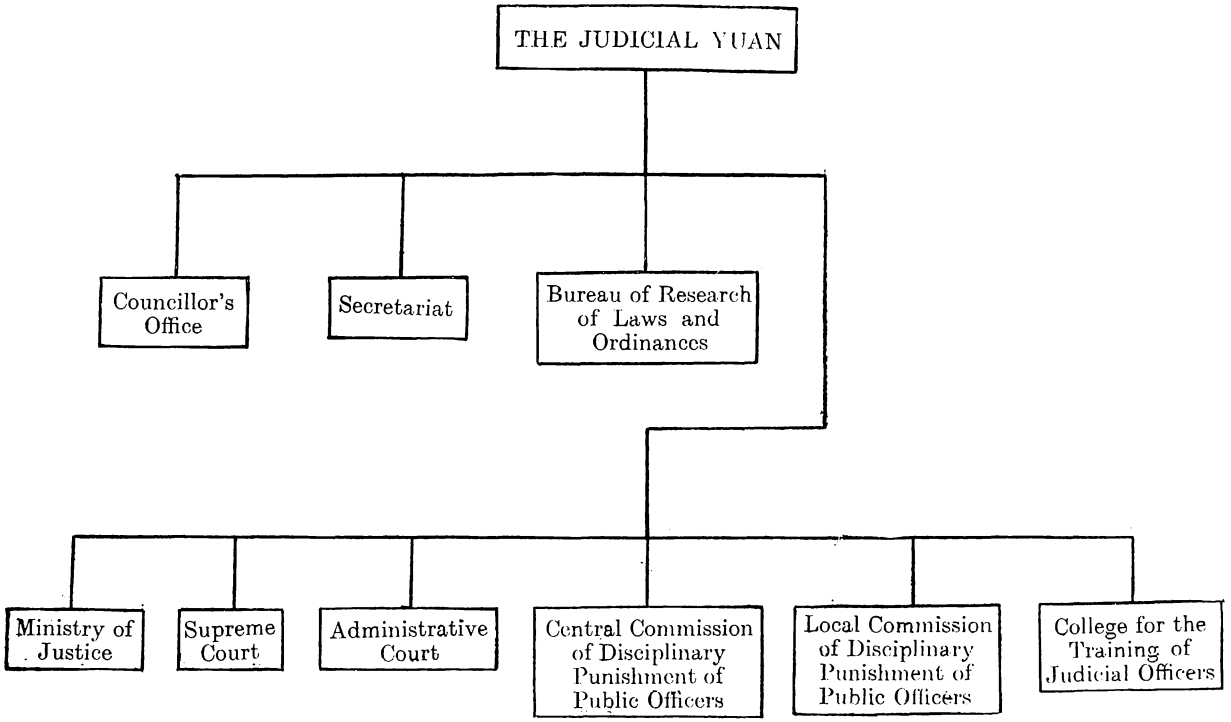
The Commissions for the Disciplinary Punishment of Civil Officers are of two kinds, central and local, both subject to the jurisdiction of the Judicial Yuan. The Central Commission for the Disciplinary Punishment of Civil Officers controls all civil servants of ranks above the Chien Jen (荐任), or third rank, throughout the country as well as those above Wei Jen (委任), or fourth rank, in organs directly related to the Central Government. The Commission, whose members number from nine to 11, are of Chuan Jen (專任), or unclassified rank. At the trial there should be a quorum of seven members. The Local Commissions for the Disciplinary Punishment of Civil Officers are organized in the provinces and in the special municipalities directly under the Executive Yuan, exercising jurisdiction over those civil servants of the Wei Jen, fourth rank or commissioned rank. The seven to nine members forming the Commission hold these positions concurrently with other offices. At the trial there should be a quorum of five members.

II. DIFFERENT GRADES OF CHINESE COURTS

The Chinese system of judicial procedure consists of three grades of courts and three trials. Kiangsu and fourteen other provinces introduced this system in July 1935. Szechwan, Yunnan, Kweichow, Chinghai and Suiyuan followed suit in July, 1936. Kwangtung adopted this procedure in November of the same year, and in January, 1937, Kwangsi also took on this uniform system. Except in the case of Sinkiang province, the judicial system throughout the country is now unified.

During the past year five district courts were added to the existing number of courts in Kiangsu, two each in Kansu and Kweichow, one each in Kiangsi, Yunnan and Chinghai. One branch high court was established in Suiyuan. In Kwangtung five branch high courts were added to the province, 57 district courts were reorganized and 10 district courts were amalgamated. In Kwangsi five branch high courts were added to the province, 11 district courts were reorganized and one branch district court was abolished. In Hunan one district court was added and one abolished. In Hopei two district courts were added and two district courts and one branch district court were abolished. In Ninghsia one branch high court and two district courts were abolished. Altogether 26 new courts were established in China last year, 78 courts were either reorganized or amalgamated and eight courts were abolished. There are altogether 410 courts in China, consisting of one Supreme Court, 23 high courts, 84 branch high courts and 302 district courts.

In hsien where the magistrates had been concurrently exercising judicial power were established hsien judicial councils as a transitory measure. Since the circular mandates to this effect were issued to the provinces last year by the Ministry of Justice, four provinces, including Shantung, have formed such councils simultaneously in all the hsien throughout the provinces. Such councils were formed in 84 hsien in Shantung, 54 hsien in Hupeh, 53 hsien in Kansu and 14 in Suiyuan. Chekiang and 10 other provinces formed their hsien judicial councils in gradual succession; with 24 hsien in Chekiang, 49 hsien in Kiangsi, 28 hsien in Fukien, 63 hsien in Honan, 29 hsien in Shansi, 34 hsien in Anhwei, 39 hsien in Kweichow, 36 hsien in Hunan, 29 hsien in Szechwan, 28 hsien in Shensi, six hsien in Chinghai and one hsien in Ninghsia, these provinces have completed the establishment of judicial councils, the number of councils being 571 for the whole of China. In Kwangtung there has been a concurrent exercise of judicial power by the hsien magistrate. In Kiangsu the district courts have been increased gradually and it was not necessary to adopt this transitory measure. Hopei and Charhar have applied for permission to postpone the establishment of such councils.


THE JUDICIAL YUAN
Councillor's Office
Secretariat
Bureau of Research of Laws and Ordinances
Ministry of Justice
Supreme Court
Administrative Court
Central Commission of Disciplinary Punishment of Public Officers
Local Commission of Disciplinary Punishment of Public Officers
College for the Training of Judicial Officers

Kwangsi, Yunnan and Sinkiang have not yet outlined any plan in this connection, but in the hsien areas in Kwangsi separate judicial tribunals exist which resemble the judicial councils proposed by the government.

LIST OF CHINESE COURTS AND THEIR LOCATIONS

Kiangsu Province	*Location*
Supreme Court	Nanking
Nanking District Court	Nanking
High Court	Soochow
First Branch High Court	Hwaiyin
Second Branch High Court	Shanghai International Settlement
Third Branch High Court	Shanghai French Concession
Fourth Branch High Court	Tungshan
Fifth Branch High Court	Chinkiang
Shanghai First Special District Court	Shanghai International Settlement
Shanghai Second Special District Court	Shanghai French Concession
Shanghai District Court	Shanghai
Wuhsien District Court	Wuhsien
Wusih District Court	Wusih
Chinkiang District Court	Chinkiang
Kiangtu District Court	Kiangtu
Wutsin District Court	Wutsin
Nantung District Court	Nantung
Sungkiang District Court	Sungkiang
Tungshan District Court	Tungshan
Taihsien District Court	Taihsien
Hwaiyin District Court	Hwaiyin
Hinghwa District Court	Hinghwa
Changshu District Court	Changshu
Jukao District Court	Jukao
Tungtai District Court	Tungtai

Chekiang Province	*Location*
High Court	Hangchow
First Branch High Court	Yungkia
Second Branch High Court	Kinhwa
Third Branch High Court	Chinhsien
Hanghsien District Court	Hangchow
Kashing District Court	Kashing
Wushing District Court	Wushing
Shaoshing District Court	Shaoshing
Chinhsien District Court	Chinhsien
Linhai District Court	Linhai
Kinhwa District Court	Kinhwa
Chuhsien District Court	Chuhsien
Chienteh District Court	Chienteh
Yungkia District Court	Yungkia
Lishui District Court	Lishui
Chuki District Court	Chuki
Kiangshan District Court	Kiangshan
Lanchi District Court	Lanchi
Shanhsien District Court	Shanhsien
Suian District Court	Suian
Tungyang District Court	Tungyang
Iwu District Court	Iwu
Wenling District Court	Wenling
Haining District Court	Haining

Kashan District Court	Kashan
Changhing District Court	Changhing
Tinghai District Court	Tinghai
Siaoshan District Court	Siaoshan
Sinchang District Court	Sinchang
Yuyao District Court	Yuyao
Hwangan District Court	Hwangan
Ninghai District Court	Ninghai
Lungchuan District Court	Lungchuan
Fenghwa District Court	Fenghwa
Yungkang District Court	Yungkang
Pukiang District Court	Pukiang

Anhwei Province	*Location*
High Court	Anking
First Branch High Court	Fengyang
Second Branch High Court	Kinghsien
Third Branch High Court	Wuhu
Fourth Branch High Court	Fuyang
Fenghwai District Court	Pengpu
Kinghsien District Court	Kinghsien
Hwaining Branch District Court	Anking
Tungcheng District Court	Tungcheng
Wuhu District Court	Wuhu
Hofei District Court	Hofei
Fuyang District Court	Fuyang
Hsuangcheng District Court	Hsuangcheng

Kiangsi Province	*Location*
High Court	Nanchang
First Branch High Court	Kanhsien
Second Branch High Court	Kiukiang
Third Branch High Court	Kian
Fourth Branch High Court	Hokow
Nanchang District Court	Nanchang
Kiukiang District Court	Kiukiang
Kian District Court	Kian
Linchwan District Court	Linchwan
Kanhsien District Court	Kanhsien
Fowliang District Court	Fowliang
Poyang District Court	Poyang
Hokow District Court	Hokow
Yuani District Court	Ichun

Fukien Province	*Location*
High Court	Foochow
First Branch High Court	Amoy
Second Branch High Court	Kienow
Third Branch High Court	Lungki
Fourth Branch High Court	Chinkiang
Fifth Branch High Court	Putien
Minhow District Court	Foochow
Szeming District Court	Amoy
Kienow District Court	Kienow
Lungki District Court	Lungki
Putien District Court	Putien
Chinkiang District Court	Chinkiang

Shantung Province	*Location*
High Court	Tsinan
First Branch High Court	Tsining
Second Branch High Court	Tsingtao
Third Branch High Court	Chefoo
Fourth Branch High Court	Taian
Fifth Branch High Court	Tehhsien
Sixth Branch High Court	Linyi
Tsining District Court	Tsining
Tenghsien District Court	Tenghsien
Tsaohsien District Court	Tsaohsien
Hotsch District Court	Hotsch
Yuncheng District Court	Yuncheng
Linyi District Court	Lini
Tsinan District Court	Tsinan
Changkiu District Court	Changkiu
Changtsing District Court	Changtsing
Tehhsien District Court	Tehhsien
Liaocheng District Court	Liaocheng
Hweimin District Court	Hweimin
Linching District Court	Linching
Itu District Court	Itu
Fushan District Court	Chefoo
Weihai District Court	Weihaiwei
Laiyang District Court	Laiyang
Yihsien District Court	Yihsien
Tsingtao District Court	Tsingtao
Kiaohsien District Court	Kiaohsien
Tsimo District Court	Tsimo
Kaomi District Court	Kaomi
Ankiu District Court	Ankiu
Weihsien District Court	Weihsien
Taian District Court	Taian
Luhsien District Court	Luhsien
Yangku District Court	Yangku

Shansi Province	*Location*
High Court	Taiyuan
First Branch High Court	Anyi
Second Branch High Court	Tatung
Third Branch High Court	Changchih
Fourth Branch High Court	Linfen
Fifth Branch High Court	Ningwu
Taiyuan District Court	Taiyuan
Yutze District Court	Yutze
Linfen District Court	Linfen
Ningwu District Court	Ningwu
Anyi District Court	Anyi
Tatung District Court	Tatung
Changchih District Court	Changchih

Kwangtung Province	*Location*
High Court	Canton
First Branch High Court	Swatow
Second Branch High Court	Hoppo
Third Branch High Court	Kiungshan
Fourth Branch High Court	Kukong
Fifth Branch High Court	Wuiyang
Sixth Branch High Court	Koyiu
Seventh Branch High Court	Mowming
Eighth Branch High Court	Meihsien
Kwangchow District Court	Canton
Tsunghwa Branch District Court	Tsunghwa
Samshui Branch District Court	Samshui
Fahsien Branch District Court	Fahsien
Lungmoon Branch District Court	Lungmoon
Chungshan District Court	Chungshan
Sunwui District Court	Sunwui
Hokshan Branch District Court	Hokshan
Toishan District Court	Toishan
Hoiping Branch District Court	Hoiping
Yanping Branch District Court	Yanping
Tungkun District Court	Tungkun
Pokan Branch District Court	Pokan
Tsengshing Branch District Court	Tsengshing
Shuntak District Court	Shuntak
Yeungkong District Court	Yeungkong
Yeungchun Branch District Court	Yeungchun
Tsingyun District Court	Tsingyun
Yingtak Branch District Court	Yingtak
Koyiu District Court	Koyiu
Szewui Branch District Court	Szewui
Kwongning Branch District Court	Kwongning
Sunhing Branch District Court	Sunhing
Loting District Court	Loting
Wanfow Branch District Court	Wanfow
Yunam Branch District Court	Yunam
Takhing District Court	Takhing
Hoikien Branch District Court	Hoikien
Wuiyang District Court	Wuiyang
Hoyun Branch District Court	Hoyun
Lungchun Branch District Court	Lungchun
Tzekin Branch District Court	Tzekin
Linping District Court	Linping
Hoping Branch District Court	Hoping
Sunfung Branch District Court	Sunfung
Kukong District Court	Kukong
Lokchong Branch District Court	Lokchong
Yanfa Branch District Court	Yanfa
Unyun Branch District Court	Unyun
Namyung Branch District Court	Namyung
Chihing Branch District Court	Chihing
Linhsien District Court	Linhsien
Yeungshan Branch District Court	Yeungshan
Mowming District Court	Mowming
Sunyi Branch District Court	Sunyi
Tinpak Branch District Court	Tinpak
Fahsien District Court	Fahsien
Wuchun Branch District Court	Wuchun
Lienkong Branch District Court	Lienkong

Swatow District Court	Swatow
Chaoyang Branch District Court	Chaoyang
Wuiloi Branch District Court	Wuiloi
Kityang District Court	Kityang
Puning Branch District Court	Puning
Fungshun Branch District Court	Fungshun
Meihsien District Court	Meihsien
Taipu Branch District Court	Taipu
Chiuling Branch District Court	Chiuling
Chaoan District Court	Chaoan
Jaoping Branch District Court	Jaoping
Hingning District Court	Hingning
Ngwa Branch District Court	Ngwa
Pingyun Branch District Court	Pingyun
Hoifung District Court	Hoifung
Lukfung Branch District Court	Lukfung
Hoppo District Court	Hoppo
Yamhsien Branch District Court	Yamhsien
Fangshing Branch District Court	Fangshing
Lingshan Branch District Court	Lingshan
Hoikong District Court	Hoikong
Shiman Branch District Court	Shiman
Shuihi Branch District Court	Shuihi
Kiungshan District Court	Kiungshan
Chanhsien Branch District Court	Chanhsien
Tengmoi Branch District Court	Tengmoi
Manchong Branch District Court	Manchong
Kiungtung Branch District Court	Kiungtung
Ngaihsien District Court	Ngaihsien
Manning Branch District Court	Manning
Kamyan Branch District Court	Kamyan

Kwangsi Province	*Location*
High Court	Nanning
First Branch High Court	Kweilin
Second Branch High Court	Tsangwu
Third Branch High Court	Liuchow
Fourth Branch High Court	Lungchow
Fifth Branch High Court	Yulin
Sixth Branch High Court	Yishan
Seventh Branch High Court	Pinglo
Yunning District Court	Nanning
Hwenhsien Subdivisional District Court	Hwenhsien
Kweilin District Court	Kweilin
Pinglo Branch District Court	Pinglo
Chuanhsien Subdivisional District Court	Chuanhsien
Hohsien Subdivisional District Court	Hohsien
Tsangwu District Court	Tsangwu
Yulin Branch District Court	Yulin
Kweihsien Subdivisional District Court	Kweihsien
Hwaichi Subdivisional District Court	Hwaichi

Kweiping Subdivisional District Court	Kweiping
Pingnan Subdivisional District Court	Pingnan
Yunghsien Subdivisional District Court	Yunghsien
Popeh Subdivisional District Court	Popeh
Liuchow District Court	Liuchow
Yishan Branch District Court	Yishan
Lungchow District Court	Lungchow

Hunan Province	*Location*
High Court	Changsha
First Branch High Court	Yuanlin
Second Branch High Court	Kweiyang
Third Branch High Court	Changteh
Fourth Branch High Court	Shaoyang
Yuanlin District Court	Yuanlin
Kweiyang District Court	Kweiyang
Changsha District Court	Changsha
Changteh District Court	Changteh
Shaoyang District Court	Shaoyang
Hengyang District Court	Hengyang
Hsiangtan District Court	Hsiangtan
Linling District Court	Linling
Hengshan District Court	Hengshan

Hupeh Province	*Location*
High Court	Wuchang
First Branch High Court	Ichang
Second Branch High Court	Hsiangyang
Third Branch High Court	Enshih
Fourth Branch High Court	Shasi
Fifth Branch High Court	Yunhsien
Sixth Branch High Court	Hwangkan
Wuchang District Court	Wuchang
Hankow District Court	Hankow
Ichang District Court	Ichang
Hsiangyang District Court	Hsiangyang
Hwangkan District Court	Hwangkan
Shasi District Court	Shasi
Hsiaokan District Court	Hsiaokan
Tienmen District Court	Tienmen
Suihsien District Court	Suihsien
Hwangpei District Court	Hwangpei

Yingcheng District Court	Yingcheng
Wusueh District Court	Wusueh
Kingmen District Court	Kingmen
Enshih District Court	Enshih
Yunhsien District Court	Yunhsien

Honan Province	*Location*
High Court	Kaifeng
First Branch High Court	Sinyang
Second Branch High Court	Anyang
Third Branch High Court	Loyang
Sinyang District Court	Sinyang
Anyang District Court	Anyang
Kaifeng District Court	Kaifeng
Chenghsien District Court	Chenghsien
Loyang District Court	Loyang
Chihsien District Court	Chihsien
Nanyang District Court	Nanyang
Junan District Court	Hsuchang
Shangkiu District Court	Shangkiu
Hwaiyang District Court	Hwaiyang

Hopei Province	*Location*
High Court	Peiping
First Branch High Court	Tientsin
Second Branch High Court	Taming
Third Branch High Court	Paoting
Fourth Branch High Court	Tangshan
Fifth Branch High Court	Shihmen
Peiping District Court	Peiping
Chohsien District Court	Chohsien
Tientsin District Court	Tientsin
Paoting District Court	Paoting
Hokien District Court	Hokien
Yungnien District Court	Yungnien
Singtai District Court	Singtai
Shihmen District Court	Shihmen
Lwanhsien District Court	Lwanhsien
Tangshan District Court	Tangshan
Taming District Court	Taming
Chihsien District Court	Chihsien
Tinghsien District Court	Tinghsien

Shensi Province	*Location*
High Court	Changan
First Branch High Court	Nancheng
Second Branch High Court	Yulin
Third Branch High Court	Ankang
Yulin District Court	Yulin
Changan District Court	Changan
Nancheng District Court	Nancheng
Ankang District Court	Ankang

Kansu Province	*Location*
High Court	Lanchow
First Branch High Court	Pingliang
Second Branch High Court	Tiensui
Third Branch High Court	Wuwei
Fourth Branch High Court	Kiuchuan
Fifth Branch High Court	Wutu
Pingliang District Court	Pingliang
Tiensui District Court	Tiensui
Kiuchuan District Court	Kiuchuan
Kaolan District Court	Lanchow
Linsia District Court	Linsia
Yungteng District Court	Yungteng
Changyeh District Court	Changyeh
Tsingning District Court	Tsingning
Hweihsien District Court	Hweihsien
Minhsien District Court	Minhsien
Wuwei District Court	Wuwei
Wutu District Court	Wutu
Lungsi District Court	Lungsi
Liutao District Court	Liutao

Yunnan Province	*Location*
High Court	Kunming
First Branch High Court	Tali
Second Branch High Court	Chaotung
Third Branch High Court	Ningerh
Tali District Court	Tali
Chaotung District Court	Chaotung
Kunming District Court	Kunming
Ningerh District Court	Ningerh

Kweichow Province	*Location*
High Court	Kweiyang
First Branch High Court	Chenyuan
Second Branch High Court	Langtai
Kweiyang District Court	Kweiyang
Chenyuan District Court	Chenyuan
Langtai District Court	Langtai
Anshun District Court	Anshun
Tsunyi District Court	Tsunyi

Szechwan Province	*Location*
High Court	Chengtu
First Branch High Court	Chungking
Second Branch High Court	Wanhsien
Third Branch High Court	Luhsien
Fourth Branch High Court	Langchung
Fifth Branch High Court	Yaan
Chengtu District Court	Chengtu
Pahsien District Court	Chungking
Wanhsien District Court	Wanhsien
Luhsien District Court	Luhsien
Tzekung District Court	Tzekung
Langchung District Court	Langchung
Yaan District Court	Yaan

Ninghsia Province	*Location*
High Court	Ninghsia
Hsiasu District Court	Ninghsia
Weining District Court	Chungwei
Pingteng District Court	Pinglo
Hotung District Court	Wuchungchen

Suiyuan Province	*Location*
High Court	Kweisui
First Branch High Court	Paotow
Kweisui District Court	Kweisui
Fungchen District Court	Fungchen
Paotow District Court	Paotow

Chahar Province	*Location*
High Court	Wanchuan
Wanchuan District Court	Wanchuan
Changpeh District Court	Changpeh

Chinghai Province	*Location*
High Court	Sining
Sihu District Court	Sining
Lotu District Court	Lotu

Sinkiang Province	*Location*
High Court	Tihwa
Tihwa District Court	Tihwa

III. JUDICIAL PROCEDURE IN THE DIFFERENT GRADES OF COURTS

According to civil procedure no appeal may be brought before the Supreme Court in cases involving property rights when the sum involved in such an appeal does not exceed $500. The same procedure provides that, according to local conditions, this limit may be decreased to $300 or increased to $1,000. Communication facilities within the country having been greatly developed and economic conditions greatly improved in recent years, and with a view to meeting the exigencies of time and to lessen the legal complications of the people, it has been proposed to increase the appeal limit to $1,000 in 13 provinces, namely, Kiangsu, Chekiang, Hupeh, Hopei, Shantung, Kwangtung, Kiangsi, Anwhei, Hunan, Fukien, Szechwan, Honan and Shansi, effective from April 1, 1937. The appeal limit in the other provinces is to remain the same.

The notary system was first experimented with in Nanking in April, 1936, and was gradually introduced into the provinces. The cities that already have the notary system are Shanghai and Soochow in Kiangsu; Hangchow, Ningpo, Wenchow and Shaohsing in Chekiang; Nanchang in Kiangsi; Foochow and Amoy in Fukien; Wuchang, Hankow, Shasi, Ichang, Siangyang, Hwangkang, Enshih, Yunhsien, etc. in Hupeh.

The prosecution of juveniles in criminal cases has to receive special consideration as juveniles cannot be held entirely responsible for their actions. In view of this the Ministry of Justice has informed the various courts that special regulations are to be followed in the prosecution of juveniles in criminal cases: The judge or judges in juvenile trials are to be chosen from men of experience who are familiar with child psychology and educational principles. In case of need special assistance from juvenile experts and doctors may be demanded. The trial may be held in camera and the procedure, which is to be made as simple as possible, is to be conducted in such a manner as to lessen the feeling of the juvenile that he or she is being prosecuted for breaches of the law.

Both civil and criminal cases handled by the different grades of courts tend to increase. A comparison of the increase in these cases, according to statistics, is shown by the following tables:

The Supreme Court

	Criminal Cases		*Civil Cases*	
		Increase above 1935		*Increase above* 1935
1935	13,809	—	12,977	—
1934	9,837	3,927	12,741	236
1933	8,115	5,694	11,970	1,007

Courts below the high court standard in the various provinces

	Civil Cases			*Criminal Cases*		
	1st. trial	*2nd. trial*	*3rd. trial*	*1st. trial*	*2nd. trial*	*3rd. trial*
1934	82,668	56,240	7,955	110,927	43,880	2,536
Increase in 1932 and 1933 above 1934.						
1933	17,784	10,988	2,314	11,753	9,325	988
1932	29,439	18,227	1,919	25,621	15,805	1,408

Kiangsu and sixteen other provinces have completed their statistical compilations. The statistics of Yunnan, Kweichow, Chinghai and Charhar are partly complete and the statistics for Kwangsi and Sinkiang are not available. Of the civil suits tried in China the majority were cases involving money, and of the persons prosecuted the majority were unemployed.

In regard to sino-foreign litigations, statistics submitted from the different provinces for the year 1934 indicate that for the first trial 3,182 cases were handled, showing an increase of 975 cases compared with figures for 1933,

the majority involving pecuniary claims. Appeal cases decided at the second trial numbered 487, of which 342 cases were rejected, while in 98 cases the original judgment was either reversed or modified. Appeal cases decided at the third trial numbered 48, of which 43 cases were rejected, while in five cases the original judgment was either reversed or modified. In criminal prosecutions 565 cases were heard at the first trial, showing an increase of 78 cases compared with figures for 1933. Of those found guilty 126 were sentenced to varying terms of imprisonment, 34 kept under detention and 96 fined. Appeal cases in criminal suits decided at the second trial numbered 87, of which 41 were rejected, while in 37 cases the original judgment was cancelled. Appeal cases decided at the third trial numbered seven, four of which were rejected, while in the remaining three the original judgment was cancelled. Civil suits heard by the Supreme Court in 1935 involving Chinese and foreign litigants numbered 166, of which 109 were rejected, while in 22 cases the original judgments were either partly or wholly reversed or modified. Sino-foreign criminal suits heard by the Supreme Court numbered eight, in four of which the original judgment was either reversed or modified.

Owing to the relinquishment by the Spanish Minister and the Spanish Consuls of their duties as a result of the civil war in Spain, all litigations, whether civil or criminal, involving Spanish nationals have been placed under the direct jurisdiction of Chinese courts.

CIVIL CASES HANDLED BY THE SUPREME COURT

1935

Items		*Appeals*	*Appeals for Setting Aside Rulings*	*Applications*	TOTAL
Cases Accepted	*Old*	1,619	210	18	1,847
	New	5,649	4,279	1,202	11,130
	TOTAL	7,288	4,489	1,220	12,977
Cases Decided	*Decision*	2,990	—	—	2,990
	Ruling	1,869	3,854	954	6,677
	Withdrawn	104	11	—	115
	Conciliation	15	—	—	15
	Transfer for Trial	103	93	6	202
	Others	647	407	203	1,257
	TOTAL	5,728	4,365	1,163	11,256
Cases Pending		1,540	124	57	1,721

CRIMINAL CASES HANDLED BY THE SUPREME COURT
1935

Items		Appeals	Appeals Extraordinary	Appeals for Setting Aside Rulings	Applications	Demand for Civil Relief	Others	TOTAL
Cases Accepted	*Old*	2,939	20	50	10	—	—	3,019
	New	9,209	303	626	152	379	121	10,790
	TOTAL	12,148	323	676	162	379	121	13,809
Cases Decided	*Decision*	6,799	192	—	—	353	—	7,344
	Ruling	4	—	553	98	17	9	771
	Withdrawn	120	2	2	—	3	1	128
	Refer to Civil Court	6	—	—	—	6	—	12
	Refer to Prosecutor's Office	1	3	1	2	—	—	7
	Return to Original Court	17	—	26	23	—	1	67
	Others ..	19	1	27	13	—	13	73
	TOTAL	6,966	198	609	136	379	114	8,402
Cases Pending		5,182	125	67	26	—	7	5,407

CIVIL CASES HANDLED BY THE SUPREME COURT, 1935

(Classified According to Nature)

Items		*Money*	*Relations*	*Building*	*Goods*	*Land*	*Food*	*Ships*	*Security*	*Others*	TOTAL
Cases Accepted	*Old*	799	268	52	189	161	4	3	75	68	1,619
	New	2,579	995	228	308	686	15	—	293	545	5,649
	TOTAL	3,378	6,263	280	497	847	19	3	368	613	7,268
Cases Decided	*Appeals Rejected*	1,993	738	123	211	353	12	2	215	367	4,014
	Original Judgments Modified or Abolished	377	127	33	61	110	3	—	61	85	857
	Conciliation	11	1	—	1	—	—	—	1	1	15
	Withdrawn	55	14	5	6	2	—	—	4	18	104
	Others	251	121	33	65	139	3	1	28	97	738
	TOTAL	2,687	1,001	194	344	604	18	3	309	568	5,728
Cases Pending		691	262	86	153	243	1	—	59	45	1,540

NUMBER OF PERSONS CONVICTED OF
(Classified According to

Age	Sex / Occupation	Agriculture	Mining	Industry	Commerce
13–15	Male	3	—	1	4
	Female	—	—	—	—
16–20	Male	46	2	36	29
	Female	2	—	8	—
21–30	Male	1,456	15	369	286
	Female	46	—	11	9
31–40	Male	1,684	28	464	196
	Female	12	—	13	3
41–50	Male	876	14	204	312
	Female	18	—	19	—
51–60	Male	336	8	60	128
	Female	8	—	—	—
61–70	Male	109	—	2	14
	Female	4	—	—	—
71–80	Male	13	—	—	7
	Female	—	—	—	—
More Than 80	Male	—	—	—	—
	Female	—	—	—	—
Unknown	Male	54	—	16	5
	Female	4	—	—	1
TOTAL		4,671	67	1,203	994

CRIMINAL OFFENSES BY THE SUPREME COURT, 1935
Occupation, Age and Sex)

Communication and Transportation	*Public Service*	*Liberal Professions*	*Personal Service*	*Unemployed*	*Unknown*	TOTAL
—	—	—	—	—	1	9
—	—	—	—	1	—	—
21	2	26	8	7	18	195
—	—	—	—	13	8	31
63	129	136	49	195	257	2,955
—	—	2	—	30	44	140
76	102	191	62	261	275	3,339
—	—	—	5	4	15	52
46	87	41	171	97	166	2,014
—	—	2	4	23	12	78
12	36	18	12	53	62	725
—	—	3	—	2	7	20
5	7	10	8	20	19	194
—	—	—	—	—	7	11
8	1	—	—	6	—	35
—	—	—	—	3	2	5
—	—	—	—	—	2	2
—	—	—	—	—	—	—
3	—	8	—	19	87	192
—	—	—	—	—	—	5
234	364	435	319	733	982	10,002

CIVIL CASES CONCERNING ALIENS HANDLED BY THE SUPREME COURT, 1935

Results	Items	Cases Concerning Obligations	Cases Concerning Rights over Things	Cases Concerning Relations	Cases Concerning Inheritance	Other Cases	TOTAL
Cases Accepted	New	85	11	2	—	10	108
	Old	57	—	—	1	—	58
	TOTAL	142	11	2	1	10	166
Cases Decided	Appeals Rejected	101	3	2	—	3	109
	Original Judgment Canceled	10	2	—	—	7	12
	Original Judgment Partly Canceled	8	1	—	1	4	10
	Appeals Withdrawn	1	1	—	—	—	2
	Transfer for Trial	3	—	—	—	—	3
	Conciliation.. ..	3	—	—	—	—	3
	TOTAL	126	7	2	1	3	139
Cases Pending		16	4	—	—	7	27

CRIMINAL CASES CONCERNING ALIENS HANDLED BY THE SUPREME COURT, 1935

Results \ Crimes		*Fraud*	*Criminal Misappropriation*	*Theft*	*Forgery of Documents*	*Violation of the Law of Sedition*	TOTAL
Cases Accepted	*New*	2	1	3	1	1	8
	Old	—	—	—	—	—	—
	TOTAL	2	1	3	1	1	8
Cases Decided	*Appeals Rejected*	—	—	—	—	—	—
	Original Judgment Canceled	1	1	1	1	—	4
	Original Judgment Partly Canceled	—	—	—	—	—	—
	Appeals Withdrawn	—	—	—	—	—	—
	TOTAL ..	1	1	1	1	—	4
Cases Pending		1	—	2	—	1	4

CIVIL CASES OF FIRST TRIAL HANDLED BY COURTS OF THE DIFFERENT PROVINCES, 1934

Provinces \ Cases	Cases Accepted	Cases Disposed of						Cases Held for Disposal
		Decision	Conciliation	Cases Withdrawn	Ruling Canceled	Others	TOTAL	
Kiangsu	23,219	14,902	3,869	1,422	271	397	20,861	2,358
Chekiang	12,377	7,971	1,793	1,052	117	508	11,441	936
Anhwei	1,540	806	220	210	66	37	1,339	201
Kiangsi	1,815	1,312	87	125	23	161	1,708	107
Hupeh	5,448	2,870	564	556	582	591	5,163	285
Hunan	3,189	2,027	275	191	154	227	2,874	315
Szechwan	2,315	1,449	351	92	80	160	2,132	183
Fukien	2,628	1,769	83	110	149	345	2,457	171
Kwangtung	4,420	2,740	129	212	204	460	3,745	675
Kweichow	587	210	52	18	104	127	511	76
Hopei	8,683	6,207	373	528	31	668	7,828	855
Honan	3,736	1,970	356	304	149	619	3,398	338
Shantung	7,645	4,216	806	861	135	953	6,971	674
Shansi	774	381	70	81	59	81	672	102
Shensi	2,004	993	259	215	83	362	1,912	92
Kansu	1,407	511	568	48	37	159	1,322	85
Ninghsia	317	140	71	31	20	22	284	33
Chahar	216	111	56	25	5	4	201	15
Suiyuan	348	174	67	27	55	9	330	18
TOTAL	82,668	50,759	10,049	6,108	2,324	5,909	75,149	7,519

CIVIL CASES OF SECOND TRIAL HANDLED BY COURTS OF THE DIFFERENT PROVINCES, 1934

Cases / *Provinces*	*Cases Accepted*	*Cases Disposed of*						*Cases Held for Disposal*
		Appeals Rejected	*Original Decisions Modified or Abolished*	*Conciliation*	*Cases Withdrawn*	*Others*	TOTAL	
Kiangsu	8,803	5,156	1,198	698	561	290	7,903	900
Chekiang	5,536	2, 674	862	557	474	369	4,936	600
Anhwei	1,461	643	154	172	108	102	1,199	282
Kiangsi	1,623	895	381	19	91	89	1,475	148
Hupeh	2,542	1,429	364	155	268	173	2,389	153
Hunan	3,905	1,838	790	237	200	352	3,417	488
Szechwan	2,580	919	832	128	117	235	2,231	349
Fukien	2,240	1,180	437	48	89	220	1,972	268
Kwangtung	4,727	2,322	840	138	121	352	3,773	954
Yunnan	357	205	95	—	—	7	307	50
Kweichow	1,014	166	110	127	87	223	713	301
Hopei	7,820	3,572	1,407	394	566	669	6,608	1,212
Honan	4,476	1,559	516	260	239	1,422	3,996	480
Shantung	4,500	2,214	857	324	368	265	4,028	472
Shansi	2,457	795	566	203	153	198	2,015	442
Shensi	1,278	534	128	48	109	353	1,172	106
Kansu	460	170	84	68	12	62	396	64
Ninghsia	119	45	26	16	3	9	99	20
Chinghai	13	2	3	—	5	—	10	3
Chahar	100	34	12	25	12	5	88	12
Suiyuan	229	90	51	28	15	18	202	27
TOTAL	56,240	26,542	9,713	3,645	3,596	5,413	48,909	7,331

CIVIL CASES OF THIRD TRIAL HANDLED BY COURTS OF THE DIFFERENT PROVINCES, 1934

Cases / *Provinces*	*Cases Accepted*	*Cases Disposed of*						*Cases Held for Disposal*
		Appeals Rejected	*Original Decisions Abolished or Modified*	*Conciliation*	*Withdrawn*	*Others*	TOTAL	
Kiangsu	835	635	106	—	16	27	784	51
Chekiang	525	380	91	—	7	7	485	40
Anhwei	163	122	24	1	3	3	153	10
Kiangsi	303	226	45	—	4	2	277	26
Hupeh	186	150	25	—	2	4	181	5
Hunan	831	632	131	1	17	7	788	43
Szechwan	499	315	121	—	17	13	466	33
Fukien	416	284	87	4	5	9	389	27
Kwangtung	1,638	983	351	7	4	45	1,390	248
Yunnan	296	143	94	—	—	1	238	58
Kweichow	62	23	13	2	3	19	60	2
Hopei	1,005	639	134	2	18	34	827	178
Honan	309	202	34	—	3	51	290	19
Shantung	495	292	147	4	9	9	461	34
Shansi	189	132	31	2	1	15	181	8
Shensi	128	102	4	3	2	12	123	5
Kansu	34	13	8	—	1	2	24	10
Ninghsia	11	4	3	—	1	—	8	3
Chinghai	2	1	1	—	—	—	2	—
Chahar ..	11	11	—	—	—	—	11	—
Suiyuan	17	11	6	—	—	—	17	—
TOTAL	7,955	5,300	1,456	26	113	260	7155	800

CRIMINAL CASES OF FIRST TRIAL HANDLED BY COURTS OF THE DIFFERENT PROVINCES, 1934

Provinces \ Cases	Cases Accepted	Cases Disposed of								Cases Held for Disposal
		Punished	Not Guilty	Cases Dismissed	Cases Rejected	Jurisdiction Wrong	Punishment Orders	Others	TOTAL	
Kiangsu	34,732	28,639	1,081	27	1,546	102	2,134	609	34,138	594
Chekiang	19,051	12,809	1,210	92	1,678	36	947	1,507	18,279	772
Anhwei	2,427	1,491	182	11	340	3	2	205	2,234	193
Kiangsi	3,128	2,333	340	60	124	17	—	139	3,013	115
Hupeh	7,572	5,126	649	55	746	24	72	614	7,286	286
Hunan	2,821	1,586	213	12	384	—	285	154	2,634	187
Szechwan	705	411	86	14	62	9	—	55	637	68
Fukien	2,939	1,882	202	9	185	19	33	482	2,812	127
Kwangtung	3,287	2,184	303	95	226	6	—	231	3,045	242
Kweichow	93	54	7	—	2	—	—	25	88	5
Hopei	18,329	13,156	495	37	589	58	184	3,310	17,819	510
Honan	4,913	2,637	555	8	658	12	2	638	4,510	403
Shantung	7,500	4,571	586	31	542	3	850	393	6,976	524
Shansi	1,370	1,124	55	2	28	2	38	37	1,286	84
Shensi	836	370	142	9	116	5	6	164	812	24
Kansu	424	305	31	—	21	—	—	25	382	42
Ninghsia	245	132	16	—	69	—	3	17	237	8
Chahar	273	187	21	1	32	7	3	12	263	10
Suiyuan	282	219	24	—	8	—	—	24	275	7
TOTAL	110,927	79,206	6,198	463	7,356	303	4,559	8,641	106,726	4,201

CRIMINAL CASES OF SECOND TRIAL HANDLED BY COURTS OF THE DIFFERENT PROVINCES, 1934

Cases / *Provinces*	*Cases Accepted*	*Cases Disposed of*					*Cases Held for Disposal*
		Original Decisions Abolished	*Appeals Rejected*	*Appeals With-drawn*	*Others*	TOTAL	
Kiangsu	7,473	3,149	2,574	651	280	6,654	819
Chekiang	4,906	1,809	1,891	512	182	4,394	512
Anhwei ..	1,869	894	430	124	62	1,510	359
Kiangsi	1,290	525	508	68	35	1,136	150
Hupeh	2,749	987	1,091	355	156	2,589	160
Hunan..	1,872	717	652	167	75	1,611	261
Szechwan	1,073	363	324	76	86	849	224
Fukien..	1,269	479	400	71	119	1,069	200
Kwangtung.. ..	1,469	524	527	136	76	1,263	206
Yunnan	141	52	62	—	—	114	27
Kweichow	113	39	28	9	29	105	8
Hopei	7,163	3,097	1,924	518	349	5,888	1,275
Honan	4,779	1,934	1,277	224	613	4,048	731
Shantung	4,217	2,076	1,134	254	319	3,783	434
Shansi ..	2,249	1,109	516	207	97	1,929	320
Shensi ..	668	235	257	32	49	573	95
Kansu	194	77	44	12	16	149	45
Ninghsia	45	25	15	3	2	45	—
Chinghai ..	19	4	6	1	—	11	8
Chahar.. ..	208	87	49	19	5	160	48
Suiyuan	114	58	32	5	9	104	10
TOTAL	43,880	18,240	13,741	3,444	2,559	37,984	5,896

CRIMINAL CASES OF THIRD TRIAL HANDLED BY COURTS OF THE DIFFERENT PROVINCES, 1934

Cases / Provinces	Cases Accepted	Cases Disposed of					Cases Held for Disposal
		Original Decisions Abolished	Appeals Rejected	Appeals With-drawn	Others	TOTAL	
Kiangsu	326	132	170	3	6	311	15
Chekiang	324	88	233	1	1	323	1
Anhwei	90	40	47	—	1	88	2
Kiangsi	123	33	88	—	2	123	—
Hupeh	176	31	101	1	43	176	—
Hunan ..	117	32	84	—	1	117	—
Szechwan ..	127	48	63	16	—	127	—
Fukien	158	67	79	—	12	158	—
Kwangtung	275	97	151	3	8	259	16
Hopei	349	111	149	1	73	334	15
Honan ..	109	48	45	—	13	106	3
Shantung	155	50	86	1	14	151	4
Shansi ..	41	19	20	—	1	40	1
Shensi ..	147	23	38	1	85	147	—
Kansu ..	9	5	3	—	—	8	1
Ninghsia	4	2	2	—	—	4	—
Suiyuan	6	2	4	—	—	6	—
TOTAL	2,536	828	1,363	27	260	2,478	58

JUDICIAL YUAN

CIVIL CASES HANDLED BY COURTS OF THE DIFFERENT PROVINCES, 1934

(*Classified According to Their Nature*)

Grades of Trial / *Nature of Cases*	*First Trial Final*	*Second Trial Final*	*Third Trial Final*	TOTAL
Personal Relations ..	5,410	3,740	146	9,296
Buildings ..	6,210	3,173	708	10,091
Ships	75	46	9	130
Land ..	9,883	9,984	2,381	22,248
Money	42,123	24,619	2,922	69,664
Food ..	1,647	972	66	2,685
Goods ..	1,537	989	100	2,626
Securities ..	1,468	919	147	2,534
Others ..	6,796	4,467	676	11,939
TOTAL	75,149	48,909	7,155	131,213

PERSONS COMMITTED OF CRIMINAL OFFENSES IN COURTS OF THE DIFFERENT PROVINCES, 1934

(Classified According to Occupation and Nature of Crimes)

Occupation / Number of Persons / Nature of Crimes	*Agriculture*	*Industry*	*Commerce*	*Mining*	*Communication and Transportation*	*Public Service*	*Liberal Professions*	*Personnal Service*	*Others*	*Unemployed*	*Unknown*	TOTAL
Offenses Against the Internal Security of the State	—	1	—	—	—	1	—	—	—	1	1	4
Offenses Against the External Security of the State	—	—	—	—	—	—	1	—	—	—	—	1
Malfeasance in Office	45	57	44	1	9	4	11	7	13	78	11	280
Interference with the Exercise of Public Functions	141	166	134	3	26	8	30	21	35	283	43	890
Interference in Elections	5	6	3	—	1	1	2	2	4	8	3	35
Offenses Against Public Order	49	59	47	1	10	3	11	7	13	82	16	298
Offenses Concerning the Escape of Prisoners	88	105	85	2	18	5	17	11	22	155	26	534
Concealment of Offenders and Destruction of Evidence	29	36	29	1	6	2	8	6	14	43	13	187

Giving False Evidence and Malicious Accusation	203	238	192	4	38	12	43	30	48	416	60	1,281
Offenses Against Public Safety	182	213	173	3	37	10	38	20	40	363	45	1,124
Offenses Relating to the Counterfeiting of Coins	131	155	121	2	26	8	29	20	40	226	44	802
Offenses Relating to Measures and Weights	296	337	289	6	59	18	65	38	83	524	83	1,798
Forgery of Documents and Seals	183	215	179	3	36	11	42	22	47	319	51	1,108
Offenses Against Morality	139	164	126	2	26	8	26	22	39	322	46	920
Offenses Against Marriage and the Family	687	803	604	11	115	33	141	119	125	1,896	235	4,769
Offenses Relating to Religion and the Dead	94	113	89	2	16	6	19	14	31	158	30	572
Offenses Against Agriculture, Industry and Commerce	30	37	29	1	7	2	7	6	12	40	15	186
Offenses Relating to Opium	5,308	6,877	4,973	187	577	217	768	445	1,278	14,193	1,746	36,569
Gambling	2,024	2,402	1,943	36	390	122	407	283	530	3,697	619	12,453
Homicide	215	259	202	4	42	13	47	30	60	424	57	1,353
Causing Injury	2,260	2,710	2,205	44	433	133	458	315	575	4,522	663	14,318

Procuring Abortion..	3	3	—	—	—	—	2	3	2	8	4	25
Abandonment	17	22	15	1	3	2	5	6	14	25	12	122
Interference with Personal Liberty ..	526	627	500	10	99	32	112	83	150	1,036	188	3,363
Offenses Against Personal Reputation and Credit	72	83	63	1	13	4	16	12	24	155	25	468
Offenses Relating to Personal Secrets ..	—	1	—	—	—	1	1	1	1	1	1	7
Theft	4,426	5,298	4,309	86	881	271	920	586	1,154	7,949	1,067	26,947
Snatching, Robbery and Piracy	593	712	587	14	121	36	136	82	169	981	184	3,615
Criminal Misappropriation	498	595	486	8	98	29	107	64	125	925	123	3,058
Fraud and Violation of Trust	568	675	551	13	109	34	120	73	142	1,070	153	3,508
Threat	159	191	156	4	38	11	52	24	60	203	68	966
Receiving Stolen Property and Property Unlawfully Obtained	222	262	206	6	46	13	51	30	64	416	69	1,385
Mischief ..	257	301	233	5	49	15	62	39	74	495	89	1,619
Illegal Salt	122	147	116	2	26	8	32	16	37	195	46	747
Offenses Against the Revenue Stamp Act	21	25	17	1	5	2	7	5	12	23	11	129

Offenses Relating to Morphine	59	72	56	1	11	4	15	10	17	92	23	360
Violation of the Corporation Law.. ..	—	1	2	—	—	—	—	—	1	—	—	4
Violation of the Law Governing Suppression of Bandits	81	97	78	2	19	6	22	18	36	98	37	494
Violation of the Law of Sedition	41	48	40	1	8	2	10	4	8	74	10	246
Offenses Against the Law of Negotiable Instruments	14	44	88	—	4	2	5	7	4	106	2	276
Offenses Against the Law of Publication	4	7	3	—	1	1	2	2	3	6	4	33
Offenses Against the National Post Law	1	2	4	—	—	1	1	—	1	1	1	12
Offenses Against the Factory Law.. ..	—	1	—	—	—	—	—	—	—	—	—	1
Offenses Against the Law of Mining ..	—	5	—	6	—	—	—	—	—	—	2	13
Offenses Against the Law of Fishing ..	1	—	—	—	—	—	—	—	—	—	—	1
TOTAL	19,794	24,172	18,977	474	3,403	1,091	5,848	2,480	5,107	41,609	5,926	12,688

CIVIL CASES OF FIRST TRIAL CONCERNING ALIENS HANDLED BY COURTS OF THE DIFFERENT PROVINCES, 1934

Nature of Cases		Personal Relations	Buildings	Money	Land	Goods	Securities	Others	TOTAL
Cases Accepted		17	778	2,289	13	16	56	13	3,182
Parties to the Suits	Aliens As Plaintiffs	2	720	1,919	6	5	33	7	2,692
	Aliens As Defendants	2	15	111	7	2	3	4	144
	Both Plaintiffs and Defendants Being Aliens	13	43	259	—	9	20	2	346
	TOTAL	17	778	2,289	13	16	56	13	3,182
Cases Decided	Decisions	10	380	1,556	8	14	42	8	2,018
	Conciliation	1	307	319	2	2	8	1	640
	Cases Withdrawn ..	1	38	85	1	—	1	—	126
	Others	1	9	42	—	—	1	—	53
	TOTAL	13	734	2,002	11	16	52	9	2,837

CIVIL CASES OF SECOND AND THIRD TRIALS CONCERNING ALIENS HANDLED BY COURTS OF THE DIFFERENT PROVINCES, 1934

Nature of Cases		*Personal Relations*		*Buildings*		*Money*		*Land*		*Goods*		*Securities*		*Others*		TOTAL	
Grades of Trial		*2nd*	*3rd*	*2nd*	*3rd*	*2nd*	*3rd*	*2nd*	*3rd*	*2nd*	*3rd*	*2nd*	*3rd*	*2nd*	*3rd*	*2nd*	*3rd*
Number of Cases Decided		13	2	23	—	405	42	6	—	8	—	14	4	18	—	487	48
Parties to the Suits	*Aliens As Appellants* ..	1	—	6	—	74	6	4	—	3	—	2	1	7	—	97	7
	Aliens As Appellees	3	—	14	—	272	24	2	—	3	—	8	3	6	—	308	27
	Both Appellants and Appellees Being Aliens	9	2	3	—	59	12	—	—	2	—	4	—	5	—	82	14
	TOTAL	13	2	23	—	405	42	6	—	8	—	14	4	18	—	487	48
Cases Decided	*Appeals Rejected*	8	—	13	—	289	40	4	—	5	—	10	3	13	—	342	43
	Original Judgment Canceled	4	2	7	—	76	2	2	—	2	—	3	1	4	—	98	5
	Conciliation	—	—	1	—	13	—	—	—	—	—	—	—	—	—	14	—
	Appeals Withdrawn	1	—	2	—	12	—	—	—	1	—	1	—	—	—	17	—
	Others	—	—	—	—	15	—	—	—	—	—	—	—	1	—	16	—
	TOTAL ..	13	2	23	—	405	42	6	—	8	—	14	4	18	—	487	48

CRIMINAL CASES OF FIRST TRIAL CONCERNING ALIENS HANDLED BY COURTS OF THE DIFFERENT PROVINCES, 1934

Nature of Crimes	*Persons Punished*					
	Death	*Life Imprisonment*	*Imprisonment for a Term*	*Detention*	*Fine*	TOTAL
Interference with the Exercise of Public Functions	—	—	7	—	1	8
Offenses Concerning the Escape of Prisoners	—	—	1	—	—	1
Offenses Against Public Safety	—	—	2	—	—	2
Forgery of Documents and Seals	—	—	3	—	2	5
Offenses Against Marriage and the Family	—	—	1	—	—	1
Offenses Relating to Opium	—	—	2	1	6	9
Gambling	—	—	—	—	9	9
Homicide	—	—	2	—	3	5
Causing Injury	—	—	5	5	11	21
Interference with Personal Liberty ..	—	—	3	—	2	5
Offenses Against Personal Reputation and Credit	—	—	—	—	2	2
Theft	—	—	59	14	16	89
Snatching, Robbery and Piracy ..	—	—	4	—	—	4
Criminal Misappropriation	—	—	18	3	6	27
Fraud and Violation of Trust	—	—	16	5	27	48
Offenses Against Agriculture, Industry and Commerce	—	—	3	5	4	12
Receiving Stolen Property and Property Unlawfully Obtained	—	—	—	—	2	2
Mischief	—	—	—	1	5	6
TOTAL	—	—	126	34	96	256

CRIMINAL CASES OF SECOND AND THIRD TRIALS CONCERNING ALIENS HANDLED BY COURTS OF THE DIFFERENT PROVINCES, 1934

Nature of Crimes	*Grades of Trial*	*Cases Decided*	*Parties to the Suits*				*Cases Decided*				
			Aliens As Appellants	*Aliens As Appellees*	*Both Parties Being Aliens*	TOTAL	*Original Judgment Canceled*	*Appeals Rejected*	*Appeals Withdrawn*	*Others*	TOTAL
Interference with the Exercise of Public Functions	*2nd*	1	1	—	—	1	—	1	—	—	1
	3rd	—	—	—	—	—	—	—	—	—	—
Offenses Against Morality	*2nd*	1	—	—	1	1	—	—	1	—	1
	3rd	—	—	—	—	—	—	—	—	—	—
Forgery of Documents and Seals	*2nd*	2	2	—	—	2	2	—	—	—	2
	3rd	—	—	—	—	—	—	—	—	—	—
Offenses Relating to the Counterfeiting of Coins	*2nd*	1	1	—	—	1	—	1	—	—	1
	3rd	—	—	—	—	—	—	—	—	—	—
Offenses Against Agriculture, Industry and Commerce	*2nd*	4	—	3	1	4	—	4	—	—	4
	3rd	—	—	—	—	—	—	—	—	—	—
Homicide ..	*2nd*	1	—	—	1	1	—	1	—	—	1
	3rd	—	—	—	—	—	—	—	—	—	—

Causing Injury	*2nd*	8	4	2	2	8	4	3	1	—	8
	3rd	3	1	—	2	3	2	1	—	—	3
Interference with Personal Liberty	*2nd*	1	—	—	1	1	—	1	—	—	1
	3rd	—	—	—	—	—	—	—	—	—	—
Theft	*2nd*	29	19	2	8	29	14	15	—	—	29
	3rd	—	—	—	—	—	—	—	—	—	—
Snatching, Robbery and Piracy ..	*2nd*	5	3	2	—	5	4	1	—	—	5
	3rd	—	—	—	—	—	—	—	—	—	—
Offenses Against Marriage and the Family ..	*2nd*	3	2	—	1	3	1	2	—	—	3
	3rd	—	—	—	—	—	—	—	—	—	—
Criminal Misappropriation ..	*2nd*	11	3	1	7	11	5	3	2	1	11
	3rd	2	1	—	1	2	1	1	—	—	2
Fraud and Violation of Trust	*2nd*	19	6	4	9	19	6	9	3	1	19
	3rd	1	1	—	—	1	—	1	—	—	1
Offenses Against Public Safety ..	*2nd*	—	—	—	—	—	—	—	—	—	—
	3rd	1	—	1	—	1	—	1	—	—	1
Receiving Stolen Property and Property Unlawfully Obtained	*2nd*	1	1	—	—	1	1	—	—	—	1
	3rd	—	—	—	—	—	—	—	—	—	—
TOTAL	*2nd*	87	42	14	31	87	37	41	7	2	87
	3rd	7	3	1	3	7	3	4	—	—	7

IV. A SURVEY OF CHINESE PRISONS

The construction of modern prisons is being continued throughout the country and at the same time all existing prisons in the different hsien areas are being remodeled and improved. New prisons completed during the present year were the No. 7 Prison in Tunghai, Kiangsu, the No. 2 Prison at Chengchow, Honan, and the No. 1 Prison at Taian, Shantung. Several other prisons are in the course of construction. In Kiangsu and Hupeh three branch prisons have been either converted into detention houses or juvenile prisons. Including the modern prisons formerly built, there are at present 62 new prisons, 13 branch prisons, and three juvenile prisons, the total being 78 prisons. There are eight prisons accommodating over 1,000 inmates, 33 accommodating over 500 inmates and 37 accommodating less than 500 persons.

Prison Industries.—According to statistics for 1934 there were then 459 industrial workshops attached to the modern prisons and 14,770 prisoners were engaged in such undertakings. However, as the expense involved is very great such industrial work could not be further extended, with the result that large numbers of prisoners are not yet employed in this way. The Provisional Regulations Governing Prisoners Engaged in Workshops provide that those condemned to three years imprisonment may enter the workshops for industrial labor upon completion of three months in jail, provided that they observe the rules, are physically fit, and have fixed abodes and appropriate guarantors.

Of equal importance to the prison industry are the prison schools and the prison reformatories. The reformatories, with reformation of character as their aim, are under the direction of specialists, while the prison schools are under the direction of instructors. According to the statistics for 1934, 40,980 prisoners, or 49% of the total number, attended the reformatories and 23,754 prisoners, or 28% of the total, attended the prison schools. In order to raise the standard of reformatory work, the Ministry of Justice has recently raised the ranking and remuneration of prison reform workers and teachers. Those at present employed are being examined, the incompetent individuals being weeded out and the qualified ones retained and encouraged.

NEW PRISONS AND THEIR LOCATIONS

Kiangsu Province (Name and Location)	*Capacity*
Second Prison under the Ministry of Justice, Shanghai	800
First Prison, Nanking	800
First Branch Prison for Kiangpu, Kiangpu	200
Second Prison, Shanghai	1,200
Third Prison, Wuhsien	500
Third Branch Prison, Wuhsien	500
Fourth Prison, Nantung	300
Fifth Prison, Wusih	600
Sixth Prison, Chinkiang	400
Seventh Prison, Tunghai	500
Prison of Second Special District of Shanghai, Shanghai French Concession	1,000

Chekiang Province (Name and Location)	*Capacity*
First Prison, Hangchow	500
Second Prison, Chinhsien	500
Third Prison, Kashing	500
Fourth Prison, Yungkia	300
Fifth Prison, Kinhwa	500

Anhwei Province (Name and Location)	*Capacity*
First Prison, Anking	500
Second Prison, Wuhu	300
Third Prison, Fuyang	500
Third Branch Prison for Fengyang, Fengyang	300

Kiangsi Province (Name and Location)	*Capacity*
First Prison, Nanchang	300
Second Prison, Kiukiang	500

Fukien Province (Name and Location)	*Capacity*
First Prison, Foochow	300
Second Prison, Lungki	200

Shantung Province (Name and Location)	*Capacity*
First Prison, Tsinan	500
First Branch Prison for Licheng, Licheng	200
First Branch Prison for Changtsing, Changtsing	250
First Branch Prison for Tehhsien, Tehhsien	300
First Branch Prison for Changkiu, Changkiu	70
First Branch for Taian, Taian	240
Second Prison, Chefoo	500
Second Branch Prison, Weihaiwei	100
Third Prison, Tsining	500
Third Branch Prison for Tzeyang, Tzeyang	200
Third Branch Prison for Lini, Lini	250
Fourth Prison, Yitu	500
Fourth Branch Prison for Tsowping, Tsowping	200
Fourth Branch Prison for Tsingcheng, Tsingcheng	100
Fifth Prison, Tsingtao	300
Juvenile Prison, Tsinan	300

Shansi Province (Name and Location)	*Capacity*
First Prison, Taiyuan	1,000
Second Prison, Anyi	500
Third Prison, Tatung	300
Fourth Prison, Taiku	200
Fifth Prison, Fengyang	300
Sixth Prison, Changchih	500

Kwangtung Province (Name and Location)	*Capacity*
First Prison, Canton	1,000

Kwangsi Province (Name and Location)	*Capacity*
First Prison, Kweilin	700
Second Prison, Nanning	500
Third Prison, Tsangwu	500

Hunan Province (Name and Location)	*Capacity*
First Prison, Changsha	800

Hupeh Province (Name and Location)	*Capacity*
First Prison, Wuchang	500
Second Prison, Hankow	1,000
Third Prison, Ichang	500
Juvenile Prison, Wuchang	300

Honan Province (Name and Location)	*Capacity*
First Prison, Kaifeng	500
Second Prison, Chenghsien	300

Hopei Province (Name and Location)	*Capacity*
First Prison, Peiping	1,000
Second Prison, Peiping	1,000
Third Prison, Tientsin	500
Fourth Prison, Paoting	500

Shensi Province (Name and Location)	*Capacity*
First Prison, Changan	500
Second Prison, Nancheng	450
Third Prison, Yulin	200
Fourth Prison, Ankang	200
Fifth Prison, Fengsiang	200
Sixth Prison, Kienhsien	200

Kansu Province (Name and Location)	*Capacity*
First Prison, Lanchow	500
Second Prison, Wuwei	500
Third Prison, Pingliang	300

Yunnan Province (Name and Location)	*Capacity*
First Prison, Kunming	1,000

Kweichow Province (Name and Location)	*Capacity*
First Prison, Kweiyang	500
Second Prison, Chenyuan	300

Szechwan Province (Name and Location)	*Capacity*
First Prison, Chengtu	500

Ninghsia Province (Name and Location)	*Capacity*
First Prison, Ninghsia	300

Suiyuan Province (Name and Location)	*Capacity*
First Prison, Kweisui	300

Chahar Province (Name and Location)	*Capacity*
First Prison, Wanchuan	400
Juvenile Prison, Wanchuan	60

V. THE FINGERPRINT SYSTEM

Fingerprinting being a most important method in the detection and identification of criminals, it has been found necessary for the authorities to form a committee for its investigation.

In the past the fingerprint departments of the prisons and the police authorities were not well co-ordinated and the method employed was too simple and inadequate for identification purposes. In order to unify the fingerprint system throughout China the Ministry of Justice took up the matter with the Ministry of the Interior in March, 1936, and jointly formed the Committee for the Investigation of Fingerprints. The work undertaken was divided into three terms, each term lasting three months. During the first term the different kinds of fingerprint were investigated, during the second term the prominent ones were classified, and during the third period, based upon the results of the studies on the first two periods, the rules governing fingerprints were issued. These were completed as scheduled and the new rules came in force in April, 1937, in all provincial prisons; they are expected to come into force in all district prisons by January, 1938. With regard to the method of taking fingerprints and filing them, the Ministry of Justice plans to summon to the ministry for training all reserve warders of the new prisons as well as a clerk from each provincial high court. When the term of training is over these clerks will return to their provinces to conduct training classes for the district prison clerks at the high courts.

VI. REVISION AND PROMULGATION OF CIVIL AND CRIMINAL LAWS AND UNIFIED INTERPRETATION OF LAWS AND ORDINANCES

The Chinese Civil Code, the new Code of Civil Procedure and the Bankruptcy Law have been made public and put into effect. The Law of Compulsory Execution previously submitted to the Legislative Yuan for passing is being retained by the yuan for re-examination and revision. The Law of Drawing and Deposit was put into effect in January, 1937.

Commercial laws and ordinances such as the Trade Mark Law, the Company Law, the Maritime Law and the Commercial Law have been made public and put into effect. The Insurance Law, made public in December, 1929, was not enforced, but in January, 1937, the Insurance Law and the Law Governing the Insurance Business were revised in full, made public and enforced.

The new Criminal Code and the new Code of Criminal Procedure have both been made public and enforced. The Provisional Procedure Regarding the Trial of Bandits during the Bandit Suppression Period having expired in August, 1936, the Provisional Procedure Governing the Punishment of Bandits was enacted in its place. Aside from these, the codes and procedures made public and enforced include the Supplementary Regulations Governing the Procedure of Hsien Judicial Councils, the Provisional Regulations Governing the Re-trial of Criminal Cases at the Hsien Judicial Councils, made public in June, 1936, and the Regulations Governing the Transfer of Judicial Police issued in August of the same year.

During 1936 the Judicial Yuan issued interpretations of laws and ordinances as follows: 99 cases concerning criminal law and ordinances, 104 cases concerning civil and commercial law and 45 cases concerning administrative law and ordinances. The total was 248 cases and, together with previous interpretations, 1,679 cases.

VII. EXAMINATION, TRAINING AND APPOINTMENT OF JUDICIAL OFFICERS

Examination.—In October, 1936, the National Government held provisional high examinations. Thirty-three candidates who passed the preliminary examination for judicial officers were sent to the different courts for training. Since 1926, 815 men have passed the examinations for judicial officers. Those who had passed the preliminary examinations for judicial officers in November, 1935 and whose period of training had expired were required to sit for a final examination in April, 1937, in order to qualify as reserve judicial officers. Since the establishment of hsien judicial councils the judicial member has become known as the judge. In June, 1936, the Regulations Governing the Examination for Judge of the Hsien Judicial Council were made public. In December, 1936, 13 men passed the examinations for prison officers and they have now been distributed to the various prisons for training.

Training.—The term of training in the Institute for the Training of Judicial Officers is limited to one month and so far there have been four classes of graduates. Since November, 1936 the present judicial officers in the different provinces have been enrolled by turn in the Institute where they have been given new ideas and a new spirit. Of the three classes already graduated the first class consisted of 100 men, the second class of 97 and the third class of 104. This training is being continued. The training of medical doctors is in the charge of the Institute of Medical Jurisprudence. Two classes of medical doctors have already graduated and the third class is under training but the number of medical doctors is as yet insufficient to meet requirements. Beginning with 1937, the medical work in connection with judicial affairs will be greatly extended and it is planned to train 100 medical doctors and 300 coroners annually. Only one class of

coroners has graduated so far. The posts of prison warders being important, it is proposed to form Prison Warder Training Institutes to be attached to the prisons in five cities: Nanking, Shanghai, Hankow, Tsinan and Peiping. Prisons in other provinces will be provided with similar institutes in time.

Appointment.—Unless specially provided for, the procedure for the appointment of judicial officers and the determination of their qualifications is in accordance with the Regulations Governing the Appointment of Civil Servants. Special regulations recently made public were the Regulations Governing the Temporary Reservation of Judicial Officers, the Regulations Governing the Training of Judges of Hsien Judicial Councils and the Regulations Governing the Appointment of Clerks to the Hsien Judicial Councils. The salaries of judicial officers were previously governed by the provisional Regulations Governing the Salaries of Judicial Officers, Clerks and Prison Staffs, but they have since been raised and are now in accordance with those of the executive officers. The previous regulations have been annulled and the new regulations, together with a table showing the salary scale of judges and other judicial officers, were made public in March, 1937. The salaries of the judge and procurator of the district court have reached the maximum of $400 per month according to the new rule and are equivalent to those of the High Court.

The Judicial Yuan, according to the Regulations Governing the Supervision of Law Colleges, has authorized the issue of record certificates to law graduates. In 1936 some 139 graduates received such certificates, and together with previous issues, a total of 294 certificates have been granted.

VIII. GENERAL SURVEY OF BAR ASSOCIATIONS

Lawyers practising law are limited to localities where duly organized courts are established, but in localities where hsien judicial councils are found they may practise their profession in accordance with special regulations issued for that purpose. It is required that lawyers should organize bar associations in localities where they desire to pursue their professions, as lawyers who are not members of bar associations and not registered with the high courts are debarred from practice. In case the number of lawyers in a locality is not sufficiently large for the organization of a bar association they may join the nearest association. The bar association is subject to the supervision of the court within whose jurisdiction it is established and it is required that the proposed regulations of the association be submitted to the Ministry of Justice for approval. All provinces are provided with bar associations except Ninghsia, Chinghai and Sinkiang, and there are at present 125 bar associations, the majority of which are in the provinces of Chekiang, Shantung and Kiangsu. In 1936 the reports from the provinces indicated that the total number of lawyers registered during the year was 640, of whom five were of foreign nationality, showing an increase of 496 persons in the legal profession, less 144 disbarred lawyers. The quota from Kiangsu province was the largest.

BAR ASSOCIATIONS

Kiangsu	*Location*
Capital Bar Association	Nanking
Shanghai Bar Association	Shanghai
Wuhsien Bar Association	Wuhsien
Chinkiang Bar Association	Chinkiang
Kiangtu Bar Association	Kiangtu
Sungkiang Bar Association	Sungkiang

Nantung Bar Association	Nantung
Wusih Bar Association	Wusih
Tungshan Bar Association	Tungshan
Wuchin Bar Association	Wuchin
Hwaiyin Bar Association	Hwaiyin
Jukao Bar Association	Jukao
Changshu Bar Association	Changshu

Chekiang	*Location*
Hanghsien Bar Association	Hangchow
Kiangshan Bar Association	Kiangshan
Kinhwa Bar Association	Kinhwa
Yungkia Bar Association	Yungkia
Chinhsien Bar Association	Chinhsien
Wuhsin Bar Association	Wuhsin
Juian Bar Association	Juian
Wenling Bar Association	Wenling
Hwangyen Bar Association	Hwangyen
Chuhsien Bar Association	Chuhsien
Shaoshing Bar Association	Shaoshing
Siaoshan Bar Association	Siaoshan
Linhai Bar Association	Linhai
Chuki Bar Association	Chuki

Anhwei	*Location*
Wuhu Bar Association	Wuhu
Hwaining Bar Association	Anking
Hofei Bar Association	Hofei
Fuyang Bar Association	Fuyang
Fenghwai Bar Association	Fenghwai
Tungcheng Bar Association	Tungcheng

Kiangsi	*Location*
Nanchang Bar Association	Nanchang
Kanhsien Bar Association	Kanhsien
Kian Bar Association	Kian
Shangjao Bar Association	Shangjao
Linchwan Bar Association	Linchwan
Pinghsiang Bar Association	Pinghsiang
Kiukiang Bar Association	Kiukiang
Poyang Bar Association	Poyang
Hokow Bar Association	Hokow
Nankang Bar Association	Nankang

Hupeh	*Location*
Hankow Bar Association	Hankow
Shasi Bar Association	Shasi
Hwangkan Bar Association	Hwangkan
Wuchang Bar Association	Wuchang
Ichang Bar Association	Ichang
Wusueh Bar Association	Wusueh
Hsiangyang Bar Association	Hsiangyang
Hwangpei Bar Association	Hwangpei
Hsiaokan Bar Association	Hsiaokan
Suihsien Bar Association	Suihsien

Hunan	*Location*
Changsha Bar Association	Changsha
Shaoyang Bar Association	Shaoyang
Kweiyang Bar Association	Kweiyang
Yuanlin Bar Association	Yuanlin
Hengyang Bar Association	Hengyang
Hsiangtan Bar Association	Hsiangtan
Changteh Bar Association	Changteh
Lihsien Bar Association	Lihsien

Honan	*Location*
Kaifeng Bar Association	Kaifeng
Sinyang Bar Association	Sinyang
Loyang Bar Association	Loyang
Anyang Bar Association	Anyang
Chenghsien Bar Association	Chenghsien

Hopei	*Location*
Tientsin Bar Association	Tientsin
Peiping Bar Association	Peiping
Tangshan Bar Association	Tangshan
Shihmen Bar Association	Shihmen
Hokien Bar Association	Hokien
Yungnien Bar Association	Yungnien
Paoting Bar Association	Paoting
Taming Bar Association	Taming
Tinghsien Bar Association	Tinghsien
Lwanhsien Bar Association	Lwanhsien

Szechwan	*Location*
Chungking Bar Association	Chungking
Chengtu Bar Association	Chengtu
Tzekung Bar Association	Tzekung
Wanhsien Bar Association	Wanhsien
Luhsien Bar Association	Luhsien

Kwangtung	*Location*
Canton Bar Association	Canton
Kiungshan Bar Association	Kiungshan
Toishan Bar Association	Toishan
Mowming Bar Association	Mowming
Swatow Bar Association	Swatow
Chungshan Bar Association	Chungshan
Kukong Bar Association	Kukong

Kwangsi	*Location*
Kweilin Bar Association	Kweilin
Liuchow Bar Association	Liuchow
Yulin Bar Association	Yulin
Tsangwu Bar Association	Tsangwu
Yunglin Bar Association	Yunglin

Fukien	*Location*
Kienow Bar Association	Kienow
Minhow Bar Association	Foochow
Chinkiang Bar Association	Chinkiang
Lungki Bar Association	Lungki
Fuching Bar Association	Fuching
Nanan Bar Association	Nanan
Huian Bar Association	Huian
Tungan Bar Association	Tungan
Amoy Bar Association	Amoy
Putien Bar Association	Putien

Shantung	*Location*
Tsinan Bar Association	Tsinan
Taian Bar Association	Taian
Tsingtao Bar Association	Tsingtao
Tsining Bar Association	Tsining
Fushan Bar Association	Chefoo
Weihai Bar Association	Weihai
Tehhsien Bar Association	Tehhsien
Weihsien Bar Association	Weihsien
Lini Bar Association	Lini
Kaomi Bar Association	Kaomi
Ankiu Bar Association	Ankiu
Kiaohsien Bar Association	Kiaohsien
Changkiu Bar Association	Changkiu

Shansi	*Location*
Laiyuan Bar Association	Taiyuan
Hotung Bar Association	Anyi
Tatung Bar Association	Tatung

Suiyuan	*Location*
Kweisui Bar Association	Kweisui

Kweichow	*Location*
Kweiyang Bar Association	Kweiyang

Shensi	*Location*
Changan Bar Association	Changan

Yunnan	*Location*
Kunming Bar Association	Kunming

Chahar	*Location*
Wanchwan Bar Association	Wanchwan

Kansu	*Location*
Kaonan Bar Association	Nanchow

IX. ADMINISTRATIVE COURT AND THE DISCIPLINARY PUNISHMENT OF CIVIL OFFICERS

The Code of Administrative Procedure and the Code of Administrative Appeal were simultaneously revised and made public in January, 1937. Four important amendments were: (1) those not satisfied with the administration of the hsien or municipal government may file their complaint with the provincial government; (2) those not satisfied with the administration of any of the five yuan of the National Government or other departments directly under its control may file their complaint with that department and if not satisfied with the decision they may bring administrative proceedings against that organ—this special amendment was not provided for in the old codes; (3) the parties that may be made defendants in administrative proceedings are those organs who reject the appeal and those who either cancel or modify the first decisions; (4) the Administrative Court may order any third party whose interests are involved to participate in the proceedings and those who thus take part are considered to be a party to the litigation.

During 1936 the Administrative Court handled 206 administrative cases, 200 of which have been settled. Among the judgments rendered, 39 dealt with the cancelation or modification of the original decisions, while the number of rejected cases was 37.

During 1936 the Commissions for the Disciplinary Punishment of Civil Officers for the Central Government, and for Kiangsu and other provinces tried 210 cases. Among the defendants 223 were punished, 34 exempted from disciplinary punishment and 29, being criminal suspects, were handed over to the judicial courts.

NUMBER OF LAWYERS REGISTERED IN 1936

Provinces	*Number of Registrations*	*Registrations Canceled*	*Remarks*
Kiangsu	221	43	5 aliens
Chekiang	67	34	
Anhwei	23	3	
Kiangsi	28	2	
Fukien	9	0	
Hunan	23	5	
Hupeh	41	13	
Shantung	47	20	
Shansi	6	2	
Honan	23	8	
Hopei	81	9	
Shensi	8	1	
Kansu	4	1	
Szechwan	40	1	
Suiyuan	2	0	
Yunnan	2	0	
Kwangtung	13	1	
Chahar	2	1	
TOTAL	640	144	

CASES HANDLED BY THE ADMINISTRATIVE COURT, 1936

Items			Petitions Due to Unsatisfactory Decisions Made by Government Office	Petitions Due to Government Office Failing to Make Decisions	Cases That Are Not Acceptable to Administrative Court, or That Are Not in Accordance with the Procedure	Cases of Demand	Cases for New Trial	Total
Cases Accepted			113	6	42	31	14	206
Cases Decided	Decisions	Original Decisions Abolished or Changed ..	39	—	—	—	—	39
		Petitions Rejected	37	—	—	—	—	37
	Ruling		14	5	39	34	11	103
	Withdrawn		4	—	—	—	—	4
	Others		—	—	6	8	3	17
	TOTAL		94	5	45	42	14	200

CASES HANDLED BY THE COMMISSIONS FOR THE DISCIPLINARY PUNISHMENT OF OFFICIALS, 1936

Commission	Cases Accepted	Number of Officials Penalized	Number of Officials Not Penalized	Number of Officials Tried by Courts Under Criminal Suspicion
Central Commission ..	158	183	24	18
Kiangsu	11	6	6	—
Chekiang	8	8	—	—
Anhwei	5	8	—	—
Hunan	7	4	3	1
Hupeh	11	7	—	—
Kiangsi	1	1	—	—
Shantung	1	1	—	—
Honan	2	2	—	—
Hopei	5	2	1	3
Kansu	1	1	—	—
TOTAL	210	223	34	29

CONTROL YUAN

E. C. TANG (湯吉禾)

I. INTRODUCTION

The Control Yuan, entrusted with the power of supervising all government officials vis-à-vis the executive, legislative, judicial and examination branches of the government, is a unique institution only to be found in China. It was established in accordance with the teachings of the late Dr. Sun Yat-sen, father of the Chinese Republic. Article 19 of Dr. Sun's "Outline of National Reconstruction" provides that "at the beginning of the period of constitutional government the Central Government shall complete the organization of the five Yuan, which shall exercise the five constitutional powers; namely, the Executive Yuan, the Legislative Yuan, the Judicial Yuan, the Examination Yuan, and the Control Yuan." Dr. Sun agreed with Montesquieu that "every man who attains power is prone to abuse it," and that "if power is not to be abused, it is necessary, in the nature of things, that power be made a check to power." But, while he agreed with Montesquieu's judgment on human nature, he lived late enough to see the defects of the practice of Montesquieu's theory. The party politics which have haunted the legislatures of Western countries, where Montesquieu's idea of the separation of powers has been adopted in one form or another, have reduced to nothing, in some cases, legislative control over the administrative branch of the government. And what has been left to judicial control, if any, has oftentimes turned out to be the cause of deadlocks. So, if a useful and effective check to the administration is to be provided, it must be independent from both the legislative and judicial branches of the government. The Control Yuan, as advocated by Dr. Sun, is of this nature.

But Dr. Sun had another reason for advocating the establishment of a control yuan in China. For thousands of years, China had had the Censorate, whose chief duty was to supervise all government officials in the interest of state. While at times it turned out to be only a watchdog of selfish rulers, as a whole it had played a useful rôle in the Chinese body politic for nearly thirty centuries. When Dr. Sun proposed the establishment of a control yuan, he knew that he was only putting new life into an old institution of proven worth.

II. HISTORY

Space does not allow us to survey in detail the development of the censorial institution in old China. It suffices to say that it dates as far back as the Chou Dynasty (1012–225 B.C.) and that the general foundation of its organization was properly laid in the Tsin (255–206 B.C.) and Han (206 B.C.—219 A.D.) Dynasties. Throughout Chinese history it had survived all the changes and chances of dynastic revolutions and maintained a continuous existence up to the Revolution of 1911.

In the early years of the Republic several measures were adopted for the control of government officials and finance. In September, 1912 a *Shen Chi Yuan*, or Bureau of Audit, was established under the cabinet of the Peking Government, with branches in various provinces for the auditing of government accounts. Two years later, a *Ping Cheng Yuan*, or Administrative Tribunal, was instituted with a *Su Cheng Ting*, or Administrative Supervisorate attached to it. The *Su Cheng Ting* was entrusted with

the power of initiating administrative lawsuits and impeachments against delinquent officials, and the *Ping Cheng Yuan* was the organ for adjudicating these cases. Both of them were directly subordinate to the president. While these organs had some of the functions of the present Control Yuan, they were by no means the kind of control institutions contemplated by Dr. Sun. For, in the first place, they were subordinate either to the cabinet or to the president who headed the executive branch of the government and consequently they were not fully independent. Secondly, there was no co-ordination between the auditing power of *Shen Chi Yuan* and the impeaching power of *Su Cheng Ting*. The gap between the two often gave rise to duplication of work and shifting of responsibility.

It was not until 1925 when the Nationalist Government was established at Canton in accordance with Dr. Sun's political principles that the Control Yuan really came to being. The first Control Yuan was formally inaugurated in Canton on August 1, 1925, with five commissioners, who collectively formed the highest authority of the Yuan. Under the commissioners were five bureaus (later reduced to three), each headed by a commissioner. Each bureau was divided again into two sections. The duty of these bureaus was to transact routine business of the Yuan, while all matters of importance were to be decided upon in the meetings of the commissioners. When the Yuan was first established, a special tribunal, the *Chin Li Yuan*, was also instituted for the adjudicating of impeachments, but it was soon abolished and a commission of three was created in its place, subordinate to the Control Yuan.

The first Control Yuan had a range of powers far surpassing that of its predecessors under the Peking Government. It had the power to impeach, arrest and punish public officials of all kinds and of all grades, to audit all government accounts, to adjudicate all administrative litigations, to investigate any administrative matter when necessary and to conduct civil service examinations. Its powers, in fact, were even wider than those of the present Control Yuan, as it also exercised some of the authority residing in the present Examination and Judicial Yuan.

In 1927, when the Northern Expedition was in full swing and all of the prominent leaders of the Kuomintang were busily engaged in military activities, the Control Yuan temporarily suspended its function. When, in 1928, the expedition was brought to a successful end and the national capital moved to Nanking, an attempt was made to re-establish the Control Yuan as one of the five Yuan (Executive, Legislative, Judicial, Examination and Control) of the newly-organized National Government. Messrs. Tsai Yuan-pei and Chen Ko-fu were appointed respectively president and vice-president of the Control Yuan. A preparatory office for the organization of the Control Yuan was established, and laws, orders and regulations concerning the control system were promulgated. By a decision reached at the Fourth Plenary Session of the Kuomintang in November 1930, the *Shen Chi Yuan* or Bureau of Audit, was established, with Mr. Yu Yu-jen as president, to exercise the power of auditing government accounts. One year later the present Control Yuan was formally inaugurated also with Mr. Yu Yu-jen as president. The former *Shen Chi Yuan* was made a *Shen Chi Pu*, or Ministry of Audit, subordinate to the Control Yuan.

III. ORGANIZATION, FUNCTIONS AND PROCEDURE

According to the Law Governing the Organization of the Control Yuan, the Control Yuan consists of one president, one vice-president, from 29 to 49 supervisory members and a Ministry of Audit. The supervisory members are entrusted with the power of impeachment and the Ministry of Audit with the power of auditing. For the transaction of routine business

there are in the Control Yuan a secretariat with one secretary-general, from six to ten secretaries, four sections, six sub-sections, two special sub-sections and six investigators, and a board of from four to six councillors. For the convenience of supervision, the country is divided into 16 supervisory districts, each stationed with a supervisory commissioner. These districts are: Kiangsu; Anhwei and Kiangsi; Fukien and Chekiang; Hunan and Hupeh; Kwangtung and Kwangsi; Hopei; Honan and Shantung; Shansi and Shensi; Liaoning, Kirin and Heilungkiang; Yunnan and Kweichow; Szechwan; Jehol, Chahar and Suiyuan; Kansu, Ninghsia and Chinghai; Sinkiang; Sikang and Tibet; and Mongolia.

According to the Law of Impeachment, supervisory members and commissioners may individually or jointly submit to the Control Yuan an impeachment in writing against any public official for breach of law or neglect of duty. They must base their impeachment on verified facts brought to their knowledge from one of these three sources:

1. Complaints Directly from the People.—According to article 13 of the Law of Impeachment, any person or organization may send to the Control Yuan a written complaint, duly signed by the person or legal representative of the organization concerned, against any public official. Upon receiving the complaint the Yuan will appoint three supervisory members to proceed with the investigation of the case. The three supervisory members may do all of the investigation themselves or may request, in the name of the Yuan, some other government organ to do the work in their stead. In cases of importance or of nearby localities, the first procedure is usually followed.

2. Complaints from Other Government Organs.—According to Order 492 of the National Government, July 17, 1934, complaints from any government organ against any public official may be sent to the Control Yuan in the name of the highest official of the respective Yuan, Ministry, Commission or local government. After receiving the complaint, the President of the Control Yuan will appoint three supervisory members to investigate and to decide whether or not the impeachment should be made. To drop a case of this nature a unanimous vote of the three members is required. In other words, if only one of the three members holds that the case must be impeached, the impeachment shall be proposed even though the two other members dissent.

3. Observation of the Supervisory Members.—After the initiation of the impeachment by one or several members, the case is to be submitted to three other members for further study. If the three members endorse it, the case will be transmitted to the proper disciplinary organ for punishment. If, however, the opinion of the three members is at variance, while the initiating member or members still upholds the case, then it will be referred by the president of the Yuan to another five members for consideration and their decision will be final.

There are different disciplinary organs with different grades of impeached officials as follows:

Disciplinary Organs	*Impeached Officials*
1. Central Supervisory Committee of Kuomintang	Elective Officials and Members of the Control Yuan
2. Disciplinary Commission for Political Officials	Political Officials
3. Central Disciplinary Commission for Public Functionaries	Administrative Officials of the Central Government and Officials of the Local Governments of or above the "Recommended" Rank
4. Disciplinary Commission of Various Provinces or Municipalities	Local Officials Below the "Recommended" Rank

5. Disciplinary Commission for Higher Military Officials	Military Officials of or Above the Rank of Major-General
6. Ministry of Military Affairs or Ministry of Navy	Military Officials of or Below the Rank of Colonel

The *Ping Jen* (聘任) Officials, or officials irregularly engaged in government service, will be treated as regular civil servants in the application of disciplinary measures. Those engaged in the service of the Central Government will be under the jurisdiction of the Central Disciplinary Commission for Public Functionaries and those in the local governments will be under various local disciplinary commissions. Administrative officials in the military organs will be disciplined by the Central Disciplinary Commission for Public Functionaries when they are impeached. If the impeached official should hold more than one office, punishment would be made by the disciplinary organ which had jurisdiction over the office where his allegedly illegal action was committed.

Among other duties of the supervisory members and commissioners, mention may be made of their power of investigation. The more important investigations which the Control Yuan has made so far have included investigation of the abolition of Likin in 1931 and investigation of flood situations in 1931 and 1935. The supervision of civil service examinations also is one of the chief duties of the supervisory members.

For the protection of the supervisory members and commissioners from unjustified interference in the exercise of their duties, a number of safeguards are provided. According to the Law Governing the Safeguards for the Supervisory Members, they shall not be fined or dismissed from office except when (1) dismissed from the Kuomintang, (2) convicted of criminal offenses, (3) interdicted from holding properties, or (4) punished by a disciplinary organ for breach of law or neglect of duty. Moreover, they shall not be arrested or detained without the approval of the Control Yuan except when apprehended *flagrante delicto*. Furthermore, they shall not be charged with neglect of duty except when proved (1) to have received bribes, (2) to have purposely failed to impeach officials who ought to have been impeached and (3) to have knowingly proposed impeachment on false grounds.

Article 5 of the Law Governing the Organization of the Control Yuan provides that the Ministry of Audit is (1) to see that all government organs make budgetary estimates of their revenues and expenditures, (2) to audit the budgetary estimates and accounts of all the government organs, (3) to examine and approve warrants for disbursements, and (4) to watch and check illegal and dishonest practices of government organs and officials in connection with financial matters. To carry out these functions, the Law Governing the Organization of the Ministry of Audit provides that it shall have one minister, one political vice-minister, one administrative vice-minister, nine to twelve auditors, twelve to sixteen associate auditors and eight to ten inspectors. In addition to a Department of General Affairs which is to take charge of the secretarial work and administrative routine of the Ministry, there are three other departments, each headed by one auditor. The First Department is responsible for pre-auditing, the Second Department for post-auditing and the Third Department for inspection and investigation. For convenience in auditing the estimates and accounts of the local governments, the Ministry is authorized by law to establish audit bureaus and audit offices in

various localities (Article 17 of the Amended Law Governing the Organization of the Ministry of Audit). The Audit Bureau is headed by an auditor and the Audit Office, smaller in scale, has an associate auditor as its chief. Up to the time of writing, ten such bureaus have been established respectively in Kiangsu, Fukien, Szechwan, Chekiang, Hupeh, Honan, Shensi, Kiangsi, Kwangtung and Shanghai. Audit offices have also been established in connection with the Tientsin-Pukow, Peiping-Hankow, Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railways.

According to the Law of Audit and the Rules Governing the Enforcement of the Audit Law, the auditing power of the Ministry of Audit is of two kinds: pre-auditing and post-auditing. Pre-auditing includes the auditing of (1) annual revenue allotment statements, (2) monthly revenue allotment statements, (3) reports of revenue payments, (4) monthly expenditure allotment statements, (5) monthly statements of expenditure and (6) warrants of payment. Post-auditing includes examination of accounts of all government organs. In the nature of things, most of the auditing is done by examining the statements, reports and warrants submitted by the various organs. Only in cases of doubt will inspectors be sent for verification and auditing may be done on the spot only in remote localities.

Supplementary to its auditing power, the Ministry is entrusted also with the function of supervising, inspecting and investigating various financial activities of the government. This includes: (1) supervision of the payment of government debt, (2) inspection of government purchases and public constructions, (3) investigation of cash in custody of the government treasury, public properties, and commodity prices and (4) any work of supervision, inspection or investigation assigned by the Ministry.

To safeguard the Ministry of Audit in the exercise of its powers, Article 19 of the Law Governing the Organization of the Ministry of Audit provides that "the auditors, associate auditors and inspectors shall not be suspended or dismissed from office except when convicted of criminal offenses or punished by a disciplinary organ."

IV. ACCOMPLISHMENTS

After this general survey of the organization and functions of the Control Yuan, we may now proceed to study what it has actually accomplished during the seven years of its existence. In so doing we are fully aware that for an institution so dominated by the human equation as the Control Yuan, any evaluation of its work has to go deeper than the quantity of business transacted. The quality of its work has to be taken into account. Besides, the circumstances under which the supervisory officers worked, with all the favorable factors and unavoidable obstacles involved, must not be ignored. These intangible qualities and factors can neither be completely gathered nor accurately measured. With a candid recognition of these insurmountable shortcomings the following survey has been made, more as an index to than as a picture of the accomplishment of the Control Yuan for the years 1931–37.

For convenience of treatment, let us deal with the impeaching work of the supervisory members and commissioners and the auditing work of the Ministry of Audit separately. According to data obtained from the Statistical Section of the Control Yuan the number of impeachments from March 1931, to March 1937, was as follows:

TABLE 1. NUMBER OF IMPEACHMENTS, 1931 (MARCH-DECEMBER)—1937 (JANUARY-MARCH)

Year	*No. of Impeach-ments*	*No. of Officials Involved*	*Reasons for Impeachments*		
			Breach of Law	*Neglect of Duty*	*Other Mis-conducts*
1931 (March-December)	78	106	77	18	11
1932	76	127	88	35	4
1933	144	252	179	69	4
1934	132	257	184	68	5
1935	149	256	179	76	1
1936	229	374	304	68	2
1937 (January-March)	44	88	63	24	1
TOTAL	852	1,460	1,070	358	23

It is impossible to tell just what proportion of the total number of actual cases of official corruption and misconduct during the years under survey is represented by these figures. Perhaps the percentage is very low. Nevertheless, it is clear that, generally speaking, the number of impeachments is increasing year by year. Any one familiar with the progress of Chinese politics in the last seven years can readily discern that there has been a marked tendency towards greater efficiency and better discipline in Chinese officialdom. This being the case, it may be fairly safe to conclude that the increasing number of impeachments means not so much an increase of misconduct on the part of the officials as a more frequent exercise of the powers of the Control Yuan. In other words, it means that the Yuan has functioned more actively with the progress of time.

The extent of the censorial power of the Control Yuan may also be gauged from the rank of the officials impeached. As President Yu Yu-jen rightly said, "there is a world of difference between the supervision of lions and tigers and that of flies and mosquitoes." An impeachment against an official of first importance would bring more to the credit of the Control Yuan than impeachments against dozens of insignificant clerks. According to the present regulations for the civil service, government officials are divided into four grades: (1) "special" appointments—heads of various ministries, ambassadors to foreign countries, etc., (2) "selected" appointments—vice-ministers of various ministries, chairmen of provincial governments, etc., (3) "recommended" appointments—district magistrates, judges of district courts, etc., and (4) "delegated" appointments—clerks, etc. In addition to these, there are also the "elected" appointments, i. e., officials who are elected by the Central Executive Committee of the Kuomintang, like the president of the National Government and the presidents and vice-presidents of the five yuan. From March 1931 to March 1937, the number of impeached officials, classified according to their ranks, was as follows:

TABLE 2. IMPEACHED OFFICIALS CLASSIFIED ACCORDING TO OFFICIAL RANKS

Year	*"Elected" Appointments*	*"Special" Appointments*	*"Selected" Appointments*	*Below "Recommended" Appointments*	*Military Appointments*	*Total*
1931 (Mar.-Dec.) ..	—	4	21	76	5	106
1932	1	5	12	102	7	127
1933	—	4	44	202	2	252
1934	—	2	17	228	10	257
1935	—	—	20	233	3	256
1936	—	1	8	346	19	374
1937 (Jan.-Mar.) ..	—	—	2	82	4	88
TOTAL	1	16	124	1,269	50	—

It may be noticed from the above table that of all the officials impeached, the most numerous are those belonging to or below the class of "recommended" appointment. Following in order are those in the rank of "selected" appointment. The number of "elected" officials impeached is the smallest. In view of the fact that lower offices in the government far outnumber the higher ones, this difference in the number of impeachments of the various classes of officials is only natural. When it is noted that the sixteen impeachments against officials of the "special" appointment class and the one against an official of the "elected" appointment class include the cases of many influential national leaders, we cannot but be impressed with the fearless spirit of the supervisory members. It is true that in several of these important impeachments some of the charges have been characterized by the decisions of the respective disciplinary organs as unjustified; nevertheless, without going into the merits of these cases, their very occurrence bears no little testimony to the stubborn fact that the Control Yuan has faithfully done its duty.

The Control Yuan would have accomplished little if its impeachments were made in respect only of trivial affairs of the government. In order to get a general idea of the contents of the impeachments, it may be of value to classify the various impeachments according to the general nature of the offices of the impeached officials. They are as follows:

TABLE 3. IMPEACHMENTS CLASSIFIED ACCORDING TO THE NATURE OF THE OFFICES OF THE IMPEACHED OFFICIALS

	1931 (March-December)	*1932*	*1933*	*1934*	*1935*	*1936*	*1937 (January-March)*
Administrative ..	52	55	116	108	116	172	44
Judicial	9	15	39	43	47	61	15
Financial	21	18	24	34	21	58	9
Police	4	2	30	34	23	28	2
Military	4	17	20	21	21	19	4
Construction ..	8	2	5	5	19	6	3
Educational ..	1	6	4	6	3	9	0
Communication ..	1	3	7	6	0	13	5
Famine Relief ..	1	7	4	0	2	6	0
Control	0	0	1	0	4	0	0
Diplomatic	3	0	1	0	0	1	3
Legislative	1	0	0	0	0	0	0
Examination ..	0	0	1	0	0	0	0
Opium Suppression	0	0	0	0	0	1	3
Unclassified ..	1	2	0	0	0	0	0
TOTAL	106	127	252	257	256	374	88

TABLE 4. GEOGRAPHICAL DISTRIBUTION OF THE IMPEACHED OFFICIALS

	1931 (March-December)	*1932*	*1933*	*1934*	*1935*	*1936*	*1937 (January-March)*
Central Government	11	5	8	6	6	5	3
Kiangsu	17	18	51	65	30	38	6
Hopei	4	7	32	49	44	26	11
Honan	7	18	21	37	27	31	3
Anhwei	14	24	27	15	28	23	—
Chekiang	16	7	19	16	30	16	—
Kiangsi	3	17	9	13	10	9	2
Hupeh	5	3	13	8	21	36	27
Hunan	8	3	15	4	12	62	11
Nanking	1	1	9	20	2	4	—
Kansu	1	3	13	5	9	34	2
Fukien	6	9	3	1	8	14	17
Shanghai	—	6	5	3	9	13	6
Shansi	3	—	7	1	10	8	—
Peiping	1	1	9	9	—	8	—
Tientsin	—	—	—	—	1	1	—
Shantung	4	1	2	5	4	14	—
Shensi	—	3	—	—	3	16	—
Suiyuan	—	—	—	—	1	3	—
Jehol	—	—	4	—	1	—	—
Chahar	—	—	—	—	1	—	—
Szechwan ..	2	—	2	—	—	4	—
Kweichow	—	—	—	—	—	4	—
Yunnan	1	—	1	—	—	2	—
Kirin	2	—	—	—	—	—	—
Heilungkiang ..	—	1	—	—	—	—	—
Kwangtung ..	—	—	1	—	—	—	—
Chinghai	—	—	—	—	—	3	—
Sinkiang	—	—	1	—	—	—	—
TOTAL	106	127	252	257	256	374	88

Of the fourteen kinds of impeachment in Table 3, those of an administrative nature stand the highest. Next come the judicial and financial impeachments. Following in line are impeachments on police, military, construction, communication, educational, famine relief, control, diplomatic, opium suppression, legislative and examination activities of the government. This order is only too natural. The first six kinds of government activity concern the interests of the people more directly and the nature of the activities usually offers more opportunity for corruption and other illegal practices than the rest of the items listed. In paying more attention to these kinds of governmental activity, the Control Yuan has well exercised its sense of proportion. Nor should the five impeachments against the officials of the Control Yuan itself be ignored. The Control Yuan, while keeping a watchful eye upon others, has not failed to supervise the conduct of its own members.

But to what extent has the Control Yuan been able to exercise its august power of supervision in the wide territory of China? An answer to this may be found, perhaps, by looking at the geographical distribution of the impeached cases. Table 4 shows the number of impeached officials classified according to the provinces or municipalities where the alleged misdemeanor took place.

From Table 4 one general conclusion may be drawn—in provinces such as Kiangsu, Chekiang, Anhwei, Honan, etc. which are near the Central Government or to which the authority of the Central Government can effectively be extended, the supervisory power of the Control Yuan has been more frequently exercised. Conversely, in the outer provinces, the extent

of supervision by the Control Yuan has been relatively insignificant.

Let us now come to an appraisal of the auditing work of the Ministry of Audit. This may best be done by comparing with the National budget of the corresponding year the various amounts audited by the Ministry. According to figures kindly furnished by the Statistical Section of the Ministry of Audit, the totals of revenues, expenditures and funds covered by warrants audited by the Ministry from 1928 to March 1937, are as follows:

TABLE 5. TOTAL REVENUES COVERED BY REPORTS AUDITED BY THE MINISTRY OF AUDIT

Fiscal Year	*Amount Audited*	*National Budget*	*Approximate Percentage (Relating to National Budget)*
1928	$ 3,369,305.01	——	——
1929	15,902,190.31	$593,927,567.00	3%
1930	19,177,505.50	706,219,865.00	3%
1931	39,994,558.74	893,335,073.00	5%
1932	86,482,812.22	692,503,463.00	13%
1933	378,122,298.377	680,415,589.00	56%
1934	827,557,149.027	918,111,034.00	90%
1935	640,951,947.49	957,154,006.00	67%
1936	136,352,605.96	990,658,450.00	15%

TABLE 6. TOTAL EXPENDITURES APPROVED AND DISAPPROVED BY THE MINISTRY OF AUDIT

Fiscal Year	*Amount Approved*	*Approximate Percentage Relating to National Budget*	*Amount Disapproved*	*Approximate Percentage Relating to National Budget*	*National Budget*
1928	$ 39,667,737.280	—	$ 63,276.315	—	—
1929	57,166,170.030	9%	137,468.910	.02%	$593,927,567
1930	86,055,594.336	12%	493,443.526	.07%	706,219,865
1931	106,795,808.926	12%	1,190,581.609	.1%	893,335,073
1932	151,429,515.357	19%	3,618,898.433	.4%	788,346,637
1933	160,577,151.603	24%	1,951,760.452	.3%	680,415,589
1934	129,537,057.743	14%	884,433.134	.09%	918,111,034
1935	71,125,729.671	7%	279,008.410	.03%	957,154,006
1936	5,597,008.795	.5%	3,908.030	.0004%	990,658,450

TABLE 7. TOTAL FUNDS COVERED BY WARRANTS ENDORSED BY THE MINISTRY OF AUDIT

Fiscal Year	*Amount Endorsed*	*National Budget*	*Approximate Percentage Relating to National Budget*
1928	$ 281,770,350.02	——	——
1929	523,216,647.79	$593,927,567	88%
1930	796,051,879.29	706,219,865	111%
1931	547,214,698.76	893,335,073	61%
1932	605,518,899.55	788,346,637	76%
1933	901,999,623.88	680,415,589	133%
1934	948,715,158.73	918,111,034	103%
1935	1,574,972,734.08	957,154,006	163%
1936	780,421,287.49	990.658,450	79%

The figures in the above three tables represent the total amounts actually submitted to and audited by the Ministry of Audit up to 1937. As many of the old accounts of the various government organs are still being sent into the Ministry for audit, none of the figures, particularly those of the latter years, can be taken as conclusive. But, incomplete as the material is, several generalizations may be tentatively made. In the first place, the total of revenues, expenditures and funds covered by warrants audited by the Ministry increased as the years went by. This is a clear indication that the auditing power of the Ministry has gradually been more effectively exercised. Secondly, comparing the figures in the three tables, it seems that the Ministry had more control over the government revenue accounts than it was able to exercise over those relating to expenditure, while its control over the funds covered by warrants was even greater than in the case of either of the former. During the past eight years (1929–1936) the total revenues audited by the Ministry varied from 3% in 1929 to 90% in 1934, while the total expenditures approved by the Ministry ranged from 7% in 1935 to 24% in 1933, and those disapproved by the Ministry rose from .0004% in 1935 to .4% in 1932. As to the total funds covered by warrants endorsed by the Ministry, the percentage was even higher, sometimes amounting to more than 100% of the national budget for the corresponding year. Lastly, the very fact that the figures in all of the three tables are incomplete shows that the Ministry has not been able to exercise its auditing power as regularly as should be the case. Many government organs have been too slow in forwarding their accounts for auditing. It is to be hoped that in view of the reforms of the financial administration now under way, these shortcomings in the exercise of auditing power will soon be remedied.

EXAMINATION YUAN

SHIH YING (石瑛)

I. THE FIVE-POWER CONSTITUTION AND THE ESTABLISHMENT OF THE EXAMINATION YUAN

The selection of government officials by open competitive examinations and their appointment to office according to proper qualification and rank is not only an old practice with a long historical background in China but also one of the essential political ideas of the late Dr. Sun Yat-sen, the founder of the Republic. In his celebrated books, "The Three Peoples' Doctrines" and "The Fundamentals of National Reconstruction," Dr. Sun emphasized the need for a five-power constitution based on his theory of separation of the five powers of government. One of these five powers is examination, the other four being the executive, the legislative, the judicial and the supervisory. It was in accordance with this theory that provision was made in the Organic Law of the National Government of 1928 for the establishment of the Examination Yuan, together with the Executive Yuan, the Legislative Yuan, the Judicial Yuan and the Control Yuan.

II. THE CONSTITUTION OF THE EXAMINATION YUAN AND ITS RELATED ORGANIZATIONS

The Examination Yuan was definitely established on January 1, 1930, and entrusted with power to conduct civil service examinations and to review appointments and removals of administrative officials of the central and local governments. It is headed by a president and a vice-president elected by the Central Executive Committee of the Kuomintang. Under the president there are a secretariat and a board of counsellors. The secretariat consists of a secretary-general, six to ten secretaries and from ten to twenty clerks. It attends to business and administrative details. The board of counsellors consists of from four to six counsellors whose duties are to draft and deliberate upon laws and orders concerning examinations and matters relating to the personnel of the government. Under the Examination Yuan are a Commission of Civil Service Examinations and a Ministry of Personnel.

1. Commission of Civil Service Examinations.—The Commission of Civil Examinations is responsible for the planning and conducting of various kinds of civil service examinations. It is composed of a chairman, a vice-chairman and from five to seven members specially appointed by the National Government upon the recommendation of the president of the Examination Yuan. All affairs of the commission are to be decided at regular meetings and to be put into effect by its chairman, who acts as its executive officer. Under the commission there are a secretariat, a Board of Experts and a Board of Compilers. The secretariat consists of a secretary-general, four secretaries and six divisions, each of which has a head and four to eight clerks. It takes charge of the routine functions of the commission. The Board of Experts consists of from 16 to 32 experts whose duties are to make plans for examinations and to participate in conducting special examinations. The Board of Compilers consists of from 12 to 24 compilers whose duty is to assist the experts in collecting material relative to examinations.

2. Ministry of Personnel.—The Ministry of Personnel is responsible for the reviewing and registration of

appointments, transfers, promotions, demotions and removals of administrative officials; the allocation of successful candidates of various examinations; the keeping of service records; the award of honors, pensions and compensations; and the educational training and general welfare of government functionaries. It is headed by a minister, a political vice-minister and an administrative vice-minister, who are also specially appointed by the National Government upon the recommendation of the president of the Examination Yuan. Under them are a secretariat, a Department of Registration, a Department of Review, a Department of General Welfare and Educational Training and a Board of Appointments. The secretariat consists of six secretaries, three divisional heads and from 60 to 70 clerks and copyists. It takes charge of correspondence, personnel, finance, statistics, business administration and other matters not related to the departments. Each of the three departments consists of a department head, from two to three divisional heads and from 20 to 30 clerks and copyists. The Department of Registration takes charge of matters concerning the registration of government officials and the allocation of candidates who are successful at examinations. The Department of Review attends to matters relating to appointments and removals, promotions and transfers, qualifications, and service records of government officials. The Department of General Welfare and Educational Training takes charge of matters concerning the rating of salaries; the award of honors, pensions and compensations; and the educational training and promotion of general welfare of the public servants. The Board of Appointments is composed of the two vice-ministers, the three department heads and some of the divisional heads whose duties are closely related with the board. The political vice-minister acts as its chairman. This board has the power to re-examine or approve all matters passed by the Department of Review and those matters concerning the rating of salaries and granting of honors, pensions and compensations which are handled by the Department of General Welfare and Educational Training.

III. CIVIL SERVICE EXAMINATIONS

It has been mentioned above that the selecting of government officials by open competitive examinations is not new in China. Nevertheless the examinations held under the National Government differ to a great extent from those of the past. In the old days examinations were given in general on classics, history and essays, regardless of the functions of the offices to be filled. But at the present day examinations are given on a large number of subjects according to the kinds of official sought by the government.

1. Kinds of Examinations.—According to the provisions of the Examination Law promulgated by the National Government in 1933 examinations are divided into three groups, namely, ordinary examinations, higher examinations and special examinations. The ordinary and higher examinations are each divided again into two kinds, the regular examinations and the emergency examinations. The regular examinations are to be held biennially while the emergency examinations are to be held only in time of need. In each of these two groups there are examinations for general executives, examinations for financial officers, examinations for statisticians, examinations for educational administrators, examination for the diplomatic and consular services, examinations for judicial officers, examinations for health officers, examinations for police officers and examinations for administrators in reconstruction work. The special examinations are to be held occasionally upon the demand of public institutions. They include examinations for officials of a special kind. Successful candidates in these examinations are to be referred to the Ministry of Personnel for registration and appointment. Those who pass

the higher examinations will be enlisted in the grade of recommended appointment and those who pass the ordinary examinations will be enlisted in the grade of delegated appointment.

2. Qualifications of Candidates.—Any citizen who is in good physical condition and has not been deprived of his civil rights, who has not fraudulently misappropriated public funds and is not involved in litigation on account of corruption, and who is not addicted to opium or other narcotics is entitled to be a candidate in any of these examinations, provided only that he or she possesses the qualification required. Those who wish to participate in the ordinary examinations must have one of the following qualifications:

(*a*) Be a graduate from a public middle school or a private middle school approved by the Ministry of Education.

(*b*) Possess an education equivalent to that of the middle school and have successfully passed a qualifying test.

(*c*) Have worked as a hired clerk in the government for a period of not less than three years.

Those who wish to participate in the higher examinations must have one of the following qualifications:

(*a*) Be a graduate from a college or technical school approved by the Ministry of Education either in China or abroad.

(*b*) Possess an education equivalent to that of colleges or technical schools and have passed a qualifying test.

(*c*) Possess sufficient technical knowledge or writing which has been approved by the Commission of Civil Service Examinations.

(*d*) Have passed an ordinary examination for a period of four years or held a position of the grade of delegated appointment or similar post for a period not less than three years.

3. Procedure at Examinations.—As provided in the rules and regulations for examinations, the Commission of Civil Service Examinations has to review carefully the qualfications of the candidates before each examination is held. If the candidates are found to have satisfied the qualifications enumerated above, they will be given a permit admitting them to the examination. Those possessing equivalent education have to pass a qualifying test before the issuing of permits. This test is conducted by a commission specially appointed for the purpose. Immediatey before the examination a board of examiners is set up to prepare the themes and questions, to review and grade the examination papers and to promulgate the result of the examination. The board is composed of a chairman, from 3 to 15 members, several associate members and a secretariat. During the examination, supervisors are appointed by the Control Yuan to supervise all the affairs related to the examination. This is for the purpose of preventing irregularities and corruption on the part both of the officials and of the candidates. All examinations are divided into three sessions, namely, the first, second and third. They are also called the selective test, the regular test and the oral test respectively. Only those who pass the first test are permitted to take the second, and only those who pass the second test to take the third. That is to say, in order to pass an examination one has to pass all three tests. But it is not necessary to pass all three successively in one examination. Those who have passed the first or second test in a previous examination may also take the second or third test in the following examinaton.

4. Examinations Held.—Since the time of its establishment to the beginning of 1937, the Examination Yuan has conducted 31 examinations, of which, 6 were higher examinations, 22 were ordinary examinations and 3 were special examinations. The higher examination was first held in 1931 while the ordinary examination was first held in 1932. Altogether 2,338 candidates were chosen as a result of these examinations and almost all of them have now been appointed to appropriate positions in the central and local governments. The following tables will show the kinds of examination held and the number of successful candidates chosen in each of them thus far:

TABLE 1. HIGHER EXAMINATIONS

Year of Examination	*Description of Examination*	*No. of Successful Candidates*
1931	First Higher Examination	101
1933	Second Higher Examination	101
1934	Emergency Higher Examination for the Accountants of the Ministry of Communications	29
1935	Third Higher Examination..	251
1935	Emergency Higher Examination for Judicial Officers	18
1936	Emergency Higher Examination	121

TABLE 2. ORDINARY EXAMINATIONS

Year of Examination	*Description of Examination*	*No. of Successful Candidates*
1932	Ordinary Examination in Shansi	92
1933	Ordinary Examination in Suiyuan	53
1933	Ordinary Examination in Hopei	239
1933	First Ordinary Examination in Honan ..	68
1933	Emergency Ordinary Examination for Prison Wardens	56
1934	First Ordinary Examination in Nanking	124
1934	Emergency Ordinary Examination for Accountants of the Ministry of Communications	22
1934	Emergency Ordinary Examination for Prosecutors	53
1934	Emergency Ordinary Examination for Auditors	105
1934	Emergency Ordinary Examination for Educational Administrators in Chekiang	15
1935	Ordinary Examination in Shantung.. ..	65
1935	Second Ordinary Examination in Honan	84
1935	Ordinary Examination in Shensi	18
1935	Ordinary Examination in Kiangsi	41
1935	Ordinary Examination in Anhwei	66
1935	Ordinary Examination in Chahar	18
1936	Second Ordinary Examination in Nanking	163
1936	Ordinary Examination in Chekiang ..	20
1936	Ordinary Examination in Szechwan ..	60
1936	Ordinary Examination in Hupeh	19
1936	Ordinary Examination in Shanghai ..	26

TABLE 3. SPECIAL EXAMINATIONS

Year of Examination	*Description of Examination*	*No. of Successful Candidates*
1934	Special Examination for Postal Officers..	22
1934	Special Examination for General Executives given to the staffs of the Central Office of the Kuomintang	110
1935	Special Examination for Judicial Officers given to the staffs of the Central Office of the Kuomintang	149

IV. PERSONNEL ADMINISTRATION

Mention has already been made of the first part of the functions of the Examination Yuan, that is, those related to the Civil Service examinations. Let us now turn to the second part of the functions, which concerns the personnel of the government. The personel administration is very complicated. It had to do with such matters as classification of ranks and salaries, review of appointments, allocation of successful candidates of examinations, registration of all public servants, examination of merits, award of pensions and compensations, granting of honors, educational training and general welfare of government functionaries.

1. Classification of Ranks and Salaries.—According to the official system of the National Government all administrative functionaries are divided, in general, into three grades, namely (1) officials of selected appointments, (2) officials of recommended appointments and (3) officials of delegated appointments. Each grade is again divided into a number of ranks. Thus, the officials of selected appointments are divided into eight ranks, the officials of recommended appointments are divided into 12 ranks and the officials of delegated appointments are divided into 16 ranks. For each of these ranks only a fixed amount of salary is allowed. The ranks and salaries of officials of the central government are higher than those of provincial government officials, while those of the provincial government officials are higher than those of the municipal and local government officials. All appointments, with the exception of the officers and clerks of the court, officers of the diplomatic and consular service and police officers, have to be made according to these ranks and the salaries attached to them. There are specific classifications applying to the officers and clerks of the court, officers of the diplomatic and consular service and police officers. The following table will show the general classification of ranks and salaries promulgated by the National Government in 1933.

Grade	*Rank*	*Monthly Salary*
Selected Appointments	1	$680
	2	640
	3	600
	4	560
	5	520
	6	490
	7	460
	8	430
Recommended Appointments	1	$400
	2	380
	3	360
	4	340
	5	320
	6	300
	7	280
	8	260
	9	240
	10	220
	11	200
	12	180
Delegated Appointments	1	$200
	2	180
	3	160
	4	140
	5	130
	6	120
	7	110
	8	100
	9	90
	10	85
	11	80
	12	75
	13	70
	14	65
	15	60
	16	55

2. Review of Appointments.—During the period of military operations lasting roughly from 1926 to 1928, all government administrations were put on a temporary basis. Hence the officials of the government were mostly appointed according to the needs and circumstances of the time rather than in accordance with any law or regulation. In 1929, however, when the country began to be unified and the Period of Political Tutelage was inaugurated, the government felt that the qualifications and services of officials who were then in office should be carefully scrutinized and a definite standard of qualifications set up. Consequently, the Law and Regulations Governing the Review and Classification of Qualifications of Incumbent

Officials were promulgated by the National Government in the same year. The law was put into force in June, 1930, and remained effective till the end of March, 1933. According to its provisions administrative officials were classified into three groups, namely, (1) those of selected appointments, (2) those of recommended appointments and (3) those of delegated appointments. For each group certain qualifications were required. The work done by the officials had to be marked in four grades, namely, A, B, C and D. Those who had proper qualifications and whose work was graded A or B were permitted to remain in office, those who had proper qualificatons but whose work was graded C had to be demoted and those who had no proper qualifications and whose work was graded D were to be removed from office.

Immediately after the abolition of the Law Governing the Review and Classifications of Qualifications of Incumbent Officials, another law governing the appointments of all administrative officials was put in force. At present all appointments are made in accordance with this law.

Before the enforcement of the Law of Appointments, the administrative officials were mostly appointed to office by the highest officers of the various government bodies at the discretions of the latter. Since 1933, however, a definite procedure of appointment has been established. According to this procedure, the persons who are to be appointed to office have to fill in an appointment paper and submit it to the Ministry of Personnel together with credentials, certificates and other supporting documents for review. In the case of appointments by the National Government, the cases of review have to be referred to the ministry by the National Government; for appointments by the National Government upon recommendations, the cases have to be submitted to the ministry by the authorities making such recommendations; and for appointments by the various authorities, the cases have to be submitted to the ministry by them directly. If the review proves satisfactory, formal appointment to office will be made. Those who have not submitted themselves for review or those who have failed in the review are not permitted to draw salaries beyond the limit of three months; and any such salaries drawn beyond that limit must be paid back to the government.

As the territory of the country is extensive and its public officials are very numerous it is difficult for the Ministry of Personnel to perform all of its functions single-handed. Therefore, for the sake of convenience and efficiency, the ministry is to establish a Bureau of Personnel in the various provinces to take charge of all of the appointments and other functions related to the officials of the third group. Pending the establishment of the bureau, however, these functions are vested temporarily in the hands of the Board of Review of the provincial government, which has to submit monthly reports to the ministry for final approval.

The qualifications as fixed in the Law of Appointments apply only to the ordinary administrative officials. They are not applicable to those whose appointments are of a special nature, especially officials in the distant and border provinces where the educational standard is comparatively lower. Even among the ordinary administrative officials it is hard to apply the law uniformly to every case. There must be exceptions. For these reasons certain special laws have been enacted. At present the laws in force which govern appointments are as follows:

(*a*) Law of Appointments,
(*b*) Provisional Law of Appointment for Public Officials of the Distant and Border Provinces,
(*c*) Law of Appointment for the District Magistrates with Supplementary Provisions Regulating their Qualifications,
(*d*) Law of Appointment for Administrative Officials of the Districts,
(*e*) Law of Appointment for Technicians,
(*f*) Law of Appointment for Police Officers,
(*g*) Law of Appointment for Experts of Estimates,
(*h*) Law of Appointment for Experts in Land Transactions,
(*i*) Law of Appointment for Accountants, and
(*j*) Law of Appointment for Officials in Mongolia and Tibet.

Besides these special laws, provisions governing the appointment of public officials are also found in the Laws Governing the Organization of the Law Court, the Administrative Court. the Board of Punishment of Public Servants and the Ministry of Auditing and the Law of Inspection of Factories. With the sole exception of the Law of Appointment for those who are engaged in public business enterprises, which measure is still being drafted, almost all of the government officials of the country are now governed by proper laws.

The number of appointments reviewed by the Ministry of Personnel is constantly increasing. During the period from 1933 to the end of 1936 altogether 16,035 appointments were reviewed.

3. Allocation of Successful Candidates at Public Examinations.—As provided in the Examination Law and the Law of Appointments, all successful candidates at public examinations are entitled to hold office in the government institutions. Those who pass higher examinations are qualified to hold offices of the grade of recommended appointments and those who pass ordinary examinations are qualified to hold offices of the grade of delegated appointments. Hence the successful candidates of each examination have to be sent to various government organizations for positions. According to the regulations governing the allocations of successful candidates at various examinations, the Ministry of Personnel has to prepare a list with indications of the kind of examination taken by the successful candidates and the organizations to which they are to be allocated, and send it to the Examination Yuan, which in turn sends it to the National Government for allocation. The allocations are divided into three kinds; alllocations for immediate appointment, allocations for appointment on probation and allocations for training. Successful candidates who have already served in government offices of the same grade to which they are allocated are to be appointed to permanent positions immediately. Successful candidates who have served in the government offices of an inferior grade are to be appointed to offices on probation. Successful candidates who have not served in the government before are to be appointed to offices for training. The period of training is one year. After the training those who are found in good standing are to be appointed to permanent offices on probation, as in the second kind of allocation. The period of probation is also one year. After that period all those whose work is found satisfactory are to be appointed to offices in the same manner as in the first kind of allocation. The number of successful candidates of various examinations allocated so far is as follows:

Kind of Examination	*No. of Successful Candidates Allocated*
(*a*) First Higher Examination	100
(*b*) Second Higher Examination	101
(*c*) Third Higher Examination	251
(*d*) Emergency Higher Examination	121
(*e*) First Ordinary Examination	124
(*f*) Second Ordinary Examination	163

4. Examination of Merits.—In order to improve the civil service of the government it is necessary to review carefully the appointments of officials, but to supervise them after they have been appointed to office is even more important. Hence the examinaton of merits is introduced. In the past the examinations were held by each individual government organization, so that the standards used in the exmamination varied to a great extent. Under such conditions, one could hardly expect to find the rewards and punishments fairly distributed. In order to effect an improvement, the

Law of Examination of Merits and Regulations of Reward and Punishment were drafted by the Ministry of Personnel and promulgated by the National Government in 1935. At the end of the same year the first uniform examination of merits was held throughout the country. According to the law and regulations, officials of the government are to be examined on their work, knowledge and conduct. For each of these three elements a definite number of marks is assigned. Work counts 50 per cent and the other items 25 per cent each. Those rated, above 80 will be ranked in the first grade; those above 70 in the second grade; those above 60 in the third grade; those above 50 in the fourth grade; those below 50 in the fifth grade; and those below 40 in the sixth grade. Those rated in the first grade will be promoted; those in the second grade will be recorded with honor; those in the third grade will not be affected; those in the fourth grade will be recorded with demerits; those in the fifth grade will be demoted; and those in the sixth will be discharged from office. The number of officials to be discharged should not be less than two per cent of the total number of officials of any government organizations. The vacancies left by them should be filled by successful candidates at various examinations. All government organizations, central and local, after marking their grades, have to send them to the Ministry of Personnel for final consideration. The time limit for sendng in the marks and grades has been fixed according to the distance of the locations. At present, with the exception only of a small number of provincial and local government organizations, all have complied with the law. It is hoped that by encouraging the worthy and discharging the unworthy from office, the morale of the government personnel will be improved and the efficiency of the government service greatly increassed.

5. Registration of Administrative Officials.—As the Ministry of Personnel is a central organ of personnel management it is necessary for it to keep a complete record of all of the public servants employed by the government regardless of whether they are in office, retired, discharged or resigned. The registration may be divided in general into two categories, ordinary and special.

When the Law of Review and Classification of Qualifications of Incumbent Officials was annulled, there was still a large number of officials of provincial and local governments who, owing to certain special reasons, had not submitted themselves for review. In response to their request, a special registration law was enacted and promulgated in 1934, which provided for two kinds of special registrations: one for those then in office, and the other for those who were then not in office, but both were appointed before the enforcement of the Law of Appointment. All who had properly registered were given a certificate indicating their rank and salary which was useful for future appointments. These special registrations began in May, 1934, and ended in May of the following year.

At present only ordinary registrations are being conducted. They are generally divided into three kinds, namely, (1) the registration of appointments, (2) the registration of transfers, promotions and demotions, and (3) the registration of retirements, removals and resignations. All of those properly appointed to office are given the first registration. Any subsequent changes in status will involve additional registrations.

6. Pensions and Compensations.—For the purpose of encouraging civil servants in the faithful discharge of their duties and of protecting them against old age, sickness and accidents, a pension system has been put into practice by the National Government. At present four kinds of pension and compensation are in vogue. They are: annuity for civil officials, single payment for civil officials, annuity for relatives, and single payment for relatives. Any official who is either physically or mentally disabled while on duty, who has been in the government service for a period of 15 years and is physically unfit, or who has rendered 15 years' service to the government and at the same time has

passed the age of 60, is entitled to an annuity upon his retirement. Any official who is injured while on duty but is not invalidated is entitled to the allowance of a single payment if he desires to retire. In the case of an official who dies while on duty, or who dies because of sickness after having been in service for 15 years, or who dies after having received an annuity for a period of less than five years an annuity is payble to his family or relatives. In the case of an official who dies after having been in office for a period above 3 years or below 15 years a single payment is payable to his family or relatives. The amounts of the various kinds of pensions have been definitely fixed and apply to all government functionaries except police officers. The remuneration in respect of an annuity in the case of a civil official is equivalent to one-fifth of one month's salary at the time of retirement, the remuneration in respect of a single payment for a civil official is equivalent to two months' salary at the time of retirement, the remuneration in respect of an annuity for relatives is equivalent to one-tenth of one month's salary at the time of death, and the remuneration in respect of a single payment to relatives is equivalent to from two to five months' salary at time of death.

During the period from May, 1930, to the end of 1936 altogether 4,775 cases on pensions were approved. The totals of pensions granted were as follows:

(*a*)	Annuity for Civil Officials	$ 64,498
(*b*)	Single Payment for Civil Officials	3,983
(*c*)	Annuity for Relatives	112,537
(*d*)	Single Payment for Relatives	500,959

7. Granting of Medals.—According to the law governing the granting of medals, any citizen who has rendered special service to the State or society shall be granted a special medal. The medal is granted by the National Government either directly or upon recommendation. Cases concerning the granting of medals to the common people are to be recommended by the Ministry of Interior and cases concerning the granting of medals to the administrative officials are to be recommended by the Ministry of Personnel. At present only a very small number of medals have been granted to administrative officials.

8. Educational Training and General Welfare.—Besides the functions mentioned above there are still several others which are worthy of attention such as educational training and general welfare. For the educational training a special program has been worked out. According to this program all of those who have not had sufficient education must attend classes and special lectures conducted by the central and local governments under special arrangement. As for the general welfare, special efforts have been made in the directon of establishing a savings and insurance system and improving the physical condition of public functionaries.

THE NATIONAL ECONOMIC COUNCIL

CHIN FEN (秦汾)

I. ORGANIZATION AND FUNCTIONS

1. The Preparatory Period.—During its preparatory period which lasted from the time of its inception in the autumn of 1931 to the time of its definitive organization in November, 1933, the National Economic Council was under the direction of the Executive Yuan, the President and Vice-President of which at that time, Marshal Chiang Kai-shek and Dr. T. V. Soong respectively, served concurrently as the chairman and the vice-chairman of the council. Under their capable leadership, the preparatory office was able to accomplish much constructive work in the fields of road building, water conservancy and public health, and thus laid solid foundations for a permanent organization. This achievement was the more creditable in view of the fact that the council's program was seriously handicapped by a flood of unprecedented magnitude in the Yangtze valley and rudely disrupted by the protracted military activities of Japan in Manchuria, Shanghai, and North China which threatened the very existence of the nation.

The administrative machinery of the preparatory office consisted of a director and three divisions, namely, the Bureau of Roads, the Bureau of Hydraulic Engineering and the Central Field Health Station.

2. Organization of the Council.—Since the inauguration of the definitive organization of the council in November, 1935, the machinery of the council has greatly expanded. The council is now placed directly under the control of the National Government. It is composed of about 40 members including the principal ministers of the Government, leading bankers, industrialists, and private individuals selected not because of the position they hold but because of their personal qualities and ability in various fields of activity. These private persons are invited to help the Government in planning and executing an urgent development program. The council as a whole is thus an advisory board, but so far as the ministerial members of the council accept policies proposed they will be, as members of the Government, in a position to give immediate executive effect to them. The chairman and vice-chairman gave way to a standing committee composed of Mr. Wang Ching-wei, Dr. Sun Fo, Dr. T. V. Soong, and, since December, 1933, Marshal Chiang Kai-shek and Dr. H. H. Kung. This standing committee is the policy-determining and governing body of the council. Subject to its instructions is a secretary-general who has a general responsibility for administrative work.

The old administrative units of the council were revised and enlarged and new ones created. They included: (1) Secretariat, (2) Bureau of Roads, (3) Bureau of Hydraulic Engineering, (4) Central Field Health Station, (5) Bureau of Agriculture, (6) the Economic Research Bureau, (7) Cotton Industry Commission, (8) Sericulture and Filature Improvement Commission, and (9) Co-operative Commision. These units are still functioning at present, with the exception of the Bureau of Agriculture and the Co-operative Commission, which were transferred to the Ministry of Industries in July, 1936. The Cotton Industry Commission and the Sericulture and Filature Improvement Commission were to be transferred to the same ministry in July, 1937.

In addition to these administrative units, there is a Standing Advisory Committee to which all of the important technical plans of the council are referred for its expert opinion.

3. Powers and Policy.—The council has been granted very extensive

powers. The regulations governing the organization of the council described its functions as follows:

(*a*) to plan, examine and approve projects for economic reconstruction or development;
(*b*) to examine and approve the necessary expenditure required for the execution of projects for economic reconstruction or development;
(*c*) to supervise and direct projects for economic reconstruction or development; and
(*d*) to execute directly special projects for economic reconstruction or development.

This enumeration of powers does not mean that the council is to embark on such a full program of work immediately; it is rather an indication of the role that it is intended that the council shall play eventually. In the exercise of its powers the council must take into special consideration the following factors: (1) the vast area over which national responsibility extends; (2) the fact that economic reconstruction has to proceed hand in hand with political consolidation; (3) the powers of the council are designed not so much to help a gradual evolution of economic policy, or the mere adaptation of the country's economic structure to the new conditions, as to facilitate the urgent task of reconstruction and transformation.

These considerations guided the policy of the council and helped it to make up its program. The council would thus concentrate its activities in a few selected regions or on a few important and urgent undertakings instead of spreading its energies over the whole country or over a large number of minor works. It would undertake only those activities for the execution of which funds from various sources had been definitely assured. It would commence no construction work which it was not sure to be in a position to complete.

4. Program of Activities.—The first task of the council was to make an immediate survey of the economic needs of the country and to draw up accordingly a preliminary program of the most urgent work, required and practicable during the next few years. Various schemes were selected, corelated with one another, and incorporated in a co-ordinated plan of development.

Of all of the projects of economic reconstruction, the improvement of land communication so as to enable the rapid transit of persons and goods, and the development of water conservancy works as a basic measure of agricultural rehabilitation, were considered to be the most urgent and fundamental. The program of the council for the former was to bring into being a network of highways that would spread throughout the length and breadth of the nation; the program for the latter was to construct various systems of flood prevention works, irrigation canals and channel improvements for the major water systems in Central and North China.

The improvement of public health was another important item in the program of the council. This was regarded as inseparably connected with all fundamental projects intended for the general revitalization of the nation. The reconstruction activities of the National Government are expected to result in the opening up of the interior and border provinces, and in the rapid industrialization and urbanization of many places. This would immediately raise the vexed problems of housing, public sanitation, epidemic control and kindred matters, which ought to be anticipated and solved or mitigated before they grow to such proportions as to affect the general health of the people. Public health was therefore placed under the direction of the National Economic Council with the intention that its development might be made parallel to and co-ordinated with that of other reconstruction activities.

The health program of the council consisted chiefly of plague prevention, the organization and co-ordination of provincial and local health work, the promotion of sanitation and health education, the training of health personnel and laboratory research.

In a predominantly agricultural country like China, agricultural rehabilitation and the provision of cheap credit through co-operation are naturally matters of primary importance. As these problems were not

then being tackled by other government departments, the council deemed it urgent to initiate immediate measures of relief. The revival of the tea industry, the introduction of scientific animal husbandry, and the direction of the co-operative movement into proper channels were the tasks to which the council set itself until they were taken over by the Ministry of Industry.

The council was cautious in initiating measures for industrial improvement. It endeavored to make an accurate survey of the chief industries with a view to formulating proposals as to the action to be taken by the Government with regard to technical improvements and to such reorganizations and readjustments as should be found necessary in the present legislation and administrative practices.

A first step was taken in the direction of industrial improvement by the creation of two commissions: one on cotton and one on silk. The program of the council in these two fields called for a root and branch improvement of these two industries—from the selection of seed to the methods of cultivation or rearing, marketing and manufacturing. Now that the work in these two fields has already taken root, it will be left to the Ministry of Industries to bring about its consummation.

The various programs described above have been translated into fact, and the completed works have already produced results expected of them. In all its labors the council has had the valuable advice of a number of experienced experts placed at its disposal by the League of Nations in accordance with a plan of technical collaboration agreed upon between the League and the Government of China in 1931.

II. ACTIVITIES

1. Highway Construction.—The principal activities of the Council are in the fields of highway construction, water conservancy and public health. These are described in detail in separate chapters of the *Chinese Year Book.*

It may be mentioned, in passing, that by the end of April, 1937, more than 24,500 km. of inter-connecting national highways in Kiangsu, Chekiang, Anhwei, Kiangsi, Hupeh, Hunan, Honan, Fukien, and the northwestern provinces were opened to motor traffic. More than 3,100 km. of new roads are still under construction. The completed national highways have connected up the various provincial and local highway systems to become one vast network of roads that ramifies the whole country. They have rendered possible for motor traffic over 110,000 km. of highways all over the country. Roads radiating from Nanking now lead to most of the provincial capitals such as Hangchow, Nanchang, Changsha, Foochow, Canton, Nanning, Chungking, Sian, Lanchow, Kaifeng, etc. They have broken down provincial barriers and brought about a real unification of the country in a manner that has never been achieved before. Formerly if one wished to go to Yunnan, one had either to go by way of Indo-China or to take an overland journey of more than two months. In April, 1937, in celebration of the completion of the preliminary network of highways, a motor caravan composed of 17 buses started on a sight-seeing tour from Nanking to Kunming, Yunnan, under the joint auspices of the Executive Yuan and the National Economic Council. It negotiated the entire distance of 2,974 km. in 106 hours of actual traveling time at an average speed of 28 km. per hour. Under ordinary circumstances, driving would have been much faster and the journey could be accomplished in far less time.

Again, taking the example of Szechwan, the difficulty of approaching this province was proverbial. Now it is accessible to motor traffic from three different directions. The Hanchung-Ningchiang Highway, which was completed last year, leads into Szechwan from the north. The Hunan-Szechwan Highway leads into it from the east. Another line joins Szechwan with Hupeh from the Northeast. In the south a road runs from Kweichow clear through to

Chungking. Within the province provincial roads link together all of these approaches into one vast network convulging on Chengtu and Chungking.

In anticipation of a growing volume of interprovincial or inter-urban traffic, these new roads are being well patronized. The increasing volume of gasoline imports is a clear proof. In 1928, the first figure stood at 20 million gallons; in 1932, when the council started its road program, it was 24 million gallons; and by 1936 it had risen to 45.5 million gallons. The import of crude oil has correspondingly increased.

New traffic facilities have been installed this year on the national highways, among which the most conspicuous is the numbering of roads.

Research work in connection with gas automobiles and fuel substitutes have borne very encouraging results. A charcoal-burning bus underwent a successful long distance test this spring and a vegetable oil bus reached Kunming with the motor caravan mentioned above. Both are very economical and easy to operate.

2. Water Conservancy.—The absence of adequately assured funds, and the haphazard division of authority over the various hydraulic regimes greatly hampered the effectiveness of the work of hydraulic reconstruction in China in former years. A remedy for this state of affairs was effected in July, 1934, when the National Economic Council was made the supreme organ of the land in hydraulic matters by an order of the National Government. Except for works of a strictly local nature, all hydraulic projects are now put under the direction and supervision of the council.

The different degrees of hydraulic organs were reorganized and consolidated in accordance with a scheme prepared by the council, and a national hydraulic activity fund has since been earmarked in the annual budget of the Ministry of Finance. The council was made the central dispensing organ for all national hydraulic funds.

The earliest hydraulic activity of the council was to complete the unfinished works of the National Flood Relief Commission, which was liquidated in 1932. These consisted mostly of dyke building or strengthening along the Yangtze, the Han River, the Kan River, the Hwai River and the Lihsia Ho. After the completion of these works, the hydraulic administration became centralized, and the council started to elaborate general conservancy measures for the entire country, including not only projects of flood prevention, but also schemes for the improvement of navigation routes, and irrigation. These measures fell into two categories, namely, fundamental and palliative. For the Hwai River and the Yungting Ho, fundamental regulation plans have already been prepared; for the Yangtze and the Yellow River, owing to the sheer immensity of the task, only palliative measures have been formulated. So far as the resources of the council permit, measures of both categories are put into execution; otherwise the palliatives are taken up first. In either case the policy is to undertake only the most urgent works for the completion of which funds from various sources have been assured.

As details of the conservancy works have been discussed elsewhere, a mere statement of the problems is given here in order to furnish the background of the works already undertaken.

(*a*) *The Problem of the Hwai River.*—Before the Yellow River changed to its present course in 1835 it used the lower Hwai River channel for passage to the sea. After this old course was abandoned the original lower Hwai channel became completely silted up and lost. Lacking an outlet, the Hwai River overruns east Kiangsu in all directions during high water periods. The main task of the council here, therefore, is to dredge adequate outlets for the imprisoned Hwai water. The present plan calls for the construction of two channels, one leading to the sea and the other leading to the Yangtze River. The Hungtze Lake will be treated as a reservoir serving the triple purpose of flood detention, irrigation and navigation. The fundamental plan for the

regulation of the Hwai River envisages the expenditure of some $200,000,000. Of course this will have to be spread out over several years in order to keep within the limits of available financial resources.

(*b*) *The Problem of the Yellow River.*—The Yellow River, after emerging from the gorges at Mengtsin, meanders widely through about 700 km. of flat alluvial plain to the sea. Two almost unbroken series of dykes guard the two banks of the river along its entire length in the plain. The river is heavily silt-laden, especially in summer time, and is remarkable for the sudden changes of its discharge. As a result of the large quantities of silt deposited, the river bed rises higher and at several places the river bottom is actually higher than the land behind the dikes. This has made river defense here a never-ending task and floods an almost regular phenomenon.

The most urgent problem of the Yellow River, therefore, is the prevention of inundations, and the most expeditious means to this end is the improvement of the system of protecting dikes. For this reason the attention of the council has been directed principally to this work, although it is considered only palliative in nature. The plan for the fundamental regulation of the Yellow River is yet under study.

(*c*) *The Problem of the Yangtze River.*—After leaving the gorges at Ichang, the Yangtze River begins to slow down and deposits its silt as it winds towards the sea. The great lake reservoirs like the Tungting and the Yunmeng have become shallower as years have passed. The danger of floods also becomes more imminent and more frequent. Then as the Yangtze reaches Hankow it is joined by the waters of a large capricious tributary, the Han River. When the high water period of these two rivers coincides there is serious danger of flooding the cluster of three big cities: Hankow, Hanyang and Wuchang. Downstream from Hankow the river broadens, but its channel is irregular, and shallow at many places during winter time. The amelioration of this state of affairs constitutes the main problems involved in the regulation of the longest and the most useful river in China. A plan for the fundamental regulation of this river is now being studied; in the meantime palliative measures have been put into execution with regard not only to flood prevention but also to the improvement of navigation, reclamarion and irrigation.

As the Yangtze passes through a very densely populated and prosperous region, any flood, would do a great deal of damage. For this reason the council has devoted considerable attention to the task of dike repaires and dike strengthening.

(*d*) *The Problem of the North China Rivers.*—North China being an arid country with all its rainfall concentrated in the summer season, the difference between high and low water discharge of its rivers is often as much as a thousand times; then, as the upper reaches of its rivers are located in high mountains, and their lower parts are found in the plain, the result is that they rise and fall very suddenly. Further, as the rivers traverse loess regions, they often carry large quantities of silt and deposit them en route to the sea. These are some of the peculiar characteristics of the rivers in North China which made regulation work specially difficult. The task before the council involves the conservation of water during seasons of rainfall, the prevention of erosion upstream in the loess belt, and the dredging of the river channels in the lower reaches for navigation purposes.

The Hai Ho is the outlet channel to the sea for five different rivers in North China meeting at Tientsin, of which the Yungting Ho is the largest and most troublesome. They are the principal arteries of North China and on them the prosperity of the entire region depends. Plans for the regulation of these and other rivers in the north have already been completed, and measures, both fundamental and palliative in nature, are being executed stage by stage at the same time.

Economically speaking, the most important work in this region is the improvement of the Hai Ho, which is gradually becoming choked with the silt-deposits of the Yungting Ho.

(e) *The Hydraulic Problem of the Northwest.*—Hydraulic works in the northwestern part of China are of a different order but similar to those in Shansi and Chahar. As rainfall is comparatively scarce in this region, large tracts of land have been forced to lie waste for lack of water. It is clear that the greatest need here is an adequate irrigation system. This fact was well appreciated even in ancient times, as numerous irrigation canals can be traced to the Chin, Han and Tang dynasties, which flourished between one and two thousand years ago. Most of the existing canals have long since fallen into disrepair, however, and lost their usefulness. The program of the council in this region is to improve as many as possible of the existing important irrigation canals and to construct new works wherever feasible.

3. Public Health.—The public health program of the council aims at three objectives: (1) the establishment of experimental and investigating institutions; (2) the demonstration of practical field work; and (3) the training of the technical staff. These functions are performed through nine departments and a training institute. The nine departments are those of bacteriology and epidemic disease control, chemistry and pharmacology, parasitology, sanitary engineering, medical relief and social medicine, maternity and child health, industrial health, epidemiology and vital statistics, and health education.

All these branches have been functioning at full capacity during the past few years, and have expanded greatly to correspond with the growing sphere of operation.

4. Sericultural and Filature Improvements.—The work of sericulture and filature improvement undertaken by the council has dealt with every branch of the silk trade beginning with the improvement of seeds and continuing to the reeling and marketing of silk. The foundation for the rebuilding of this important industry has been well laid, and marked improvement has already been achieved in the quality of silk produced. The consummation of the task will rest with the Ministry of Industry, to which organ the silk improvement activities of the council were to be transferred in July, 1937.

(a) *Cultivation of Mulberry Trees.*—So dark was the prospect of the silk trade a few years ago that many of the silk farmers uprooted their mulberry trees to make room for more profitable vegetation. Large quantities of mulberry sprouts have therefore been distributed *gratis* to the farmers of the two large silk producing provinces of Chekiang and Kiangsu. During 1936, 2,000,000 sprouts were sent to Szechwan, where both the soil and the climate are favorable to silkworm growing. In the summer of the same year a mulberry nursery was established in Hangchow. Further encouragement to the cultivation of mulberry trees was given in the form of unlimited purchase of such plants by the Government at fixed prices.

(b) *Seed Production.*—The improvement of seeds is indisputably the most fundamental measure in the revival of the silk industry. Under the protection of the council and the local governments and with the inducement of higher prices for cocoons produced from improved seeds, modern seed-producing stations sprang up quickly. Up to the end of 1936, 252 such stations had been registered in the provinces of Chekiang and Kiangsu. The aggregate production in 1936 amounted to about 4,500,000 sheets, of which 2,600,000 were distributed for spring rearings, 300,000 for summer rearings, 1,500,000 for autumn rearings, and 130,000 for late autumn rearings. This amount was insufficient to meet domestic market demands, and a greatly increased production is planned for 1937.

The adoption of seeds practically free of the hereditary pebrine disease and therefore stronger and more fitted to resist all other diseases and climatic adversities has increased the cocoon crop and improved the quality of silk,

(c) *Rearings.*—For the purpose of educating the farmers in scientific sericulture a network of demonstration stations has been established in various provinces. In the spring of 1936 demonstration work was carried out in Kiangsu, Chekiang, Anhwei, Hupeh, Shantung, and Szechwan, and in the autumn of the same year similar work was done in Chekiang, Kwangtung, and Szechwan.

The subjects taught by the demonstration stations comprised the disinfection of houses, rooms, and equipment used for rearings; common incubation according to scientific methods; common rearing of silkworms until at least the third age; and better methods of rearing and of preparing the mounting. These stations also supervise the rearing work of the farmers and organize co-operatives for the common drying and selling of cocoons.

(d) *Reeling.*—With a view to enabling the silk filatures to produce high-quality products to meet the needs of modern industries, new machinery was purchased from abroad and made available to silk filatures through loaning, and subsidies were granted to others to modernize their equipment.

Technical advice and suggestions were freely offered to the filatures, and co-operation in management and formation of syndicates among reelers were encouraged.

As a result of these measures and of improved technique, the average production of the spinning workers has increased from 8–10 oz. per day to 22–24 oz. A maximum production of 30 oz. per day could be achieved by very skilled women working on high-grade cocoons. The yield to the basin for unsorted cocoons produced from local worms was formerly from 5.5–7 catties to one catty of silk. Now with unsorted cocoons from improved seeds, it has been increased to an average of 4–4.5 catties to one catty of silk. For high grade sorted cocoons, the yield is as high as 3.2–3.5 catties to one catty of silk. Reeling cost has been reduced from $300–$350 per picul to an average of $100 or less.

(e) *Experimental Work.*—A large experimental station comprising special nurseries and laboratories and surrounded by more than 1,000 mow of mulberry plantation, has been studying the breeding of superior species of silkworms.

The experimental nurseries have a capacity sufficient to rear more than 2,600 isolated depositions, or more than 1,000 grams of silkworm seeds. They are provided with air-conditioning plants to insure their full utilization in the face of climatic instability. The laboratories are well equipped for physiological selections and observations and for microscopic examinations. A chemical laboratory is still in the process of construction, and funds have been granted for the erection of a model filature in 1937.

In 1936 about 300,000 sheets of seeds from new breeds and crossings were distributed *gratis* to the farmers for experimental rearings during the summer. Seeds for autumn rearings were also prepared and distributed.

About 300 different varieties of new breeds, including pure, crossings, and segregations have been under study. The pure varieties and basic breeds have been taken from Chekiang, Kwangtung, Anhwei, Hupeh, Szechwan, and Shantung provinces and Europe. The results of the experiments pointed to the conclusion that certain Chinese breeds could produce the finest and cleanest thread that can possibly be obtained from silkworms.

5. Cotton Industry.—The work of the council in the revitalization of the cotton industry is similar to that done in the field of sericultural improvement. A firm foundation has been laid for an all-round improvement of cotton cultivation and marketing. The activities of the council in this field were likewise to be transferred to the Ministry of Industry in July, 1937, and the fruition of the task so auspiciously started will rest with the latter body.

(*a*) *Cotton Seeds Improvement.*—Stoneville No. 4 seeds to the amount of 42,000 lbs. were imported during the year under review for distribution among 12 cotton experimental stations in the Yellow River valley for multiplication purposes. Quantities of

seven other varieties were imported for variety tests.

Improved cotton seeds were also produced in increasing quantities in various provinces in China. The figures for 1936 were as follows:

Place	*Variety*	*Amount in Catties*
12 Cotton Experimental Stations in Yellow River Valley	Stoneville 4	406,351
Honan Province	,, 3	20,856
Sub-Station in Shensi	Delfos 719	39,500
Nanking Station and its Co-operative Farms	,, 531	9,540

The extension area of improved cotton seeds has increased rapidly during the past three years. The figures for 1936 more than doubled those for the previous year.

Province	*Extension Area of Improved Cotton Seeds in Mow*		
	1934	*1935*	*1936*
Kiangsu	330,204	463,112	608,760
Honan	40,427	192,396	345,522
Shensi	191,000	548,208	1,026,973
Shansi	8,569	64,441	90,000
Hupeh	—	—	200,000
Hopei	—	20,297	400,000
Kansu	—	—	4,770
TOTAL	570,200	1,288,454	2,676,025

(*b*) *Co-operative Marketing and Ginning.*—The year 1936 saw a phenomenal increase in the number of cotton co-operatives organized under the auspices of the cotton improvement institutes of the various provinces. There were altogether 1,096 co-operatives with 77,300 members last year, as against 75 co-operatives with 53,059 members in 1935, and 40 co-operatives with 23,444 members in 1934. The increase was mostly confined to Hopei and Hupeh.

The purpose of organizing cotton co-operatives is to facilitate the financing of cotton cultivation, the collection o high grade produce, and the segregation of improved seeds. The farmers have also been able to obtain better prices for their crops through coöperative marketing.

The central marketing office of the commission in Shanghai, with branches in Chengchow, Yungcheng, Hsienyang and Weinan, again did useful service last year in contacting buyers for the cotton co-operatives. They have sold over 100,000 piculs of cotton during the past three years.

The Cotton Industry Commission has been studying the ginning machine with a view to its improvement, and has been instrumental in the establishment of 21 ginning factories during the past three years for the cotton co-operatives of the various provinces.

(*c*) *Grading.*—The antiquated system of classifying cotton according to the place of origin is now giving way to a scientific system of grading. Samples of cotton from different domestic cotton markets have been carefully analyzed and classified in a special department of the Central Cotton Improvement Institute. American cotton produced in China is

classified into five grades: to wit, Middling Fair, Good Middling, Middling, Low Middling, and Good Ordinary. Domestic cotton is classified into four grades: Middling Fair, Good Middling, Middling, and Low Middling. These are recognized as the official cotton standards of China. About 1,800 sets of these standards were prepared last year for the use of grading experts and cotton merchants.

(*d*) *Anti-adulteration.*—The Central Cotton Anti-adulteration Bureau of the commission has done effective work in checking the adulteration of cotton. The regulations provided that the amount of moisture in cotton must not be over 12%, nor must the amount of foreign substance exceed 2%. Violations of the provisions of these regulations are subject to prosecution. During the year under review 2,691 cases were brought to court for punishment. The total quantity of cotton tested during the past three years by the Anti-adulteration Bureau and its branches has amounted to 7,429,501.72 quintals.

(*e*) *Spinning and Weaving.*—The construction and equipment of the National Textile Laboratory, a joint enterprise of the council and the Academia Sinica was completed in the autumn of 1936. The ultimate aim of the laboratory is to establish a series of individual laboratories capable of carrying on research work on all problems concerning the textile industry, from textile fibers to finished products. In the meantime experimental mills running on a semi-industrial scale will be equipped to make exhaustive studies on the technique of spinning, weaving, knitting, lacing, bleaching, dyeing, finishing, printing, etc. In connection with the administration of the mills, scientific management of this industry will also be studied. At the beginning the work will be confined to problems related to the cotton industry, while the other branches of textiles, will be taken up in the order of their importance when facility allows.

Work in the different branches of the laboratory started in October, 1936. The testing department, besides routine testing for the yarn and cloths produced in the laboratory, has concentrated its attention on analyzing cotton and piecegood samples. In the spinning department experimental work on various kinds of yarn from 16 to 60 counts has been done, and materials needed in the weaving shed have been produced. Testing work on the spinning quality of various grades of cotton cultivated by different cotton experimental stations in China will begin soon and the spinning of staple fiber is also on the program. In the weaving shed the whole effort has been devoted to experimenting on automatic looms of various makes. The fabrics produced are all of the common type such as shirting, sheeting, jeans, twills, etc. Experiments on fancy goods will be started in the course of 1937. A fairly elaborate cost accounting system has been planned with the hope that, when worked out, it may be adopted by commercial mills.

(*f*) *Research and Experimentation.*—The Central Cotton Improvement Institute is the central office for the improvement of technique and research on cotton improvement, under its direction are provincial cotton improvement institutes which are joint enterprises of the Cotton Industry Commission and the provincial bureaus of reconstruction.

Research on breeding fine-staple Chinese cotton and American cottons, on cotton diseases and insects and on the chemistry of cotton, continue to engage the attention of the research workers of the various institutes. Important discoveries have been made during the past three years in every branch of cotton cultivation.

6. Land Investigation.—In February, 1934, upon the instructions of the National Government and the Central Political Council, a Commission on Land Research and Planning was organized with the National Economic Council, the Ministry of Interior and the Ministry of Finance as its component members. A representative of the council served as the chairman, and one of its technical experts as executive secretary. The council was responsible for all of the expenses of this commission.

The purpose of the investigation was to obtain accurate data on the actual conditions of all problems concerning land throughout the country, and with these to furnish a basis for the formulation of a land policy as well as a program of execution.

The commission concluded its labors in December, 1935, after having covered 22 provinces, or 1,047 hsien. A door-to-door investigation of one-fifth of the agricultural families in one fifth of the hsien in 10 different provinces was carried out, entailing the visitation of over 1,800,000 families. Both hsien and chu surveys were made in this investigation with special reference to the general conditions of land and agriculture, weights and measures, and the institution of tenancy; detailed farm surveys were also made in order to obtain figures of the annual income and expenditure of the independent farm owners, on the one hand, and of the landowners on the other. In the remainder of the provinces and hsien investigated only a general economic and agricultural survey was conducted.

The results of the investigation were carefully studied and tabulated, and a series of 40 reports was drawn up. These data have been summarized, together with the recommendations of the commission for submission to the Central authorities in 1937. A very cursory review of the results obtained is given here. It should be observed, however, that perfect accuracy or generalization is not possible in certain instances on account of the deficiency of accurate sources of information and the limited scope of the investigation.

(*a*) *Land Utilization.*—Of the total area of farm land investigated, 91.20% is used for crop production, 1.24% for vegetables, mulberry plantation, orchards, and bamboo gardens, 3.34% for grass, reeds, trees, and ponds, 1.36% for tombs, 1.72% for houses, and 1.14% for dry ground. Four-fifths of the area used for crop production is utilized for cereal cultivation. This indicates the overwhelming importance of food supply, and under-development of animal husbandry and a general under-production of other products such as timber and raw materials for industries. It is also significant to note that the area occupied for graves nearly equaled that for houses and was greater than the combined area for vegetables, mulberry plantation, fruits and bamboo.

The records of 814 hsien in 20 provinces reveal that the area under cultivation averages only 22.34% of the total area; Kiangsu leads with 60.84%, while Shantung has 48.28%, Hopei averages 46.88%, and the remainder range from 4.12% for Chinghai to 32.52% for Szechwan. For a predominantly agricultural country like China this average is surprisingly low. The amount of waste land, on the other hand, averages 7.83% in the 547 hsien investigated; Kiangsi has the highest percentage with 59.27%, Kwangtung and Anhwei being the lowest with 1.6% and 1.7% respectively.

The farming population of China represents 79.12% of the total, counting by families, or 76.79%, counting by persons. The average amount of cultivated land for each farming family is 18.41 mow or 3.68 mow for each person. If divided equally among the total population, the average is 14.08 mow per family or 2.70 mow per person. In Kwangtung, the statistics of the five hsien investigated show that the average for each person is only 0.88 mow of farm land.

(*b*) *Distribution of Land.*—The size of farm holdings is generally extremely small, with about 59.60% of the farming families owning less than 10 mow each, 35.58% from 10 to 50 mow each, 3.48%, from 50 to 100 mow each, and 1.34% more than 100 mow each. The first group has in its possession only 17.63% of the total acreage of farm land; the second, 48.51%; the third, 15.54%; and the fourth, 18.32%. The average holding of about 1,300,000 families investigated is 15.174 mow or 2.759 mow per person. The detailed figures of the size of farm holdings of 1,295,001 families or 7,121,627 persons are as follows:

Amount of Land Owned in Mow	*Percentage of Families*	*Percentage of Persons*	*Percentage of Holdings to Total Farm Area*	*Average Holding per Family in Mow*	*Average Holding per Person in Mow*
Blow 5 ..	35.61	28.64	6.21	2.639	0.597
5– 9.9 ..	23.99	22.06	11.42	7.226	1.429
10– 14.9 ..	13.17	13.49	10.63	12.249	2.175
15– 19.9 ..	7.99	8.94	9.17	17.417	2.832
20– 29.9 ..	8.22	10.05	13.17	24.333	3.615
30– 49.9 ..	6.20	8.67	15.54	38.005	4.947
50– 69.9 ..	2.17	3.42	8.38	58.594	6.766
70– 99.9 ..	1.31	2.24	7.16	82.610	8.822
100–149.9 ..	0.72	1.31	5.71	120.212	12.071
150–199.9 ..	0.24	0.47	2.76	171.971	16.047
200–299.9 ..	0.20	0.37	3.17	240.952	23.505
300–499.9 ..	0.11	0.20	2.63	378.395	35.779
500–999.9 ..	0.05	0.11	2.30	671.869	60.194
1000 & above ..	0.02	0.03	1.75	1,752.604	148.321
	100.00	100.00	100.00	15.174	2.759

The farmers do not always possess the land they till, nor do the owners necessarily till their own soil. Pure and simple landowners constitute only 2.05% of the farming population; those who till part of their land or take in leased land for cultivation while letting out their own land or part of it to others form 3.73%; independent farm owners who till all their land represent 47.61%, part owners 20.81%; tenant farmers 15.78%, farm hand 1.59%, and those unconcerned with farming 8.43%. The amount of land owned by tillers is 69.27% of the total cultivated area, while the area of the leased farms is 30.73%.

(*c*) *Tenancy*.—Land leases are granted on two different bases; one is fixed payment irrespective of harvest, and the other is crop sharing. The former system claims 84.63% of the leases (60.01% being payment in kind), and the latter 15.23%. Payment in other ways amounts to 0.14%.

The average land rent is 43.22% of the harvest or 10.53% of the land value, but the actual amount of rent paid averages 38.70% of the harvest.

A little over 21% of the leases are permanent; 8.12% have a fixed term generally of one to three years; 70.74% allow an indefinite tenure terminable at will.

(*d*) *Land and Rural Finance*.—An overwhelming majority of the farming population have an income fluctuating slightly above and below the subsistence level. Of the 1,700,000 families investigated, only 23.21% have an income greater than their needs, 41.06% can barely make both ends meet, and 34.89% have to go into debt. Among the causes of indebtedness, daily necessities constitute 25.45%, natural and human disasters 18.03%, sickness and death 14.60% and marriage 13.01%. These four items account for 71.09% of the cases of indebtedness. Construction and repairs, wage payment, redemption of mortgage or old debt, tax payment, rent payment, litigation, investments, business deficits, etc., are some of the other causes.

The interest rate ranges anywhere from 0% to over 100%; generally it is about 20% to 40%, which more than three-fourths of the indebted families have to pay. The creditors are mostly shopowners, landlords, and rich farmers.

(*e*) *Land Tax*.—The amount of taxable land is only 14.17% of the geographical area. The rate of the land tax differs greatly from hsien to hsien and from province to province; there is no point even in striking an average. Taking Kiangsu as an example, the rate is from a few cents to about a dollar per mow, depending upon the quality of the land. Further, as most of the land registers are lost or incomplete and the measures used

are different, there is, consequently, a great deal of inequality in the actual tax rate.

As the land tax was made a local tax in 1937, the local governments have taken the liberty of adding numerous surtaxes on to the original levy. The average amount of surtaxes in the 817 hsien investigated is 100.55% of the principal levy.

Apart from the principal taxes and surtaxes on land, there are also other levies or assessments which are extremely annoying.

Taxes are collected either over the counter or from door to door, or by deputies.

7. Economic Survey.—Apart from the land investigation, the council has also conducted a series of studies on the economic and financial conditions of Szechwan and Shansi and on a number of light industries in all parts of the country. During 1936 the economic survey of Szechwan and Shansi, and the investigation of nine light industries such as rubber, match, paper, paint, etc. were concluded. Detailed reports on these studies have been published in Chinese and submitted to various government authorities for reference purposes.

PART III

PRIMARY GOVERNMENTAL FUNCTIONS

HOME AFFAIRS

CHEN NIEN-TSUNG (陳念中)

I. GENERAL HISTORY

The establishment of the Ministry of Interior had its origin in the Ching dynasty. In 1906, at the end of the New Reform Movement, a *Minchengpu* (民政部), or Ministry of Civil Affairs, was formed, and in 1911 this took over the duties of the *Hupu* (戶部), when the latter institution was abolished.

When the Provisional Government took form in Nanking after the Revolution of 1911, a *Neiwupu* (內務部) was organized and placed under the direction of the president. When the Central Government was later moved to Peiping the work of the former *Minchengpu* was merged into the new organization. The *Neiwupu*, being the supreme executive organ of home affairs, had a wide range of functions related to the following: land, population, local government, police, election, famine and poor relief, social welfare, copyright, public works, customs and ceremonies, religion, public hygiene, etc. At the head of the *Neiwupu* was a minister who, appointed by the president, was to supervise ministerial affairs and to see that governmental orders were duly executed by the local authorities. In case the latter should fail to execute the governmental orders or their actions should exceed the powers granted them, the minister was responsible for making necessary corrections or for bringing the case before the president.

In the spring of 1927 the success of the Nationalist Expeditionary Forces resulted in the establishment of the present National Government in Nanking. As the Nationalist forces pushed northward, local governments were reorganized and peace and order reigned anew in the country. In 1928 the Period of Political Tutelage commenced and on April 1 of the same year the present Ministry of Interior was formally established. In accordance with the Organic Law promulgated at the same time it was placed under the direct supervision of the National Government. When the nationalists reached Peiping the former *Neiwupu* was finally amalgamated into the new organization.

As then organized the ministry was divided into four departments: civil, land, police and health. In October, 1928, when the Organic Law of the National Government, based upon the Five-Power System, was promulgated, the ministry became a component part of the Executive Yuan. Two months later the Organic Law of the ministry was duly amended and the ministry was now to be composed of six departments. Three of these departments were newly created—namely, the departments of general affairs, statistics, and customs and ceremonies. One department, that of health, was made an independent ministry, later assuming the title of National Health Administration. In 1931 this health organ was again put under the direction of the Ministry of Interior, only to be made independent once more in 1935. In the latter year, the National Commission for the Preservation of Antiques, formerly under the direction of the Executive Yuan, was transferred to the ministry; and the Department of Statistics, formerly under the ministry, was put under the general supervision of the Office of the Comptroller-General of the National Government. In accordance with these changes and in order to meet the exigencies of the expansion of governmental duties, the Organic Law was amended a second time on July 14, 1936. According to this amendment two administrative sections were added to the ministry, one to handle utilities and the other

concerning itself with building regulations.

II. ORGANIZATION & FUNCTIONS

In the ministry there are at present some 200 staff members, eight compilers, eight technical experts, 16 inspectors, five department heads, six secretaries, four counsellors, two vice-ministers (one political and the other permanent) and a minister at its head.

For the discharge of duties the ministry is divided into five departments, each of which takes charge of a special branch of administration, and there are also a secretariat, a counsellors' office and a bureau of statistics. In addition there are a number of permanent and non-permanent offices and organizations under the ministry, among which may be mentioned the Metropolitan Police Headquarters, the Central Police College, the Peiping Museum of Antique Exhibits, the Commission for the Preservation of Antiques, the Commission on the Compilation of Music Codes, the Committee of Administrative Appeal, the Committee of Maps, the Compilation Office, etc.

As the main work of the ministry is transacted by the departments, a brief survey of each is here given:

1. The Department of Civil Affairs takes charge of the following functions: regulation of local administration and local self-government; determination of the local administrative system; training, appointment, removal, grading, rewarding and pensioning of local officials; determination of administrative districts; adjustment of frontiers; collection and revision of local histories; enforcement of conscription and of the law of nationalities; regulation of public utilities; granting of relief and prevention of famine and epidemics; investigation and conservation of local food supply; supervision and encouragement of philanthropic activities, etc.

2. The Department of Police Administration takes charge of: the drafting of police regulations; establishment and distribution of police stations; training, appointment, removal, grading, rewarding and pensioning of police officers; suppression of banditry; prevention of floods and fires; suppression of dangerous articles; punishment of police offenders; organization of special police and militia; suppression of unlawful meetings and associations; taking of census; suppression of opium, morphine, cocaine, heroin and other injurious drugs, etc.

3. The Department of Land Administration takes charge of: the investigation, surveying and registration of land; land administration and training of technical experts; opening, exchange, transfer and preservation of public land; expropriation of land; investigation and determination of land prices; alteration of land taxes; adjustment of relations between landlords and tenants; settlement and migration within the country; city planning and building regulations, etc.

4. The Department of Ceremonies and Customs takes charge of: all rituals; musical codes; commemoration of sages and martyrs, and pensioning of their descendants; improvement of social customs; administration and registration of temples and monasteries; protection of sacrificial properties; registration of religious institutions; preservation and protection of sacrificial properties; registration of religious institutions; preservation and protection of historic monuments and relics, etc.

5. The Department of General Affairs takes charge of: miscellaneous duties concerning promulgation of ministerial orders; custody of the seals; dispatching and receiving of documents; appointment and removal of personnel; custody of the files; editing of the ministry's publications; making budget and keeping accounts; making purchases and equipment; preservation and registration of public properties, etc.

III. SYSTEM OF LOCAL GOVERNMENT

A. The Provinces.—In the Republic of China there are altogether 28 provinces besides the territories of Tibet and Mongolia, which have not been so organized. The general outline of the system of provincial government

is almost uniform in the provinces, while the special systems in Tibet and Outer Mongolia have been adapted to suit local conditions.

The system of provincial government is founded on the two-grade system of local government, as postulated in Dr. Sun's *Fundamentals of National Reconstruction.* The hsien or district is the unit of self-government and the province links up and provides means of co-operation between the Central Government and the local district governments. Based upon these *Fundamentals,* a set of laws and regulations determining the system of local government was enacted; the laws concerning the provincial government were enacted in 1926 and were amended five times in the five years following publication.

Organization and Duties.—The present system of provincial government is of the commission type. In the provincial commission there are from seven to nine members of the "selected" rank, appointed by the National Government at the instance of the Executive Yuan, one of the members being designated as the chairman of the provincial government. The members together form the provincial council, which deliberates upon the affairs and determines the policies of the provincial government. It may enact any law or regulation so long as it is not incompatible with that of the Central Government. In the chapter entitled "Central and Local Administrative Systems" found elsewhere in this volume, the specific powers of the provincial council have been enumerated in detail.

The chairman convenes and presides over the meetings of the council. He is in a dual position, representing the province, on the one hand, as its executive head, and the Central Government, on the other, as its agent. In the former capacity he executes the measures and resolutions passed by the council, supervises the functioning of all of the administrative organs and disposes of the routine work and urgent matters of the province.

After the policy has been determined by the council, the administrative work is carried out by several administrative organs, namely, the secretariat; the departments of civil affairs, finance, reconstruction and education; and the peace preservation corps. In the case of a large province a department of industries may be added. Under special circumstances other subordinate organs may be established for the execution of a special type of work. At the head of the secretariat is a secretary-general and at the head of each department is a commissioner. All of these officials are appointed by the National Government; the commissioners are, and the secretary-general may be, council members concurrently. The peace preservation corps, subject to the direct control of the provincial government, is under the command of the chairman. The provincial chairman may take charge of a department but this is not the usual practice.

Functions of the Secretariat and the Departments.—(1) The Secretariat takes charge of: miscellaneous duties concerning the drafting, dispatch or receiving of documents; custody of the files; compilation of statistics and reports; appointment and removal of personnel; custody of seals; budget and accounts; purchases and equipment; other matters not belonging to the other departments.

(2) The Department of Civil Affairs takes charge of: the appointment and removal of district and municipal administrative officers; local self-government; police; militia and citizen corps; prohibition of opium; election; relief and prevention of famine and epidemics; poor relief; rituals and customs; religion; labor and tenant disputes; land administration; survey and appropriation of land; public health, etc.

(3) The Department of Finance takes charge of: taxation; public debt; accounting; budget and estimates; public property; other financial matters of the province.

(4) The Department of Education takes charge of: different grades of schools; social education; educational institutions; museums and libraries; playgrounds and gymnasiums; other educational matters of the province.

(5) The Department of Reconstruction takes charge of: the construction and repair of highways and railways; rivers, harbors and navigation routes; other public works.

(6) The Department of Industries takes charge of: the planning, supervision and encouragement of matters concerning agriculture, forestry, sericulture, fishery, mining; improvement of agricultural land and encouragement of settlement; irrigation and conservancy; prevention and control of plant and animal disease; protection, supervision and encouragement of industry and commerce; factory inspection of commercial commodities; inspection of weights and measures; registration and supervision of agricultural, industrial and commercial associations and guilds; other industrial matters of the province. In case this department is not established, its functions are discharged by the Department of Reconstruction.

Tendency of Reform of the Provincial Government.—Since the establishment of the Central Government in Nanking, great efforts have been made to reform the system of provincial government. The outstanding defects of the present system are two in number: first, the area included in each province is too large and the number of districts under its supervision too numerous to effect an efficient administration; second, the organization and functioning of the departments of a province is unscientific and there is often a lack of co-operation and co-ordination among them.

The remedy for the former lies in two directions; either the size of the provinces should be reduced or subdivisions should be created in them. To reduce the size of the provinces would be the more thorough-going measure but it has to be well planned. The area, population, financial resources, historical background, customs and habits and other related factors have to be carefully weighed and balanced before it can be properly executed. A special committee was appointed to study this matter but, for various reasons, it has not yet rendered its report. As to the creation of sub-divisions, the system of administrative inspection was introduced first in the bandit-suppression areas and then spread to the other provinces. We shall speak of it later.

The remedy for the latter has also two aspects: firstly, reform of the commission system of government, and, secondly, changing the status of departments and lodging them in the same building, if possible, to insure better co-operation and co-ordination. As a substitute for the commission system, a governor system has been suggested, but as the matter is one of great political importance it has been referred to experts for further careful study. With a view to changing the status of departments, the consolidation of the offices of the departments has been suggested and adopted by many provinces. By this method the transaction of business is expedited, power tends more to become centralized in the hands of the chairman of a province, and the departments are brought closer together for the handling of governmental affairs. The secretariat becomes an important liaison between the chairman and the various departments, which are no more independent units but component parts of the provincial government under the direction of the chairman. To increase efficiency four new offices, to be composed of staff members of the departments, are established, namely, the law office, technical office, compilation office and the office of statistics. Other points of the principle of administrative efficiency are emphasized, such as the centralization of budget and accounts, purchasing, etc. The new reform was first introduced into the bandit-suppression areas in 1934 and has now been adopted by more than 14 provinces. A new law incorporating the essential features of this reform was promulgated in October, 1936.

B. The Districts. — The *hsien* or district is a unit of local self-government, as is prescribed in the *Fundamentals of National Reconstruction.* In a way, it is quite similar to the *commune* of the French system of government. At the head of the district is a magistrate who is empowered to supervise the whole system of district

government. For the discharge of the multifarious duties, he is assisted by a secretary and one or two section chiefs, together with an appropriate number of staff members according to the requirement of each particular district. He is close to the people and his work is most exacting. Under him there are four bureaus to take care of the different types of administrative work, namely, the bureaus of public safety, finance, reconstruction and education. When necessary, the following bureaus may be added: the bureaus of public health, social welfare, land administration and food administration; or all the bureaus may be reduced to sections for the purpose of retrenchment.

Based upon area, population and financial resources, the districts are divided into three grades and the size of the personnel of the district government is graduated accordingly. The magistrates are all of the "recommended" rank, appointed first from the civil service list and then from among those who have received university education or have had practical administrative experience. They must be more than 30 years of age and may serve for a term of three years, after which they may be reappointed on good behavior. All of the magistrates are recommended by the provincial governments to the Ministry of Interior, are passed by a meeting of the Executive Yuan and are appointed by the National Government. When a district has completed its preparatory work for local self-government and when all of the county chairmen are elected by the people, the magistrate will become elective also. Thus far no district has yet reached that stage. In order to improve the personnel of the district government, most provinces have held competitive examinations to select candidates for magistrates and bureau or section chiefs. In addition, training schools for county chairmen have also been established according to the regulations enacted by the Ministry of Interior in 1930.

The district government administrates the affairs of the district under the direction and supervision of the provincial government, supervises local self-government, makes such ordinances as are compatible with the laws of the provincial and central governments, and devises means and rules for the enforcement of order in the district. The magistrate assumes full control of the administration of the district and supervises the subordinate organs and their staff. He is also the chairman of the district council, which, beside himself, consists of the secretary and the bureau or section chiefs and passes upon the following matters: rules and regulations; budget and accounts; public loans and bonds; disposal of public properties; management and regulation of public enterprises; such other matters as may be referred to it by the magistrate.

For convenience of administration each district is divided into counties, usually from four to 10 in number. In each county, there is a county office serving as a branch office of the district government. Each county is divided again into towns or villages, with a town or village hall as a subbranch office of the district administration. At the head of the county office or the town or village hall is a chief officer appointed by the magistrate.

Tendency of Reform of the District Government.—The defects associated with the system of provincial government occur also in the district. While many of the duties and functions of the provincial government have to be actually executed in the district, the latter, often with an extensive area, has only limited resources of revenue. Two remedies have been suggested for the solution of the problem:

1. To reorganize the district government through the abolition of the various bureaus and the establishment of sections in their place. A set of regulations was first drawn up and promulgated by the Headquarters of the Commission of Military Affairs at Nanchang in 1934 and has now been widely adopted in the various provinces. Its main purpose is to cut the overhead expenses of administration and at the same time to ensure better co-operation and co-ordination after

putting all of the sections under the direct supervision of the magistrate.

2. To allow the establishment of a branch office of the district government in each county or in a group of counties so as to facilitate administration, when the area of the distric is extensive or when some particular counties are distant from the seat of the district government. A set of regulations was promulgated to that effect a few years ago and many provinces have made use of the provisions.

C. Municipalities.—Municipal government is of recent development in China, as only about a quarter of her population is urban and industrialization dates not very far back in this country. The cities flourish along the rivers and lakes on account of internal commerce, and only a few that are located along the coast or at the intersections of railways have become important internationally. Up to the present there are six municipalities under the jurisdiction of the Executive Yuan and 17 others under the jurisdiction of the provinces. As a Chinese municipality is a legal creation it has to fulfil many conditions before it can take the form of a municipal government. (For further details see Chapter on "Central and Local Administrative Systems.")

D. Special Administrative Areas.—Beside the three regular forms of local government, i.e., municipal, district and provincial, special conditions necessitate the establishment of special administrative areas. Apart from Mongolia and Tibet, which have their own system of government and are under the jurisdiction of the Commission of Mongolian and Tibetan Affairs, the following special areas may be mentioned:

1. The Weihaiwei Administrative Area.—Because of its strategic location on the Shantung Peninsula, it was first leased to England as a naval base on May 13, 1898. After the revocation of the lease in 1930, a decree was issued by the National Government for the establishment of the Weihaiwei Administration. A special commissioner under the jurisdiction of the Executive Yuan was appointed to take charge of the administrative work.

2. The Bureau of Local Administration (設治局).—The present system of local government is divided into two grades, but in some districts of the frontier provinces, where most of the inhabitants still lead a tribal life or where the cultural and economic conditions are backward, the establishment of district governments does not give the best results. In the spring of 1930 a law was enacted by the Ministry of Interior whereby bureaus of local administration might be established instead of district governments. At present there are 42 places which have this special form of government. A director is appointed to take charge of the work. He is of the same rank as the magistrate and is likewise under the direction of the provincial government. When the place has reached a certain degree of development the regular form of district government is to be established to take its place.

E. Some Experiments in Local Government Described.—Having mentioned briefly the tendency of reform in district and provincial governments, let us now pay some attention to two of the new experiments in local government made during the last few years.

The Special Commissioner of Administrative Inspection.—The regular form of local government sometimes does not meet the needs of the day. In the bandit-suppression areas, urgent measures have to be carried out after a place has been pacified. The social, economic and political conditions of the communistic regime have to be immediately corrected. It was in 1932, when the Bandit-Suppression Forces successfully carried out its operation in the province of Kiangsi, that the innovation was put into practice. In the Provisional Headquarters of General Chiang Kai-shek, there was a commission on party and administrative affairs which was charged with the duty of restoring the Red-infested areas to normalcy. The commission started its work by dividing the province into a number of administrative areas, in each of which

a branch office was established to supervise the administrative work of the various districts included in it. The chairman of such a branch office was appointed to act concurrently as magistrate of the district wherein his office was located. The powers formerly held respectively by the party and the administrative or military organs were concentrated in the hands of one person, who was held responsible for the supervision of the affairs of the administrative area. The experiment proved to be successful and was soon introduced into other provinces when the Bandit-Suppression Forces pushed their way through the Red-infested areas, particularly in Honan, Anhwei, and Hupeh. The name "Special Commissioner of Administrative Inspection" was then adopted and the responsibilities and functions of this office defined. A set of regulations to be effective in the Red-infested areas was promulgated in August, 1932.

Meanwhile other provinces were making similar experiments. The creation of the positions of "Chief Magistrate" in Anhwei, the "Inspector of Administrative Area" in Kiangsu and the "Special Inspector of District Administration" in Chekiang were examples of efforts at administrative experimentation. As new forms of local government, these experiments were not in unison with the two-grade principle, but as transitional systems to solve specific problems in the various provinces they have some merit. Realizing the need of such systems, the Ministry of Interior, after a careful study of the conditions in the provinces, enacted a law stipulating that in areas which are too far away from the seat of provincial government and where special problems occur, the provincial government may, with the approval of the central authorities concerned, designate one or more districts to be included in an area of inspectorate, a special commissioner being appointed to supervise the administration of the various districts under his jurisdiction. This official may be concurrently a magistrate of the district where his office is located.

After General Chiang Kai-shek assumed office as the President of the Executive Yuan, the laws and regulations formerly promulgated and enacted by the Headquarters of the Bandit-Suppression Forces were referred to the Yuan and the Commission of Military Affairs for revision and consolidation. A new law relating to the post of special commissioner of administrative inspection was subsequently promulgated in May, 1936, and contained the following salient points:

The special commissioner is of the "selected" rank, passed by a special committee of the Executive Yuan and appointed by the National Government. He may be appointed concurrently as the magistrate of the district where his office is located. He is assisted in his work by a secretary, a few inspectors and technical experts and from two to four section chiefs. The areas of inspection are divided according to the size and population, into three grades, and the size of the government is graduated accordingly. In case he is concurrently the magistrate of the district, most of his subordinates will also have a dual position and serve as staff members of the district government.

The duties and functions of the special commissioner of administrative inspection are multifarious. He is empowered to direct, investigate and supervise the functioning of the district and municipal governments under his jurisdiction. When reforms are deemed necessary, he may make recommendations to the provincial government for execution. He has charge of the appointment, removal, rating and discipline of the personnel of the various subordinate administrative organs. He sees to it that the laws are obeyed and executed, and in case of any violation he may rescind the order or regulation of his subordinates and report to the provincial government. From time to time he shall make circuit tours and convene, if necessary, administrative conferences of the magistrates, mayors, bureau directors, section chiefs and other persons of importance in the locality so as to discuss matters of reform or projects or enterprises to be carried out. To enable him to ex-

ercise adequate control over the police force and the peace preservation corps in the maintenance of peace and order, he is concurrently made the commander of these forces in his administrative area. For performing the latter duties he is assisted by a different group of staff members, most of whom are trained in military science.

That the reform meets the requirement of the moment is proven by the fact that up to the present more than 15 provinces have adopted it.

Experimental Areas in District Administration. As a district is the basis of local self-governments, the improvement of district administration is of prime importance in the betterment of the political system. The Ministry of Interior, with this purpose in mind and after an investigation of the conditions in the various provinces, promulgated in July, 1933 a law for the establishment of experimental areas in district administration. The central idea of such an experimental area is to find out the best method of district administration applicable to the other districts of the country and to develop and realize the principle of democracy, so that the suffrage rights of election, recall, initiative and referendum can be early practised. In the last few years, some nine provinces have already made use of the provisions of this law and experimental areas have been established to try out the different methods of administration. The variety of such experiments will certainly enrich the political experience of the country. Among the experimental areas may be mentioned the following: Kiangning (Kiangsu), Chungshan (Kwangtung), Tinghsien (Hopei), Tsoping and Hotseh (Shantung), Lanchi (Chekiang), Yuhsien (Hunan), Kunming (Yunnan), Linchwan (Kiangsi) and Tingvan (Kweichow). All of these places have programs of their own and emphasize different phases of their work; for example, the Tinghsien experiment emphasizes the movement for mass education while in Tsoping, rural government and rural rehabilitation become the center of the problem. Kiangning and Lanchi have taken bold steps in the reform of land and police administration. All of these experiments have achieved varying degrees of success and only time is needed to determine the final results.

As to the improvement of personnel amongst the administrators of local governments one word may be added in passing. Due to the strict scrutiny in selecting candidates, the wide range of experience and opportunity offered in these positions, and the emphasis laid upon proper training and good local government, not a few persons of high qualification have been attracted to these posts. Included in this list are many educationalists and sociologists of high renown, members of the law faculties of the great educational institutions, and legislators, as well as others formerly taking responsible positions in the provisional governments. They now appear in the arena of local government, either as the directing genii of experiment in local administration or actually participating as special commissioners or district magistrates.

For the purpose of profiting by the experiences of the local administrators and at the same time strengthening the tie between the central and local authorities, the Ministry of Interior convened in March, 1936, a Special Training School for mayors and magistrates. An intensive schedule was mapped out and about 100 such local officers were summoned each time to attend a course of training for one month. Up to April, 1937, seven such classes had already been convened, attended by 711 members, distributed among 18 provinces and three municipalities. The beneficent influence of such training may be shown by the following analysis of those attending: 36 special commissioners, 544 magistrates, 91 police commissioners and 40 local officers of high rank. A further analysis of the list shows that about 40% of them were university graduates and over 40% were graduates of technical schools such as law, police, military science, education, agriculture, etc.

IV. PRINCIPLES UNDERLYING THE DEVELOPMENT OF LOCAL SELF-GOVERNMENT

Having described thus far the system of local government, its merits, defects and the tendency of reform, a word should be added about the principles underlying the development of local self-government in this country.

The principles of local self-government are outlined in two important documents by Dr. Sun Yat-sen, founder of the Republic, namely, first, the *Fundamentals of National Reconstruction* and, second, the *First Steps in Local Self-Government*, on both of which are based the subsequent legislation and planning of local self-government either by the party or by the government.

According to the *Fundamentals*, a district is the unit of local self-government and the province serves as a liaison between the district and the Central Government. The work of a district should start with the census of population, the surveying of land, the construction of roads, the establishment of schools and the training of police. Having accomplished these objects, it should proceed to the evaluation and assessment of land, the development and exploitation of natural resources and the encouragement of commerce and industry. Not less than 10 per cent nor more than 50 per cent of the local revenue shall be reserved for the use of the locality and, in case of need, subsidy may also be asked from the Central Government. When a district reaches the stage of local self-government, direct suffrage shall be granted and the people shall have the four rights of election, recall, initiative and referendum. The district government thus established on the basis of popular election shall send representatives of the people to participate in the work of the Central Government. When all of the districts in a province reach that stage, a provincial constitutional government shall be established and a popularly elected governor shall be put at its head. At that time the division of power will consist neither of centralization nor decentralization but will be made according to the nature of the subject matter. Things that should be uniform and of nation-wide interest belong to the Central Government and those fit for local administration belong to the provinces. This is called the "system of balanced power."

The *First Steps in Local Self-Government* embodies the same line of thought. The district is marked out as an area where two of Dr. Sun's Three Principles, the Principle of Democracy and the Principle of Livelihood, shall be practised. At the beginning the work of a district should start with the following six items: completion of the census, establishment of the proper machinery of government, fixing the prices of land, construction of roads, cultivation of lands and establishment of schools. Having well accomplished all these, it shall proceed to other undertakings more economic in nature, such as the promotion of co-operative systems in industry, agriculture, commerce, banking, insurance, transportation, etc. so that a fully self-governing district shall not only be a political but also an economic organization.

Guided by the principles contained in these two documents, the organic laws of district and municipal governments were drawn up. The organic law of districts was first promulgated in 1928 and was amended in the following two years, while that of the municipalities was promulgated in 1930. The experience of the last few years has demonstrated that in achieving the full realization of the principles of local self-government as outlined by the Founder of the Republic, much has to be done and many defects have to be corrected. The organic law needs to be amended, particularly in regard to the following respects.

Firstly, the minute territorial subdivision of the districts and municipalities is not conducive to the development of local self-government. A district under the present law is divided into from four to 10 counties and each county is again subdivided into from 10 to 50 towns and villages.

Rural communities of 100 or more households but less than 1,000 constitute a village and market places of the same number constitute a town. Within each town or village five households form one *lin* or neighborhood and five *lin* form one *lü*, meaning a cluster of households. Thus a district is divided into four classes of self-governing bodies, the *lin*, *lü*, town or village, and county. In case of a municipality, the same line of division holds except that the term *fang* (meaning streets in the center of a city) is used instead of the term village or town. The division is uniform but is not sufficiently elastic to fit into local conditions. As the policy is to build up local self-governing bodies from the bottom, such a subdivision is often cumbersome and small units like the *lü* and *lin* are often too small to have the necessary leadership and resources for local self-government. In order to remedy this situation the Central Political Council of the Kuomintang drew up, in March 1934, a new set of principles for the guidance of different provinces. The main points decided upon were: that only two classes of local self-governing units are necessary, namely, the county and the town or village, in case of a district, and the ward and the *fang*, in the case of a municipality; that the program of local self-government should be divided into three periods: (1) the period of political tutelage, during which the affairs should be managed by the officials, (2) the beginning of self-government, during which time affairs should be managed by the people but under the supervision of the officials, and (3) the completion of self-government or the beginning of constitutional government; and that each province should establish one or more experimental areas in district administration so as best to carry out the slogan "Government, Education, Wealth and Protection" in all kinds of organizations and enterprises, to increase the efficiency of administration, and to bring to an early completion the three periods of local self-government. Matters not specified in the present draft were to follow the principles laid down in the *Fundamentals of National Reconstruction.*

Secondly, the adoption of the *Paochia* System (保甲), or the system of mutual protection, is in conflict with the present system of local government. The economic depression in the rural communities and the rehabilitation of the Red-infested areas necessitate the introduction of a new system of protection in order to bring peace and order into the different localities. But this system means the reorganization of the self-governing units, for it prescribes that 10 households shall form a *pao*, which is incompatible with the *lü* and *lin* organization as provided in the organic law of the district. The system was first introduced by the headquarters of Generalissimo Chiang in October 1934 into bandit-suppression areas such as Kiangsi, Hupeh, Anhwei, Honan, etc. It was applied with considerable success and soon spread to some eight provinces and two municipalities. The merit of the new system was quickly recognized by the Central Government and on November 7, 1934, a motion was laid before the Central Political Council and passed to the effect that as the *Paochia* System is intimately related to the public order and protection of a locality and forms a good basis of local self-government, the Executive Yuan shall order the provincial and municipal governments to adopt the new system at once. The result of the resolution was practically the abolition of the *lü* and the *lin*, with the new units, *pao* and *chia* as their substitutes. The essential function of the *Paochia* System is to organize the people for the preservation of law and order in a locality. Only in case of serious disturbances shall the assistance of the militia or of the peace preservation corps be called upon. The nature of the new system can be best understood by an analysis of the laws enacted by the headquarters of the Generalissimo.

1. The Law Relative to the Taking of Census and the Organization of the *Paochia* System Enacted in August 1932.—According to this law, the districts in the bandit-suppression

areas are each to be divided, according to local conditions, into several counties for the purposes of taking the census and organizing the *Paochia* System; the unit of the system is the household, with a *huchang* (head of a household) as its head; every ten households form a *chia*, with a *chiachang* (head of a *chia*) at its head, to be elected among the *huchangs;* a *pao* shall be included within the boundary of a town or village; and all households, *chias* and *paos* shall be serially numbered.

When the formation of the *Paochia* System is completed, the *paochang* shall convene a meeting of the *chiachangs* for the adoption of a *Paochia* Agreement to which all the household heads in every *chia* shall pledge their honor for its faithful execution. The household heads shall also sign a document to the effect that they will help one another and be held mutually responsible to report any outlawry or breach of law within their respective confines. The *chiachangs* are under the direction and supervision of the *paochang* and the *paochangs* again under the command of the county chief officer, who is responsible for the preservation of peace and order in the locality.

2. The Law Relative to the Organization of the County Office.—To supervise the activities of the *Paochia* System and to promote the work of the district government, the above law was enacted when the law on *Paochia* System took effect in the bandit-suppression area. According to its provisions a district is to be divided, according to its area, topography, population, transportation, economic conditions and customs and habits of the people, into counties of not more than 10 nor less than four in number. In a convenient center of each county is established a county office with a county chief officer at its head. He has a few staff members and may invite inhabitants of standing and ability to assist him in the discharge of functions. From time to time the magistrate may call the chief officer of every county to the seat of the district government, either to hold conferences or to give them special training, so that new laws and regulations concerning the *Paochia* System, the militia, the agricultural co-operative system, etc. may be properly executed.

V. POLICE ADMINISTRATION AND TRAINING

The preservation of peace and order in the country depends largely on the police force, in addition to the regular troops and the militia. Since 1927, after the formation of the present Ministry of Interior, many reforms have been carried out in regard to police administration and in 1936 rules regarding the standardization of police organizations were again enacted: (1) the bureau or department of police is decided upon as the unit of police administration and such an organization is to be established where the seat of a provincial district or municipal government is located; in the national capital, the organization takes the special form of the Metropolitan Police Headquarters; (2) police education is to be reorganized and improved; (3) in the provinces the executive work is to be centralized in the provincial police headquarters and, to meet the needs of special localities, police squads may also be organized; and (4) to face the problems of modern society, policewomen are also to be employed.

A. A System of Police Administration.—Police administration is centralized in the Ministry of Interior, where a separate department is established to take charge of the administrative duties. For the various special forms of police such as railway, salt, revenue, fishery, mining, forestry, air, judicial, foreign affairs, etc. the administrative work is distributed among the Ministries of Railways, Finance, Industry, War and Foreign Affairs respectively, with the co-operation and co-ordination of the Ministry of Interior.

In regard to police administration in the provinces and municipalities the subject may be considered under three heads: the metropolitan police, the organ of police supervision and the organ of police administration.

The police administration in the national capital is vested in a special organ, the Metropolitan Police Headquarters, which is under the direct supervision of the ministry. A commissioner of the "selected" rank is at its head, with three sections and two bureaus under him to take charge of the administrative work, namely, the section of general affairs, section of safety and the judicial section, the bureau of inspection and the bureau of police training. For policing, the metropolis is divided into nine wards, each of which is under the charge of a police officer. At present there is a total of some 830 police officers and 5,000 police constables, with an annual budget of $2,100,000.

The supervisory organ of the police administration of a province is the provincial police headquarters, which is under the direction of the department of civil affairs of the provincial government and has all of the police administrative organs of the districts and cities under its supervision. When the provincial police headquarters is not established, the supervisory function is directly exercised by the department of civil affairs. In case of a municipality under the direct control of the Executive Yuan, the supervisory function is discharged by the Ministry of Interior. This form of provincial police supervision is adopted in some 10 provinces at present, and its organization may be briefly outlined: the provincial police headquarters is in charge of a director who is assisted by from two to four section chiefs, one secretary, one chief inspector and a number of staff members. This organ has power to direct and supervise the police force in the whole province and may change or rescind the orders and regulations of its subordinate organs if such orders and regulations are contrary to the existing laws or exceed the sphere or authority of the subordinate organs concerned.

The organ of police administration in the capital of a province, a district or a city is the bureau of police, according to the regulations enacted by the ministry. Such bureaus are under the direct supervision of the department of civil affairs of the provincial government or of the municipal or district government as the case may be. In a district where the bureau of police is not established, a police officer in the district government shall be assigned to take charge of the work. The administrative area of the bureau is often coterminous with the political area and, for the purpose of policing, may be divided into several units, in each of which a branch office is established. The unit under the charge of the branch office may again be subdivided and in each of the subdivisions a police station is established. To assist the work of the branch office or police station, particularly in the business sections of a city or other important points, substations may also be created. The method of policing may be described. In a place where the seat of the government is located or in the down-town sections, both the police box and the patrol system are to be adopted; the location of police boxes and areas of patrol are left to be decided by the branch office in charge. In other places, either rural or urban, the patrol system is recommended and every 1,000 to 2,000 persons are to be included in a police beat or area of patrol where a policeman is assigned.

B. Training of Police Forces.—The work of a policeman in modern society is highly technical and to meet the needs of the day police schools of various types are established, both in the capital and in the provinces and cities.

Police College.—The Central Police College which was moved to the national capital from Peiping a few years ago and was reorganized in August, 1936, was founded in 1901 during the Ching dynasty. It is under the direct control of the ministry and serves as the highest training institution for police officers. It has now an enrolment of 384 students, beside two special classes of about 50 each—one for the training of police officers in service and the other for the training of those who are taking charge of the police schools in the different localities. After more than 30 years of arduous work, the college has turned out 21

classes of graduate, or nearly 3,000 students, who are now filling responsible posts in the police administration of this country. Among the graduates the number of students taking special courses is given below: finger prints, 320; public health, 100; police dog, 61; electricity, 52; building, 65. The recruits are drawn from among high school graduates or upper class police officers who have had sufficient experience, and they are to receive two years of solid training in the college.

Police Schools.—The modern police system was introduced at the end of the Ching dynasty. Since the establishment of the Nationalist Government many reforms in police administration have been carried out, among them being the establishment of police training institutions. In order to meet their respective needs various provinces have established schools for the training of police officers. Some 12 provinces established such schools, with a total number of 2,800 graduates, but since the reorganization of the Central Police College such high grade police education has been centralized in that institution.

To improve the general ability and morale of the police force the provinces have also established schools for the training of police constables. The students of such schools are generally recruited from among the graduates of the high primary or middle schools as well as from amongst the regular police force. About 20 provinces and four municipalities have established such schools. The number of schools in each province varies, Hopei, with 101 schools, and Shantung, with 20 schools, being the two provinces where a greater number of police schools are found.

Beside these schools for the training of police constables, there are also special classes or schools for the training of police officers who are already in the service. Such an additional education is highly desirable for improving the personnel of the police force. There are about 170 such schools and classes in the different provinces and cities.

VI. LAND ADMINISTRATION

Equalization of land is one of the two important aspects of the Principle of the People's Livelihood. The purpose of such a policy is stated both in the manifesto of the First Kuomintang National Congress and in the *Fundamentals of National Reconstruction.* In the manifesto it is stated: "Since the right of owning land is controlled by a few, the state should enact a land law, a law for the equalization of land, a land expropriation law, a land taxation law." In the *Fundamentals*, it is urged that "at the beginning of self-government, a declaration be made of the value of private-owned land in the district; any increase in value as a result of improvement in the administration and progress of the community shall be set aside for the benefit of the whole community, and the original owners are not allowed to keep it for themselves; the annual revenue from land, the increase in land value, the produce from the public land . . . shall be reserved for the local government and shall be devoted to the development of industries . . . and other public needs." Upon these principles the solution of the land problem and the drafting of land laws and regulations are based. The more important land laws and regulations, with dates of promulgation, are mentioned below: (1) Land Law, June, 1930, (2) Law Governing the Application of the Land Law, April, 1935, (3) Outline Governing the Procedure of Land Administration, February, 1936, which was enforced together with the above two laws on March 1, 1936, (4) Outline Governing the Training of Land Officers, October, 1935, (5) Rules Governing the Collection of Revenues to Finance Land Administration, November, 1935, (6) General Rules Governing the Organization of the Bureaus of Land Administration, March, 1936, (7) Regulations Governing the Appointment of Land Assessors, March, 1936, (8) Regulations Governing the Appointment of Technical Officers on Land Documents, March, 1936, (9) General Rules Governing the Special Assessment of Municipal Land Improvement,

April, 1936, and (10) Rules Governing the Reduction and Exemption of Land Tax, April, 1936.

The system of organization for land administration consists of the central and local offices. At present the Central Government executes its land policies through a department in the Ministry of Interior; in the provinces either a bureau is established for that purpose or a section is created in the Department of Civil Affairs or the Department of Finance of the provincial government; and in the district or municipal governments the function is discharged by a bureau or a section of a bureau. There are eight provinces which have adopted the bureau system, 10 others have established a section in the Department of Civil Affairs. In Nanking and Shanghai, a bureau has been created, while in Peiping, Tientsin and Tsingtao the function of land administration is assigned to a section in the Bureau of Finance.

Geodetic survey and land registration are the two essentials of land administration on which are based such other activities as land taxation, land utilization, etc. Within the last few years, rapid progress has been made in these activities, particularly in the provinces of Kiangsu, Chekiang, Anhwei, Hupeh, Hunan, Kwangtung, Kiangsi, Yunnan, and in the municipalities of Shanghai and Nanking. Twelve provinces have begun the work of geodetic survey, with 160 districts and cities already under survey. According to official reports received up to June, 1936, the surveyed area has reached the figure of 69,500,000 mow. The municipalities under the control of the Executive Yuan have also done fine work. The survey of the urban areas of Nanking and Tsingtao has already been completed, while that of Shanghai, Tientsin and Peiping is well under way.

After the geodetic survey comes land registration. In the Land Law the Torrens System of registration is adopted and the procedure is provided in detail. At present, there are more than 20 places which have started the work of land registration. Up to June, 1936, about 17,600,000 mow of land have been registered in 12 provinces and municipalities, registration fees totalling up to $3,000,000. As the title deeds are often incomplete, many legal disputes have arisen. In the Land Law, a separate system of land courts is provided but, due to financial reasons, this has not been realized. The land cases are handled by the regular courts with much red-tape and delay. To remedy the situation arbitration committees on land disputes are often organized to settle the cases.

After geodetic survey and land registration, land taxation is the next object to be pursued. A few of the municipalities and cities such as Nanking, Shanghai, Tsingtao, Hangchow, Canton, Nanchang, Hankow, etc. have levied the tax, collecting an annual revenue of about $3,000,000. Most of the cities and municipalities have also levied special assessment for city betterment and a few cities such as Nanking, Tsingtao and Hankow have even submitted their city plans to the Ministry for approval—a move which will certainly stabilize land prices and facilitate the work of land valuation and assessment.

In conclusion, modern land administration has made much headway in the last few years. The promulgation of the various land laws, regulations and rules has clarified thinking, standardized the work and increased efficiency. The results of geodetic survey and registration among the more progressive provinces and cities have improved technique, reduced expenses and encouraged the work of others. In this respect the examples of Kiangsu

and Kiangsi provinces may be cited. In Kiangsu the expenses of survey and registration were reduced from 30 to three cents per *mow*. In Kiangsi serial survey was used and the expenses of survey and registration were reduced from 14 to nine cents per *mow*. The result of such improvement is tremendous. Land survey and registration, formerly looked upon as expensive undertakings, are now welcomed in most places. The plans for survey and registration in Kiangsu and Kiangsi formerly covered only a part of each province but now embrace the whole area. Several other provinces and municipalities have also submitted their plans to the Ministry of Interior for approval. To speed up the work of geodetic survey and land registration in the various provinces and municipalities the ministry has recently adopted a plan of triangulation of the first order, which will cover the area of the whole country and will be completed in a number of years. Aerial survey is also encouraged but triangulation points are to be made at the same time.

VII. THE PRESERVATION OF ANTIQUES AND HISTORICAL PLACES

China is an ancient nation and relics of her past are scattered about the country in superabundance. It is essential that there should be proper legislation and administration for the preservation of ancient monuments and objects of antiquity. With the establishment of the Ministry of Interior the administrative work has fallen upon the Department of Ceremonies and Customs and in June, 1930, an Antiques Preservation Law was promulgated. According to that law the work of administration was to be centralized in a Commission for the Preservation of Antiques, under the jurisdiction of the Executive Yuan. The commission was duly organized in 1933 and, in June 1935, at the decision of the Central Political Council, it was transferred to the Ministry of Interior in order to ensure better co-ordination. To facilitate its work two branch offices were established in Sian and Peiping respectively.

The main provisions of the law require the registration with appropriate authorities of the central or local governments of all privately owned antiques, prohibit the transfer of their ownership to other nationalities, nationalize all antiques buried underground or found on the surface, and limit the circulation of antiques within the national boundary. The commission is composed of the following members: from four to seven technical experts, two representatives each from the Ministries of Education and Interior and one representative each from the Academia Sinica and the Peiping Research Institute. A standing committee of five, including the chairman, manages the affairs of the commission with the assistance of a small staff of officers. Among other things, the commission makes investigations, determines the authenticity of antiques, devises means of preservation, arranges exhibits, authorizes excavations and circulations, takes charge of registration and compiles reports and statistics for publication. Excavation work is permitted only to the technical institutions under the jurisdiction of either the central government or local governments. On investigation, if the petitioner is qualified, the commission will request the Ministries of Education and Interior to issue a permit authorizing the excavative works.

Other laws and regulations relative to the preservation of antiques may be mentioned. In recent years there

has been much smuggling of antique objects from this country by unscrupulous merchants. In order to put a stop to this kind of illegal practice and to protect lawful trading in art and rare objects, a classification list was drawn up in June, 1935, by the commission, giving a general outline of what is an antique and what is not. This is for the reference of the Customs House and the antique merchants but the final decision remains with the commission.

To facilitate the work of excavation and the study of antiques, it is sometimes necessary to allow specialists of other nationality to participate, or to send antique objects abroad for further investigation. To meet these needs, rules governing the export of antiques and the participation of foreign experts in excavation were enacted on March 8 and March 16, 1935, respectively. These rules provided that the technical institutions of the central or local governments, in order to utilize the provisions, should submit a petition stating the reasons of such exportation or participation to the commission which, after investigation, would submit the matter to the Ministries of Education and Interior for final decision. It was further stipulated that the objects exported should not remain in the foreign country more than three years, and, if foreign experts were invited, they should not constitute a majority of the members participating in the excavation.

As China is rich in scenic spots and historical places, proper care and means of preservation are necessary. According to the Antiques Preservation Law, the local governments, district and municipal, are required to report such places to the Ministry of Interior. It is also stipulated that the local governments should devise proper means of preservation and may organize local associations or enact rules and regulations for such purposes. Up to the present more than 20 provinces and municipalities have turned in their reports and a total of 17,969 historical places and ancient monuments have been placed on record.

The abdication of the last emperor of the Ching dynasty left behind many antique objects of high value in the royal palaces of Peiping and in the provinces of Jehol and Liaoning. For the custody of the precious contents in the palaces of Peiping, the National Museum of the Royal Palaces was organized on July 7, 1924, under the jurisdiction of the Executive Yuan and with a president of the "selected" rank at its head. The organization of the museum is divided into four parts: the office of general affairs, the museum of antiques, the library and the museum of historical documents. The administrative work is discharged by the president under the supervision of the following two organs: the Supervisory Committee consisting of from 12 to 15 members, engaged by the National Government for a term of two years, and the Board of Directors consisting of from 19 to 29 members with the Ministers of Education and Interior as ex-officio members, invited by the Executive Yuan also for a term of two years. For the custody of the precious contents of the palaces in Jehol and Liaoning, the Museum of Antique Exhibits was formed in October, 1914, under the jurisdiction of the Ministry of Interior, with a director at its head. The internal organization of the museum is divided into two sections, each with a small number of staff under the direction of a section chief.

In passing, a word should be added on the subject of the International Exhibition of Chinese Art held in London from November, 1935, to March, 1936. Upon receiving the suggestion of the British Government

that such an exhibition be held, the Chinese Government accepted the invitation and appointed a committee, with the Minister of Education at its head, to make necessary preparations and to co-operate with the British Committee in London. The object of the exhibition was to illustrate to the western public every phase of the civilization of China—its history, its ethnography, its philosophic and religious creeds and its peculiar artistic traditions. It was proposed to hold the exhibition at Burlington House under the joint auspices of the British and Chinese Governments, and the management of the Royal Academy of Arts. The articles sent over were carefully selected, being supplied by the Peiping Palace Museum, the Museum of Antique Exhibits, the Academia Sinica, the Honan Provincial Museum and the Anhwei Provincial Library. The event was received in London with much enthusiasm just at the time of the Silver Jubilee. In May, 1936, the treasures were shipped back to China and an exhibition was held in Nanking before they were returned to their respective custodians.

VIII. ELECTION OF REPRESENTATIVES TO THE PEOPLE'S CONGRESS

The First Plenary Session of the present Central Executive Committee of the Kuomintang passed a resolution to the effect that a People's Congress should be convened in November, 1936, at which time the Draft Constitution of the Republic, prepared by the Legislative Yuan during the last few years, should be formally discussed and adopted. In accordance with that resolution, a set of new laws and regulations was promulgated, these including the Organic Law of the People's Congress, the Election Law of the Representatives to the People's Congress, the Regulations Governing the Application of the Election Law, the Rules Governing the Taking of Oaths and the Registration of Citizenship, and the Regulations Governing the Organization of the National Election Office. In July, 1936, the National Election Office was formally organized with the Minister of Interior and the secretary-general of the Central Executive Committee as the chairman and the vice-chairman respectively. Due to special circumstances, the Third Plenary Session passed resolutions to the effect that the date for the convention of the People's Congress should be postponed to November 12, 1937, and the Organic Law and the Election Law of the Congress amended. The new election system may be briefly described.

According to the Election Law, the congress consists of 1,440 representatives to be distributed as follows: by territorial election, 655; by professional election, 380; by special election, 155 and by appointment by the National Government, 240. The members of the Central Executive Committee and of the Central Supervisory Committee are to be ex-officio representatives. The unit area of territorial election is based upon the administrative areas of the special commissioners of administrative inspection and, where the special commissioner system has not been introduced, a combination of several *hsien* shall form an electoral area. The number of representatives assigned to each area is distributed according to the number of population. All residents or those who have a domicile in the area, of more than 20 years of age and having taken the oaths of citizenship, are entitled to vote. The candidates, however, must be at least 25 years of age. The chief officers of the towns

and villages, or, in places where there are no such local divisions, the officers of similar rank, shall assemble to nominate a number of candidates 10 times more than the number assigned to each electoral area. For the supervision of elections, there are a provincial election office with the commissioner of civil affairs as the director-general and an election office in each electoral area with the special commissioner of administrative inspection or an officer of the similar rank as the director. In case of the municipalities under the jurisdiction of the Executive Yuan the mayor will act as the director of election.

As to the election by professions, the qualifications of the candidates are the same except that, in addition, they should be members of the professional organizations concerned and have been in the profession more than three years. The distribution of the representatives is based on whether they belong to the professional associations (such as agriculture, industry, commerce) or to the liberal professions (such as lawyers, accountants, doctors, pharmacists, newspapermen, engineers, teachers and professors). In the case of the professional associations the quota is assigned to each provincial or municipal association. If such associations are divided into several grades of local associations (such as town or village, county, district and provincial) the members of the association of the lowest grade shall constitute the voters. The candidates are nominated by the members of the executive organs of the professional associations concerned and the number shall be three times more than that assigned. In case of the liberal professions, the method of nomination and election is the same, except that the distribution of representatives is not on the basis of territorial division but according to profession. For professional election the Minister of Interior will act as the director-general.

In regard to the special elections, they are divided into four groups, with the number of representatives distributed as follows: the Four Eastern Provinces, 45; Mongolia, 24; Tibet, 16; overseas Chinese, 40 and the military, 30. The candidates for the Four Eastern Provinces are to be nominated by the National Government and the number shall be three times more than that assigned. Voting by mail is allowed in this case, while for those who vote at the election office a separate ballot box is prepared. The Minister of Interior will act also as the director-general. The election of the representatives of Mongolia and Tibet is divided into two groups: one part of the representatives are to be elected by Mongolians and Tibetans who are resident in the different provinces and the other part by those who are in Mongolia and Tibet respectively. The method of nomination and election is similar in the case of Mongolia to that applied to the Four Eastern Provinces, and in the case of Tibet similar to that applied to territorial elections. The Chairman of the Commission on Mongolian and Tibetan Affairs will act as the director-general of election. For overseas Chinese the method of nomination is similar to that applied to the professional organizations and the method of election is similar to that applied to the territorial elections. The Chairman of the Commission on Overseas Chinese Affairs acts as the director-general. The election of the representatives of the military organizations follows a method of its own. They are assigned a total of 30 representatives to be distributed among the army, navy, air forces and military educational institutions. The Chairman of the Commission of Military Affairs acts as the director-general of election.

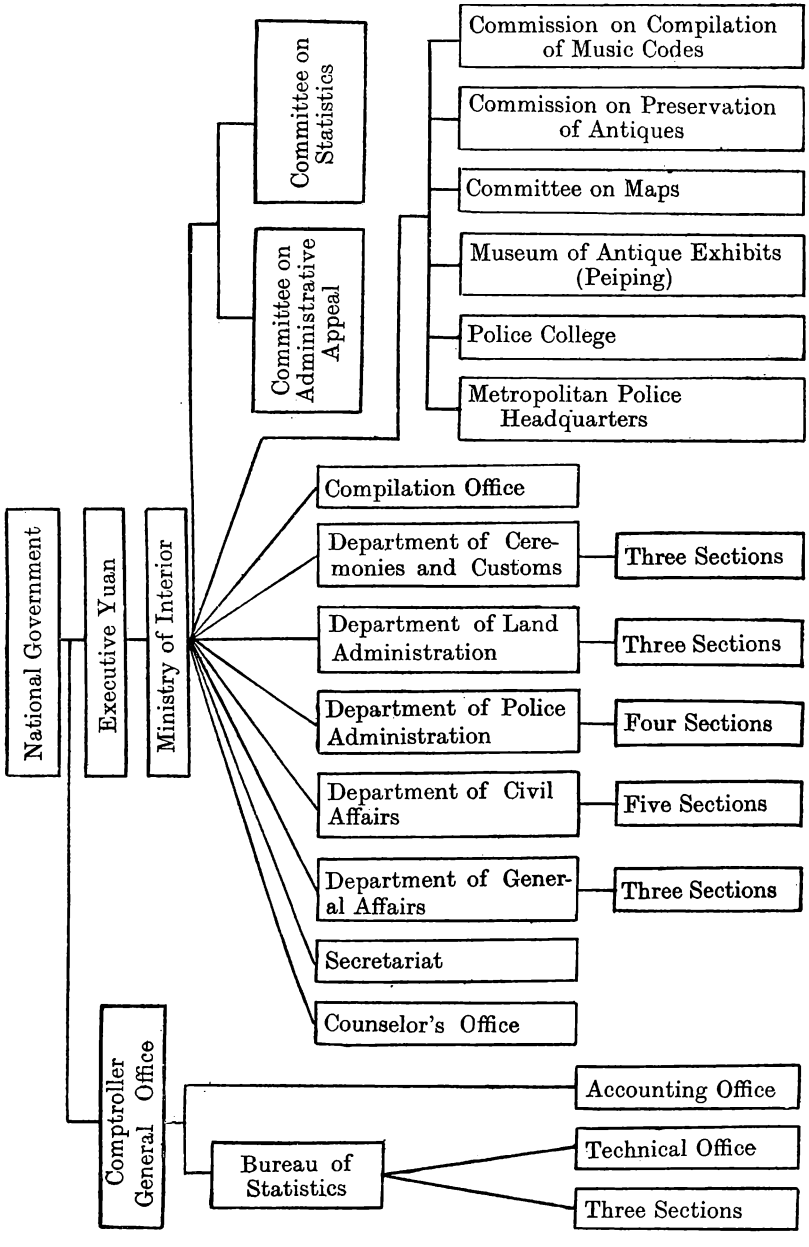

National Government
Executive Yuan
Ministry of Interior
Committee on Statistics
Committee on Administrative Appeal
Commission on Compilation of Music Codes
Commission on Preservation of Antiques
Committee on Maps
Museum of Antique Exhibits (Peiping)
Police College
Metropolitan Police Headquarters
Compilation Office
Department of Ceremonies and Customs
Three Sections
Department of Land Administration
Three Sections
Department of Police Administration
Four Sections
Department of Civil Affairs
Five Sections
Department of General Affairs
Three Sections
Secretariat
Counselor's Office
Comptroller General Office
Accounting Office
Bureau of Statistics
Technical Office
Three Sections

TABLE SHOWING AREA AND

Names	*Provinces*	*Municipalities (under Jurisdiction of Executive Yuan)*	*Special Administrative Areas*	*Special Areas*
Kiangsu	1	—	—	—
Anhwei	1	—	—	—
Kiangsi	1	—	—	—
Hupeh	1	—	—	—
Hunan	1	—	—	—
Szechwan	1	—	—	—
Chekiang	1	—	—	—
Fukien	1	—	—	—
Kwangtung ..	1	—	—	—
Kwangsi	1	—	—	—
Yunnan	1	—	—	—
Kweichow	1	—	—	—
Shantung	1	—	—	—
Shansi	1	—	—	—
Honan	1	—	—	—
Hopei	1	—	—	—
Shensi	1	—	—	—
Kansu	1	—	—	—
Ninghsia	1	—	—	—
Chinghai	1	—	—	—
Sinkiang	1	—	—	—
Suiyüan	1	—	—	—
Chahar	1	—	—	—
Jehol	1	—	—	—
Liaoning	1	—	—	—
Kirin	1	—	—	—
Heilungkiang	1	—	—	—
Sikang	1	—	—	—
Nanking	—	1	—	—
Shanghai	—	1	—	—
Peiping	—	1	—	—
Tientsin	—	1	—	—
Tsingtao	—	1	—	—
Siking	—	1	—	—
Weihaiwei Administrative Area	—	—	1	—
Mongolia	—	—	—	1
Tibet	—	—	—	1
TOTAL ..	28		1	2

NOTE: 1. Information taken from the Quarterly of Statistics published by the Ministry of

POPULATION IN CHINA

Subdivisions in Provinces				*Population*	*Areas (sq. km.)*	*Density of Population*
Hsien	*Cities*	*Special Districts*	TOTAL			
61	1	—	62	36,469,321	108,339	336
62	—	—	62	23,265,368	134,426	173
83	2	—	85	15,820,403	200,209	79
70	2	—	72	25,541,636	207,692	123
75	1	—	76	28,293,735	273,231	103
148	2	1	151	52,963,269	431,309	128
75	1	—	76	21,230,749	103,058	206
62	1	—	63	11,755,625	158,702	74
97	2	—	99	32,289,805	217,404	148
99	—	—	99	13,385,215	217,578	61
112	1	13	126	11,994,549	320,051	37
84	1	—	85	9,043,207	179,478	50
108	1	—	109	38,029,294	179,269	212
105	—	—	105	11,601,026	155,935	74
111	—	—	111	34,289,848	172,736	198
130	—	1	131	28,644,437	153,682	194
92	—	—	92	9,717,881	187,394	52
66	1	1	68	6,705,446	378,059	17
10	—	3	13	1,023,143	274,910	4
16	—	—	16	1,196,054	697,194	2
59	—	6	65	4,360,020	1,828,418	2
16	1	1	18	2,083,693	291,432	7
16	—	3	19	2,035,957	278,957	7
16	—	2	18	2,054,305	192,430	10
59	—	—	59	16,465,303	321,823	51
41	—	1	42	7,666,648	283,380	27
43	—	10	53	3,821,344	449,623	8
31	—	—	31	968,187	371,599	2
—	—	—	—	1,019,148	597	1707
—	—	—	—	3,485,998	893	3903
—	—	—	—	1,556,364	708	2198
—	—	—	—	1,292,025	50	—
—	—	—	—	514,769	552	932
—	—	—	—	188,291	15	—
—	—	—	—	214,113	738	290
—	—	—	—	2,077,669	1,621,201	1
—	—	—	—	3,722,011	1,215,788	3
1,947	17	42	2,006	466,785,856	11,608,800	40 (Average)

Interior, January, 1937

FOREIGN RELATIONS

M. T. Z. TYAU (刁敏謙)

In the previous issue of this year book, the foreign relations of the Chinese Republic were summarized and brought up to July, 1936.

Before proceeding with the main narrative it may be well, on the one hand, to survey the present organization as well as functions of the Waichiaopu or China's Ministry of Foreign Affairs and, on the other hand, to chronicle the latest exposition of China's foreign policy.

ORGANIZATION AND FUNCTIONS OF THE WAICHIAOPU

What is now the Ministry of Foreign Affairs (Waichiaopu) began, in 1861, as an office for the general administration of commercial affairs with foreign countries. This comparatively insignificant organ was soon elevated into the *Tsung-Li Ke-Kuo Shih-Wu Ya-Men* — generally abbreviated into *Tsung-Li Ya-Men*— or Office for the Supervision of All Foreign Countries' Affairs until 1901, when, in compliance with the provisions of the International Protocol concluded after the Boxer Uprising, its designation was changed into the Waiwupu or Ministry of Foreign Affairs. Moreover, in emphasis of its importance, it was made to take precedence over all other government departments.

With the establishment of the Republic in 1912, the Waiwupu was renamed Waichiaopu, meaning literally Ministry of Foreign Intercourse or Ministry of External Relations. In his report to the London Foreign Office the British Minister, Sir John Jordan (the then redoubtable doyen of the foreign diplomatic body in Peking), bestowed his benediction on this change of cognomen as follows: "From a literary point of view it is a change for the better, the substitution of the combination '*wei-chiao*' (foreign relations') for '*wai-wu*' ('foreign things') removing any lack of dignity which may have attached to the latter phrase."

When the seat of Government was removed to Nanking in 1928, upon the successful conclusion of the Nationalists' Northern Expedition from Canton to Peking (now renamed Peiping), the Waichiaopu was reorganized and its organic law promulgated. Many revisions of this law have since been made, but in the main it may be stated that the organization and functions of the present Waichiaopu are now governed by the revisions of December 8, 1928, and February 21, 1931.

According to its organic law and the regulations governing its departmental functions as first promulgated on March 27, 1929, and revised on February 20, 1936, the Waichiaopu is in charge of China's foreign relations, negotiations and all affairs concerning Chinese overseas, foreigners residing in Chinese territories and China's trade relations with foreign countries.

Presiding over it is the minister (*Pu Chang*), who directs and controls its entire administration and has general supervision over its staff members and auxiliary offices. Assisting the minister, there are two vice-ministers: one being political (*Cheng Wu Tz'u Chang*) and the other administrative (*Ch'ang Wu Tz'u Chang*) in functions.

Below the ministers and two vice-ministers, is the counselors' office (*Ts'an Shih T'ing*). Composed of from two to four counselors, this office takes charge of the drafting and examining of relevant laws and ordinances as well as those drawn up by the various departments.

After the counselors' office comes the secretariat (*Pi Shu T'ing*), which consists of from four to six secretaries. To them are assigned the work of making announcements and keeping records of ministerial meetings, taking charge of negotiations with the foreign legations, acting as interpreters or ushers at ministerial interviews as well as receptions, and drawing up important documents.

The bulk of the Ministry's administrative work devolves, however, upon five departments. Each of these departments is headed by a director and is composed of a number of sections. The demarcation of their respective functions is as follows:

The Department of General Affairs (Tsung Wu Ssu).—This department comprises six sections. It is in charge of general administrative work, including the handling of mails and telegrams, issuing and promulgation of ministerial orders, custody of the Ministry's seal, keeping and checking of personnel records, transfers and changes in the foreign services, protocol (receptions and entertainments), budget-making and accounting, supervision of the grounds and buildings, and provision of supplies.

The Department of International Affairs (Kuo Chi Ssu).—The work of this department is distributed among six sections. Generally speaking, this department is concerned with the interests and activities of Chinese residents abroad as well as foreign aliens in China. It is intrusted with the following nine groups of matters: Sino-foreign negotiations of a commercial character; definition of the duties of Chinese consulates and consular districts in foreign countries as well as the establishment or abolition of foreign consulates in China; investigation of trade and economic conditions abroad; supervision and protection of Chinese residents abroad as well as Chinese studying in foreign countries; questions relating to nationality and extradition; questions relating to foreigners entering or leaving Chinese territories and passports; international agreements and conventions; international expositions and related matters; and consular invoices.

The Department of Asiatic Affairs (Ya Chou Ssu).—This department, composed of two sections and one investigation bureau (*Yen Chiu Shih*), takes care of the following matters relating to Japan, Soviet Russia, and other Asiatic countries: political and military negotiations, supervision and protection of Chinese residents in these countries, negotiations relating to economic, financial, railways, mining, post, and telegraph matters, as well as the negotiation and interpretation of treaties and agreements. The investigation bureau is intrusted with the study and investigation of various legal and frontier problems as well as the special compilation and translation work of this department.

The Department of European and American Affairs (Ou Mei Ssu).—Consisting of four sections, this department exercises functions along lines largely similar to those of the above-mentioned department, with the exception that they are related to European and American countries.

The Intelligence and Publicity Department (Ch'in Pao Ssu).—This department has charge of affairs similar to those of the press bureaus of the Foreign Offices of other countries. It has four sections with the following functions: the gathering, translating and releasing for publication of news and intelligence concerning home affairs as well as affairs relating to Japan, Soviet Russia, and European and American countries; checking up on Chinese publications relating to foreign news as well as foreign publications relating to Chinese matters; conducting of interviews and receptions of press agents and newspaper reporters; publications of the Ministry's *Gazette* and other publicity matters of the Waichiaopu, such as the reports of Chinese legations and consulates abroad.

The Treaty Commission (T'iao Yueh Wei Yuan Hui), which ranks together with the above-mentioned departments, is a special organ for study and planning incidental to the revision of treaties. It is at present composed

of five special members and 19 ordinary members. The Minister for Foreign Affairs acts concurrently as its chairman. The following matters come within the scope of its investigation and planning: drafting of new treaties, drafting of revised treaties, interpretation of treaties, questions of international law, and other current or historical international questions.

In order to facilitate and expedite the transmission of documents and intelligence, the Waichiaopu maintains an office in Shanghai. Its director, who is concurrently a secretary or sectional chief of the Ministry, exercises general supervision of its affairs. He is assisted by a vice-director and a small staff. This office likewise has charge of the Ministry's wireless station at Shanghai.

To assist the provincial authorities concerned and supervise the settlement of diplomatic questions of a local nature occurring within their jurisdiction, the Waichiaopu appoints special commissioners to be stationed in various districts. At present there are only three such commissioners, stationed respectively in Kwangtung and Kwangsi, Szechwan and Sikang, and Yunnan. In addition, a bureau director is in charge of the municipal affairs of the Third Special District (ex-British Concession) of Hankow.

With a view to enlisting the services of experts, the Ministry now maintains an "Office of Technical Experts," staffed by 19 members. Most of these experts are assigned to work in the secretariat and various departments.

Since the establishment of the National Government, the Ministry has made repeated efforts to reorganize China's diplomatic and consular services. As a result of considerable readjustment, particularly during the past two years, these services are now functioning on a more rational and efficient basis.

For the purpose of looking into and passing upon the qualifications of diplomatic and consular officials, there is therefore a commission composed of the Minister for Foreign Affairs as chairman and the two vice-ministers as vice-chairmen as well as a number of the Ministry's ranking members of the *chien jen* (or 2nd) grade.

Diplomatic officials of the National Government are classified into ambassadors, ministers, chargés d'affaires, counselors, secretaries of three grades, attachés, and chancellors. In addition there are also envoys extraordinary and ministers plenipotentiary, who are intrusted with special missions to foreign countries.

The Waichiaopu maintains in Geneva a Permanent Office of the Chinese Delegation to the League of Nations, the regulations governing its organization having been promulgated on February 3, 1930. As a rule, three delegates are appointed from among China's diplomats abroad to attend the sessions of the League Assembly. This office is in the charge of a director, whose assistants are one first secretary, one second secretary, one or two third secretaries, two attachés, and two chancellors.

The consulates are classified into consulates-general, consulates, and vice-consulates. Besides the clerical staff, the consulates-general are generally composed of a consul-general, one or two vice-consuls and one or two consuls-*élève*. The consulates consist of a consul, a vice-consul and one or two consuls-*élève;* and the vice-consulates, a vice-consul and one or two consuls-*élève*.

When the present issue of the *Chinese Year Book* appears on the market, China will be maintaining eight embassies—in Soviet Russia, Great Britain, France, U. S. A., Japan, Italy, Germany, and Belgium; 18 legations—in the Netherlands, Austria, Switzerland, Spain, Portugal, Sweden, Norway, Denmark, Brazil, Peru, Mexico, Cuba, Panama, Chile, Finland, Poland, Czechoslovakia, and Turkey; 27 consulates-general, 34 consulates and 11 vice-consulates.

CHINA'S FOREIGN POLICY RESTATED

For an authoritative exposition of China's foreign policy we cannot do better than quote from two notable documents: (1) manifesto of the

Central Executive Committee of the Kuomintang; and (2) statement by Dr. Wang Chung-hui, present Minister for Foreign Affairs.

Towards the close of the Third Plenary Session of the Kuomintang Central Executive Committee, a 3,800-word manifesto was issued on February 22, 1937, which reiterated the determination of the Chinese Government and people, in regard to diplomatic questions, to adhere to the principle of preserving China's territorial integrity and, in regard to domestic problems, to persevere in their endeavors to consolidate internal unity. The manifesto reads as follows (as translated by the *Central News Agency*):

"At its Second Plenary Session on July 10 last, the Central Executive Committee, in view of the increasing seriousness of internal unrest and external aggression then confronting our country, resolved jointly to preserve China's territorial integrity on the one hand and to effect national unification through pacific methods on the other.

"Since the adjournment of the Second Plenary Session seven months ago, the Central authorities have been working unceasingly toward this goal. At this moment we gather together again to review the past achievements, examine the present situation and to decide on policies for the future. After careful deliberations over the nation's major domestic and foreign issues we have cautiously reached several decisions. In the following we wish to inform our comrades and people of some of the major points.

"In his doctrine of Nationalism our Tsung-li (Dr. Sun Yat-sen) clearly impressed upon us the causes of national difficulties. He has also pointed the way to self-salvation and self-strengthening. Since September 18, 1931, amidst the most trying experiences, we have been adhering to Tsung-li's teachings in an attempt to find a way out for our nation.

"In the manifesto of the Fifth National Congress of the Kuomintang, November, 1935, it was stated that 'in the face of the gravity of the national crisis we must handle the situation by following Tsung-li's teachings that a determined man is the master of his fate and that self-reliance means existence, and dependence on others means extinction. We must exercise great patience and determination to safeguard the nation's existence and its road to recovery. We shall not forsake peace until there is no hope for peace. If our country is driven to the last extremity, thus making sacrifice inevitable, we shall be determined to make sacrifice. Meanwhile we shall exert our great efforts for peace with the hope that our sincerity and determination will help to usher in a turn for the better in the situation, and enable us to achieve our goal of self-reliance and self-preservation. Thus we may be able to co-operate with other members of the family of nations in working for universal brotherhood.'

Declaration of Policy.—"This idea was expounded by the Second Plenary Session which, in its declaration, laid down the following explanation: 'Since our nation is in such a critical situation we shall practise the greatest forbearance in domestic issues in order to achieve internal solidarity. In our external relations we shall not tolerate any aggression against our territorial sovereignty. Should any act of aggression against Chinese territory arise, should all political means fail to frustrate such, and should the fundamental existence of the nation be endangered, we shall be ready to make our last sacrifice without the least hesitation.'

"Since the Second Plenary Session last July the Government has been following this policy in conducting diplomatic negotiations with Japan. During the last few months, despite the fact that the negotiations were on the verge of breakdown on several occasions, the Government has been standing firm on this policy.

"When bandits and irregular troops invaded Suiyuan, the Government rallied the strength of the whole nation to defend that province and repulse the invaders. Although the leaders of the Sian crisis championed certain slogans as a pretext to deceive the people, the latter have turned a deaf ear to their propaganda.

"This was because the people have realized, after such painful experiences during the past few years, what the principles of our Party stand for, and have seen the necessity of sticking together in order to save the nation.

No Revision of Foreign Policy Needed.—"The present session sees no need of revising our foreign policy. Not only that, but the Government should continue its best efforts for its execution; for our consistent aim is to strive for self-preservation internally and co-existence externally. Even when we are driven to armed resistance in the event that our rights are violated beyond our tolerance, we shall only be fighting in self-defense and not because of anti-foreignism.

"Consequently there is no conflict between our determination to make the last sacrifice and our desire for peace. If there is still hope for peace, we shall still be willing to continue our efforts in working for a preliminary readjustment of Sino-Japanese relations on the basis of equality, reciprocity, and mutual respect of each other's territorial integrity, so as to deprive bandits and puppets of their present reliance on external force and to respect the administrative and territorial integrity of China.

"Thus, even if not all pending issues are solved, it will at least bring into use the spirit of settling international disputes by peaceful means. This is one matter, the realization of which we must seek within the shortest possible period of time.

"As to China's relations with other nations we shall naturally proceed along the path of world peace and work for the enhancement of international friendship. Regarding matters of political accord and economic co-operation, we shall work under the principle of reciprocity. This has been

our attitude during recent years. It is also an essential principle of nationalism. We shall strictly adhere to it.

Unity Through Peace.—"Domestically, the achievement of internal unity through peaceful means has been the guiding principle of the whole nation throughout recent years. It is only through unity that China can become a modern nation, equal to the task of saving herself. Only through peace can there be genuine solidarity.

"There is one point, however, which we must emphasize, which is the difference between unity through peace and cessation of civil war. The immediate object of the former is to concentrate the entire nation's strength in tiding over the present national crisis. Its ultimate aim is to enable the nation to set out on the road of the principle of democracy.

"In view of the totality of the state, it is clear that the governing power is an indivisible entity, especially in military affairs, diplomacy, finance, and communications. Matters of national defense have to be controlled and directed by the Central Government, because the existence of independent military units will olny result in an inferior organ which will surely be eliminated from the international community.

"Again, in view of the wholeness of the nation, we know that as citizens of China we share each other's joys and sorrows. Even when there are differences between individuals and organizations because of the differences in their occupations, the interests of the nation as a whole must remain over and above those of individuals and organizations.

"Especially at the present moment when the country is faced with serious foreign menace and when the nation's fate is in the balance, we must not be misled by fallacious talks of class struggle which will only destroy our unity.

"These two points are in fact the essence of our stand for unity through peace. The cessation of civil war means that any difference of opinion which may arise from within the Kuomintang Party must be settled by discussion and not by force. It does not mean that any attempt to split the State can be perpetrated under the cloak of the slogan: cessation of civil war.

"Since last July, the work for national unification has been proceeding smoothly and traces of local semi-independence are gradually becoming a thing of the past. Henceforth, we should shape our policy in accordance with the principle of unity through peace to meet the needs of national defense and to lay the foundation for lasting domestic tranquility and order.

Concerning Communistic Elements.—"As to the communistic elements, although they have recently appropriated the slogan 'resistance against foreign aggression,' past experience shows us that since 1924 when they were admitted to the Kuomintang to participate in the revolution, they have been working subversively against its cause rather than for it.

"Beginning from 1927, they have been employing terroristic methods to endanger the safety of the Republic, thus undermining the strength of the nation, which otherwise would have been employed in resisting alien invasion. They have also caused untold losses of lives and property of the people.

"Because of their innumerable crimes, it is impossible to take their word at its face value. The Kuomintang, ever with the welfare of the country and people at heart, shall see to it that sacrifices made by armed comrades and others during the bandit suppression campaign in the past few years shall not have been made in vain.

"No matter what formula we may adopt, our cardinal policy shall be to eradicate the communistic scourge by our own efforts and to lay the foundation for national rejuvenation.

"The organization and training of the masses, so that they can take part in the stupendous task of national reconstruction, is a duty that lies with the Kuomintang. Since the outbreak of the existing crisis, the Kuomintang has not shirked its responsibilities. To enlist the support of the nation, it has championed the slogan of 'meet the national crisis with solidarity.'

National People's Assembly.—"At various important gatherings, the Kuomintang made numerous decisions concerning the convocation of the National People's Assembly. The Fifth National Congress of the Kuomintang went a step further in deciding to hold the Assembly in 1936. It also ordered the proclamation of a draft Constitution. In pursuance of this resolution, the First Plenary Session fixed November 12, 1936, as the day for this Assembly. Special supervisory offices were established and the necessary election regulations adopted, with the stipulation that everything must be ready by October, 1936. At the expiration of the time, however, the Central authorities were compelled to postpone the Assembly, on account of the failure of some localities to complete the election of delegates. It was then decided that the Assembly would be reconvened as soon as the delegates are legally elected.

"Because of the importance of the Assembly, the present Session decided it should be held on November 12, 1937. Future efforts of the Central authorities will, of course, be directed toward supervising the responsible Government organ in proceeding with the election within the prescribed laws, so that the National People's Assembly can be held according to schedule and the Constitution can be adopted. Then both the Government and the people will have the fundamental law to abide by.

"The adoption of the Constitution will not only give a concrete expression of unity and solidarity of the people, but also lay the foundation for the consummation of the principle of people's rights.

Economic Unity.—"The completion of the genuine unification of the nation must await the realization of economic unity. At this juncture when the nation is devoting its whole energy to the task of national salvation, the enhancement of the nation's vitality necessarily depends on the strengthening of the people's economic power.

"Therefore economic reconstruction is important and the pressing task of unfolding its program must be based on Dr. Sun Yat-sen's Principle of People's Livelihood. Marxist theories came from social pathologists and not from social physiologists.

"In this connection it must be emphasized that social progress is made possible only by the harmony of the majority of economic interests. Certainly it does not come from a conflict between them.

"Class struggle is a disease which may occur during the process of social progress.

"It is a preventable disease, however, and we need not and should not sit back waiting for its occurrence. What merits special reiteration is that, in view of her present position, China must seek to solve her economic problems realistically and not be moved by mythical ideals and empty theories. One noticeable fact about China to-day is the prevalence of poverty. The so-called disparity between the rich and the poor is really non-existent in China, the only difference being between those who are extremely poor and those who are a little better off. With a view to preventing future troubles, China's economic problems should be sought in equalization of land and restriction of private capital.

"All these are definite policies for China to follow in her economic reconstruction. China has become poor under the double impact of foreign encroachment and the backwardness in her people's productivity. Now if class struggle should be implanted in China, externally it would sap the nation's vitality to the point of national destruction, while domestically it would bring about a free-for-all among the various productive factors, thus hindering further progress in production and reconstruction. As a final outcome it would reduce those of us who are not extremely poor to dire poverty and those already extremely poor to death.

Punitive Campaigns Against Bandits.—"Clear proofs of the harmfulness of class struggle have been afforded by the wanton destruction of properties and massacre of people in regions held by communistic elements.

"Thus, when her fate is in the balance, China finds it necessary not only to strengthen her national defense system, but also to launch punitive campaigns against bandits. During these campaigns, aside from the military movement and political devices, the Government has also found it imperative to bend its efforts to improve the lot of the peasants.

"Toward this end, numerous exorbitant and miscellaneous taxes have been abolished to mitigate the peasant's hardships, and many agricultural institutes have been established to help the peasants improve their farming technique. Furthermore, special organs have been set up to facilitate the transportation and distribution of farm products, while farmers' banks and co-operative societies have been organized to provide financial facilities to farmers. Meanwhile various conservancy and afforestation projects have been launched to forestall natural calamities.

"All of these measures have, as their common objective, the augmentation of the farmers' productive power, which is a prerequisite to the realization of the principle that those who till the lands should also own them. Otherwise, under the present conditions of production the farmers will have difficulty in making both ends meet. Even if they are given lands, these would soon be mortgaged, and they would go back to their original status as tenants.

"Much of the wanton destruction wrought by communistic elements during the last few years was done in farming villages. Not only has agricultural development been retarded, but similar disaster has visited native handicrafts.

"Even light industries in Shanghai which represent practically the only fruit of decades of efforts on the part of the native industrialists, have not been immune from the influence of the communists, who by means of subversive propaganda and secret organization have intensified class struggle among the workers.

Surplus Value of Industrial Enterprise.—"Our Tsung-li had well said that the surplus value of any industrial enterprise was not created by the labor of workmen alone, Rather is it the fruit to which all useful and capable members of society contribute. either directly or indirectly. These useful and capable persons constitute a majority of the people.

"Our Tsung-li's view had been made unmistakably clear. If the spirit of class struggle should be injected into the workers, it would necessarily antagonize all others except the workmen themselves. Then the work of these useful and capable members of society will be nullified.

"For instance, the native capitalists. They have been struggling during the last decades at great odds against foreign capitalists, who are superior both in financial resources and technical proficiency. They have to resort to the most economical methods in order to remain solvent. Often owners are forced to spend much time in trying to obtain loans with which to keep their factories going. Once they fail, they have to declare themselves bankrupt and their plants must close.

"There have been many cases like this. The fighting spirit of the Chinese capitalists and their hardships have aroused the sympathy of many who are familiar with their difficulties. How could one be so heartless as to seek their downfall? For this would be tantamount to retarding the development of all new and infant industries and, at the same time, it would also mean a similar fate for the workers.

Protection for Industry.—"For the sake of future economic reconstruction in China, all native industries must be duly protected and even when governmental control is imperative such control will only be instituted for their existence and their development.

"As to other industries which operate on a large scale or those, which because of their very nature, can be best run by the Government or others which will be beyond the capacity of private capital to undertake, the Government should take necessary steps to develop state capital so that it can adequately fulfill its responsibilities to the nation.

"Currency reform and financial stability as effected since the Second Plenary Session have already proved their benefit to the economic reconstruction movement. The present Session should seek its further development with the greatest determination and the best of efforts possible.

"All measures that will be decided upon must meet the requirements of national defense and livelihood of the people. In particular, these measures must adhere to the principles enunciated in the Principle of Livelihood of the People. The objective is to achieve mutuality in interests and well-balanced development so that the realm of "of the people, for the people and by the people" can be realized.

"The nonsensical theory of class struggle shall never be tolerated, because it will lead to social chaos. At the same time no great disparity between the rich and poor shall ever be allowed to happen, or it will result in future complications and difficulties. On this major principle depends completion of our present task of saving the nation. It is also the starting point for the realization of the Principle of the Livelihood of the People.

"The above-mentioned points represent the decisions of the Plenary Session. Without these policies, the current national crisis cannot be overcome. Similarly, without them, it will be impossible to carry out our Tsung-li's 'Three People's Principles.'

"Regarding such other major programs for consolidation of the nation's foundation and improvement of the livelihood of the people as have been decided by the Fifth National Congress of the Kuomintang and the First and Second Plenary Sessions, they will be continued.

"It is hoped that all comrades realizing the nation's difficulties, heavy responsibilities and the missions of our Party will put their heart and soul together in their labor so that our departed leader may continue to rest in peace."

STATEMENT BY DR. WANG CHUNG-HUI

In response to a request from the writer, for an article reviewing China's foreign relations during the past decade to appear in the special "Ten Years of Nationalist China" number of the *China Press Weekly* of April 18, 1937, the present Minister for Foreign Affairs, Dr. Wang Chung-hui, said *inter alia:*

"In 1927, at about this time of the year, the Nationalist forces were establishing themselves in the lower Yangtze region. Among the foreign communities their swift advance from the South and aroused much nervousness and anxiety; and the fear was widely entertained that trade with China would receive a serious setback at the hands of the Nationalists, if it was not to become entirely impossible under the new regime.

"Viewed as an unprecedented wave of xenophobia, the Nationalist Movement, with its aspirations for an equal status for China in the family of nations, was then regarded by some as the greatest threat ever made to foreign rights and interests in this country.

"But to-day the same aspirations of the Chinese people are no longer viewed with misgiving or treated with total indifference. It has given me much pleasure to note recently the cordial expressions of sympathetic understanding that have been forthcoming from authoritative foreign sources in China.

"Frank admissions have been made by them that a strong and united China would mean the curtailment of the special rights and privileges enjoyed by foreign nationals within her jurisdiction. More and more it is becoming realized that their interests would be better served on the basis of sympathy and co-operation than through mere insistence upon rights and privileges accorded to them under the archaic treaties. While antiquated ideas are still being entertained about this country, strong voices have been raised concerning the need for acquiring a new concept of China consonant with the present circumstances.

"It appears to me that this change of attitude towards China is probably the most significant thing about her foreign relations during the past decade. To it I attach even greater importance than to any concrete result hitherto achieved in the readjustment of Sino-foreign relations.

"The re-orientation of attitude on the part of the Powers augurs well for the future. It is a sign that the world has been advancing; it represents a victory for our policy; it is also the basis upon which our hope for the future rests.

"Although the conduct of our foreign affairs may have varied according to circumstances, the essence of our policy has remained unchanged throughout these years. Nor can there ever be any departure from the basic principles of equality and reciprocity and mutual respect for sovereign rights and territorial integrity among nations, as laid down by the Kuomintang for the guidance of the Government.

"The manifesto of the First National Congress of the Kuomintang prescribed that 'all unequal treaties such as those providing for leased territories, extraterritorial privileges, foreign control of customs tariff, and exercise of political authority on Chinese territories which impairs the sovereignty of the Chinese nation, should be abolished, and new treaties concluded on the basis of absolute equality and mutual respect for sovereign rights'; and also that 'all other treaties between China and the foreign Powers which are in any way prejudicial to the interests of China should be revised according to the principle of non-infringement of each other's sovereignty.'

"These principles and aims have been successively reiterated by China's Foreign Ministers in their declarations on various occasions and have to a certain extent been carried into effect. The Chinese Government has devoted itself unremittingly to the task of freeing this country from the political and economic bondage that has fettered it in the form of various obsolete and unequal treaties, but in pursuing that aim it has patiently followed the method of negotiation through diplomatic channels, however slow and arduous its process might have been."

UNPRETENTIOUS RECORD

Measured by the yardstick of actual accomplishments during the past 12 months, in the way of "freeing this country from the political and economic bondage that has fettered it in the form of various obsolete and unequal treaties," the record is unpretentious. Like China, the other Powers were preoccupied with their own problems, domestic as well as foreign. The Manchuria Incident of September 18, 1931, and its aftermath being unliquidated, China's relations with Japan continued virtually to monopolize her exclusive attention.

With the exception of the German-Japanese Anti-Communist Pact concluded between Japan and Germany as well as an earlier pact signed between Italy and Japan, against both of which this country uttered a *caveat*, and of the reciprocal elevation of Sino-Belgian Legations into Embassies, the slate is practically clean. Negotiations with other countries merely marked time, although pourparlers in other equally important directions (e.g., economic and financial) were successfully concluded.

On the other hand, it cannot be gainsaid that China is never more at peace with everybody than to-day, despite Japan's ambiguous attitude.

DR. KUNG'S TOUR OF EUROPE

As a result of the mission undertaken by Dr. H. H. Kung, Vice-President of the Executive Yuan and concurrently Minister of Finance, as Special Ambassador and Chief Delegate to attend the Coronation of Their Britannic Majesties King George VI and Queen Elizabeth, and his subsequent tour of the principal cities of Western Europe, China now occupies an enviable position in the eyes of the world. This is amply demonstrated by the following editorial appearing in the *China Press* of June 14, 1937:

"With his visit to Reichsfuehrer Adolf Hitler to-day, Dr. H. H. Kung will have concluded his itinerary on this side of the Atlantic—the most spectacular and successful mission that has ever left the shores of China. Arriving at Genoa at the end of April last, Dr. Kung proceeded to Vienna and Prague where, though his visit was private, he was accorded the most cordial reception by leaders of the two governments.

"Within the short space of six weeks, Dr. Kung's mission has attended the coronation of Their Britannic Majesties, King George VI and Queen Elizabeth, and paid official visits to Rome, Paris, Brussels, Berlin as well as stopped over at Geneva, seat of the League of Nations. During the tour, Special Ambassador Kung was received in audience by three kings—of Great Britain, Italy and Belgium. Aside from the decorations already presented him before by the Belgian and German Governments, Dr. Kung was honored with the highest orders from the Italian and French Governments. He has also had conversations with several Premiers and a score of Ministers of Foreign Affairs, Finance, War, Air, Navy and others, most of whom entertained him cordially. At Geneva, Dr. Kung met M. Litvinov, the Soviet Minister of Foreign Affairs, as well as the Egyptian Premier Moustapha El-Nahas Pasha, who has just triumphed in abolishing the capitulations and in making his country a full member of the League. Dr. Kung there also met Mr. Joseph Avenol, Secretary-General of the League Council, and the foreign ministers of the various other European nations.

"According to 'old guards' in the Chinese diplomatic service abroad—and there are some who have spent twenty-five years in Europe—nothing anywhere near the present cordial and warm receptions has ever been extended to a representative from China within their memory. In this respect may be mentioned the special air review held in honor of Dr. Kung at Le Bourget, where the most impressive formation flights by 60 air bombers were staged. Germany has also accorded a similar honor to Dr. Kung by an air review at Dessau. Admiral Chen Shao-kwan, China's Minister of Navy, who is accompanying Dr. Kung in his European tour, was recently invited to attend the naval review at Spithead and a few days ago he participated, on an official invitation from the Italian Government, in the naval tactical exercises at Naples, which were staged in honor of the German Minister of Defense, General von Blomberg.

"In honoring Dr. Kung and his mission, nations are, as repeatedly pointed out by Dr. Kung, honoring China—the China that has been rebuilt by the National Government under the tutelage of the Kuomintang. China's leaders and people must continue to work hard together to deserve such unprecedented honor and respect.

"The press, too, throughout Europe has been most friendly towards China as a result of the mission's visit. Journals in all cities of any size have been literally flooded with articles written spontaneously by foreign authors commending China's progress, General Chiang Kai-shek's able leadership and Dr. Kung's political and financial achievements. It may be said without fear of contradiction that China has never had such a good press in Europe in all its history.

"Such personal contacts made by Dr. Kung and his mission with men who are controlling the destinies of the various European nations and such wide friendly publicity released in every metropolis as

well as other cities in Europe have impressed on the government leaders and millions of thinking people there the fact that China has changed and is changing. She has accomplished her political unity under the guidance of General Chiang and the direction of the National Government; she has achieved financial stability which has, in turn, consolidated political unity through the untiring efforts of Vice-President and Finance Minister Kung. The world realizes that China is both earnest and successful in her work of reconstruction and is on the eve of her extensive industrial development. She is sincere in establishing and maintaining her credit both at home and abroad. She reasserting herself. She is beginning to rediscover her bearings and regain her rightful place in the family of nations."

DR. WANG SUMMARIZES LATEST SINO-JAPANESE CONVERSATIONS

Concerning the present position of Sino-Japanese conversations, Dr. Wang Chung-hui, Minister for Foreign Affairs, observed in the above-mentioned article in the *China Press Weekly* of April 18, 1937, as follows:

"Since January, 1930, when Mr. K. Hirota assumed the post of Foreign Minister in the Japanese Government, many protestations have been forthcoming from Tokyo of a desire to improve Sino-Japanese relations. Such friendly gestures were heartily reciprocated by the Chinese Government, and a series of preliminary conversations were held last year between my predecessor, General Chang Chun, and the Japanese Ambassador.

"Although no concrete results have been achieved, the exchange of opinions has served to clarify the stand of the Chinese Government. It has also helped to make known the fact that China is sincerely willing to co-operate with Japan in readjusting their relations, provided that such readjustment be made on the basis of equality and reciprocity as well as mutual respect for each other's sovereign rights."

These conversations between Mr. Shigeru Kawagoe, Japanese Ambassador, and General Chang Chun, then Minister for Foreign Affairs, extended for 80 days commencing from the middle of September to the beginning of December, 1936. An expectant world was electrified one morning to learn that the Chinese Foreign Minister, instead of accepting the demands presented by the Japanese Ambassador, had countered with another set of demands, and on yet another morning to read that a certain memorandum which the Japanese Ambassador had communicated to the Chinese Foreign Minister was returned to the Japanese Embassy as being at variance with the facts.

Believing that he might succeed better if he could personally discuss matters with Generalissimo Chiang Kai-shek, President of the Executive Yuan, Mr. Kawagoe sought and was granted an interview with Generalissimo Chiang. The latter, however, reminded him that the discussions on diplomatic questions should be continued between him and General Chang Chun, and that the views of China's Foreign Minister were the views of the Chinese Government.

When the conversations were suspended, not only because of China's refusal to yield further to Japan's aggressive designs but also because of the invasion of Suiyuan by so-called "Manchukuo" and Mongolia "Irregulars," detailed statements were issued by the Ministry of Foreign Affairs to clarify a subject that had been made obscure by tendencious Japanese reports. These statements are here reproduced in full, together with those issued anent the interview between the Japanese Ambassador and Generalissimo Chiang Kai-shek.

INTERVIEW BETWEEN JAPANESE AMBASSADOR AND GENERALISSIMO CHANG KAI-SHEK

NANKING, October 8.—(Central)—Generalissimo Chiang Kai-shek, President of the Executive Yuan, received Mr. Shigeru Kawagoe, Japanese Ambassador, at 10 A.M. to-day at his official residence. Conversation was carried on with Mr. Kao Tsung-wu, Director of the Asiatic Department of the Waichiaopu, and Mr. Tozo Shimizu, First Secretary of the Japanese Embassy, as interpreters.

After the preliminary exchange of greetings, Mr. Kawagoe proceeded to express in detail his opinion on the future of Sino-Japanese relations and their bearing on the general East Asian situation. He stated that, in view of the intimate relations existing between China and Japan, immediate steps should be taken through mutual help and co-operation to work for the stability of peace in East Asia and for the welfare of the two countries.

It was unfortunate, the Ambassador continued, that during the past few years, incidents had happened to cause much misunderstanding and misapprehension between the two countries. It was now up to the two parties concerned to do their utmost to remove the obstacles that stood in the path of friendship and to promote co-operation that was mutually beneficial.

In reply, Generalissimo Chiang also expressed his opinions in regard to the readjustment of Sino-Japanese relations. In general, the Generalissimo said that from the standpoint of the general situation in East Asia, a fundamental readjustment of the relations between the two countries was most essential to-day. What China desired was primarily a freedom from encroachments upon her territorial integrity and respect for her sovereign rights and administrative integrity. Therefore, he maintained that discussions of all the outstanding problems between China and Japan should be based on the principle of absolute equality and mutual respect for each other's sovereign rights as well as territorial and administrative integrity, and believed that such discussions carried on through diplomatic channels in an atmosphere of composure and friendliness would certainly result in a satisfactory readjustment of the relations between the two countries.

Speaking with reference to the unfortunate incidents which had recently occurred, particularly those in Chengtu and Pakhoi, in connection with which investigations have already been completed, General Chiang intimated that they would be dealt with in accordance with international usage.

General Chiang definitely informed Ambassador Kawagoe that discussions on diplomatic questions were to be continued between the Foreign Minister, General Chang Chun, and the Japanese Ambassador, stating that the views of the Foreign Minister were the views of the Chinese Government.

The conversations lasted till 12 o'clock noon.

GENERALISSIMO CHIANG STATES IMPRESSIONS

Interviewed after his conversations with the Japanese Ambassador, Generalissimo Chiang Kai-shek gave his impressions as follows:

"Although my conversation with Ambassador Kawagoe to-day dealt in principle with the future of China and Japan in relation to the general East Asian situation and did not touch upon any concrete problems implied in these conversations, nevertheless the spirit manifested on both sides was founded upon the spirit of equality.

"I very much appreciate the sincerity and frankness of the Japanese Ambassador and found that both his spirit and his attitude were entirely based on the policy enunciated by Premier Hirota in the Japanese Diet last year—namely, to make the utmost effort for a readjustment of Sino-Japanese relations under the principles of 'non-menace and non-aggression.'

"The spirit manifested by Ambassador Kawagoe encourages the belief that outstanding Sino-Japanese problems may be solved without resorting to measures other than diplomatic, and that all difficulties can be resolved through regular diplomatic channels on a basis of equality, in order to remove all past differences and dispel the threatening clouds on the political horizon.

"Mankind is naturally endowed with feeling. It is, therefore, possible to resolve all difficulties through an attitude of sincerity. I issued a statement concerning Japan when I went to Szechwan last spring.

"I maintained then that if one party were to show sincerity, the other party would sooner or later respond in the same spirit. I believe now that my contention and my hope in this respect will be borne out in the end without difficulty."

BASIC STAND EXPLAINED IN WAICHIAOPU STATEMENT

NANKING, December 6.—(Central).—A concise elucidation of China's desire and basic formula for the readjustment of Sino-Japanese relations, together with a review of the developments of the diplomatic negotiations between Gen. Chang Chun, Chinese Foreign Minister, and Mr. S. Kawagoe, Japanese Ambassador, during the past three months, were made by the spokesman of the Waichiaopu in a statement issued to-day.

Following is a free translation of the spokesman's statement:

"The Chinese Government has repeatedly expressed the desire for the readjustment of Sino-Japanese relations, with the conscientious belief that, for the sake of maintaining Far Eastern peace, it is imperative that the two countries liquidate their differences on the principle of equality and reciprocity, and mutual respect for each other's sovereignty and territorial integrity.

"Said principle is an indispensable factor in the maintenance of the equilibrium of contemporary international relations, without which there would be lacking the basis for the establishment of good faith and peace between nations. And it is China's belief that whether a nation is sincere in her dealings with others is determined by the fact whether she abides by this inalienable principle.

Japan Should Show Desire.—"Since Japan has likewise repeatedly pointed out the necessity of readjusting Sino-Japanese relations, it is the conviction of the Chinese Government that Japan should also show concurrence with the above-mentioned principle and stand ready to make it applicable to relations between the two countries.

"Last March, shortly after his assumption of office as the Minister of Foreign Affairs, General Chang Chun had clearly explained the necessity of readjusting Sino-Japanese relations in the course of his conversations with Mr. Arita, the then Japanese Ambassador to China and now Minister of Foreign Affairs, earnestly emphasizing the point that the most logical procedure for such negotiations should be to begin with the discussion of the question of China's Northeastern Provinces, in order that her territorial integrity might be restored.

"At the time, Mr. Arita considered it inopportune for a settlement of the Northeastern problems. General Chang, therefore, maintained that the removal of existing obstruction to China's administrative integrity in Hopei and Chahar, and Inner Mongolia, should be the first as well as

minimum condition in the readjustment of Sino-Japanese relations. Repeated discussions produced no result, for Japan was not prepared to embark upon a fundamental readjustment of the relations between the two countries.

"Though the feelings of the Chinese people have in recent years been stirred up by certain train of events, the Chinese Government has done everything within its power to exhort the nation to be patient and at the same time to suppress unlawful activities that might be detrimental to the friendly relations between the two countries, with the hope that a way could be found to solve all outstanding issues through regular diplomatic channels. Fortunately, such an attitude of the Government has met with sympathetic understanding of the people, with the result that nothing untoward had happened.

"All of a sudden, the Chengtu Incident occurred last August, and immediately the Chinese Government expressed its readiness to settle the incident in accordance with usual international practice. However, at the opening of the negotiations, Japan presented a number of demands and insisted that they should be discussed first. Many of these demands were of an extremely important nature.

Readjustment in Fact.—"Although the Chinese Government is ever ready to proceed with diplomatic negotiations for the readjustment of relations between the two countries, she nevertheless did not wish such readjustment to be only in name but not in fact, for fear that it might breed further difficulties.

"More than once has the Chinese Government made clear to the Japanese authorities that it viewed with regret the various incidents that had happened to Japanese nationals, but on the other hand, it must be remembered that countless incidents have occurred since September 18, 1931, to cause uneasiness and arouse the indignation of the Chinese people. Even under such circumstances, the Chinese Government has exerted its utmost in calling upon the people to maintain friendly relations with neighboring countries, and, as already stated, its efforts for suppressing unlawful activities has been attended with signal success.

"However, in order to realize a fundamental solution of all issues, it is imperative that both the Chinese and Japanese authorities should endeavor to restore the feelings of the people of the two countries toward each other to a normal plane. Such restoration, it is believed, depends first of all on the complete eradication of various causes that may breed misunderstandings. Otherwise, not only the rationally-minded will not be able to achieve their goal, however desirous they may be in furthering friendly relations between the two countries, but there always will be a danger of certain elements taking advantage of the situation and succeeding in their sinister designs. This is the sincere belief of the Chinese Government, and its views on this point have not changed.

"Since Japan has requested the solution of certain demands which she presented, the Chinese diplomatic authorities have shown sincerity in discussing them from the very beginning, and explained the stand of the Chinese Government on each issue. China's stand has always been based on the principle of reciprocity and mutual respect for each other's territorial integrity. At the same time, the Chinese authorities have, on the basis of said principle, also presented certain points and urged their rational solution. But on these points, the Japanese authorities did not see completely eye to eye with the Chinese.

Suiyuan Situation Intruded.—"After more than two months of negotiations, the views of both parties began to come closer on several of the points discussed. Unfortunately, the Suiyuan situation has developed, although Gen. Chang Chun has repeatedly urged the Japanese Government to prevent its outbreak, thus hindering the progress of Sino-Japanese negotiations. It is a matter of sincere regret that up to the present, there has been no definite conclusion of the points discussed.

"On December 3, Gen. Chang Chun arranged an interview with Mr. Kawagoe, during which Gen. Chang first lodged a protest with Mr. Kawagoe on the landing of Japanese bluejackets in Tsingtao and their subsequent raiding of Kuomintang offices, and then reported on the facts gathered by investigation on the Suiyuan situation, with the request that the Japanese Government promptly suppress the participation of Japanese military and civilians in the Suiyuan affair.

"Thereupon Mr. Kawagoe, in referring to the various points in the Sino-Japanese negotiations, read a previously prepared memorandum. General Chang Chun declared that what related to the negotiations should be discussed at a later interview, as a result of which the interview was concluded. As to the memorandum read by Mr. Kawagoe, it recounted the past proceedings of the negotiations, but it was not an accurate record, which fact was immediately pointed out by the Waichiaopu in a letter addressed to the Japanese Embassy.

"This was, in brief, what had transpired at the meetings between General Chang Chun and Mr. Kawagoe since the middle of September, subsequent to the Chengtu Incident.

"It is our sincere hope that the present obstacles in the way of the Sino-Japanese negotiations may soon be removed, so that all the problems may find a rational solution through proper channels in a calm and friendly atmosphere. General Chang entertains the utmost admiration for the sincere efforts of Mr. Kawagoe in the interest of Sino-Japanese relationship, and hopes that, within the shortest possible period, obstacles may be removed and progress may be made through Mr. Kawagoe's efforts."

POSITION CLARIFIED ON POINTS DISCUSSED

NANKING, December 6.—(Central).—A recent Domei report alleged that partial agreement, in principle, has been reached between Mr. S. Kawagoe, Japanese Ambassador to China, and General Chang Chun, Minister of Foreign Affairs, on the following five questions:

1. The establishment of direct air traffic between China and Japan,
2. The revision of China's import tariff,
3. The control by the Chinese Government of unlawful activities of Koreans,
4. The employment of Japanese advisers, and
5. The suppression of anti-Japanese activities.

The Central News Agency has been informed by unimpeachable sources of the true attitude of the Chinese Government on these questions as expressed by the Chinese Foreign Minister during the recent Sino-Japanese negotiations.

1. The discussions of direct China-Japan air traffic were confined to the question of linking of Shanghai and Fukuoka by a civil air line. This question was first brought up by Japan even before September 18, 1931. Last year, the Ministries of Communications of Japan and China, after several discussions, reached a draft agreement, based on the principles of equality and reciprocity.

Planes in North China.—Unfortunately, since last winter, Japanese airplanes have been freely flying over North China without going through the legitimate procedure of obtaining the consent of the Chinese Government. Such illegal flights are a violation of China's sovereignty. The Chinese Government maintains that before a stop is put to these illegal flights, it will be extremely difficult to proceed with further discussions to link Shanghai and Fukuoka by a civil air line. The Chinese Government has not modified this attitude.

2. Revision of China's import tariff is China's domestic affair. The tariff may be readjusted at any time as required by national financial and commercial conditions. But when tariff readjustment is being studied, the Chinese Government regards the suppression of smuggling and freedom of the Chinese Customs Preventive Service as questions to be first considered.

3. In connection with the question of suppressing unlawful activities of Koreans, it is pointed out that the Chinese Government naturally does not like to see illegal acts committed on Chinese soil by nationals of whatever foreign country. But the Japanese Government should also suppress unlawful activities, committed under its protection by Koreans, Formosans and other subjects of Japan.

Question of Advisers.—4. On the question of employing Japanese advisers, it is pointed out that the employment of foreign advisers by the Chinese Government depends upon the requirement of the Government and the technical ability of those to be employed. The question of nationality does not enter. Should Sino-Japanese relations have taken a turn for the better, it would not be impossible for China, on her own initiative, to employ Japanese technicians as experts. But this is not a matter which can be made the subject of a demand by a foreign government.

5. Referring to the question of suppressing so-called anti-Japanese activities in China, the Chinese Government has repeatedly issued orders to the people stressing the necessity of maintaining friendly relations with foreign nationals. These orders have been strictly carried out by the local authorities.

While the Chinese Government will continue to suppress illegal acts according to law, cognizance must also be taken of the fact that there must be a cause that excites the sentiments of the masses. If Japan can change her policy toward China and really co-operate with her with sincerity, then all the so-called anti-Japanese activities will completely disappear and a sincere friendship will always exist between the two peoples.

Refusal of Kawagoe Aide-Memoire Explained.—NANKING, Dec. 6.—(Central).—The circumstances leading to the refusal of General Chang Chun, Minister of Foreign Affairs, to accept the *aide-memoire* from Mr. S. Kawagoe, Japanese Ambassador to China were revealed to-day as a result of inquiries made by the Central News Agency at responsible quarters here.

In connection with the landing of Japanese bluejackets in Tsingtao and their subsequent search of several offices and arbitrary arrest of Chinese on December 3, it was stated, Minister Chang invited Mr. Kawagoe to the Foreign Office at 7.30 o'clock that evening for an interview during which Minister Chang made a verbal protest against the unwarranted measures taken by the Japanese navy.

After promising to refer the matter to his Government, the Japanese Ambassador brought up with Minister Chang the question of the readjustment of Sino-Japanese relations. He then produced and read a previously prepared memorandum purported to be a record of the discussions during their previous meetings, and left the document with the Chinese Foreign Minister.

Finding that the contents of the memorandum were quite at variance with the facts, as the document, while omitting statements which had actually been made, contained others which had not been made during the previous interviews, Minister Chang refused to accept it.

Pointing out certain discrepancies as instances, Minister Chang requested the Ambassador for explanation.

Mr. Kawagoe, however, insisted on leaving the document and expressed hope that it would be kept for reference.

Finding it impossible to accept a document which was inaccurate, Foreign Minister Chang was obliged to return it to the Japanese Embassy the same evening. The following morning, the Japanese Embassy again sent the document to the Waichiaopu with the declaration that it only contained the statement of Mr. Kawagoe and was merely intended for reference.

Upon the receipt of the *aide-memoire*, the Waichiaopu addressed a formal note to the Japanese Embassy, declaring that the document, being not a faithful record of past interviews, could not be regarded as a basis for reference.

INTERVIEW BETWEEN DR. WANG CHUNG-HUI AND JAPANESE NEWSPAPER CORRESPONDENTS

On June 26, 1937, Dr. Wang Chung-hui received a group of Japanese newspaper correspondents and on this occasion numerous questions affecting Sino-Japanese relations were raised

and answered. The following report of the interview was issued by the Central News Agency:

Question: What is Dr. Wang's impression of the Konoye Cabinet?

Konoye Praised.—Answer: As far as we know, Prince Konoye is the acknowledged leader in Japan and is well versed in domestic and international affairs. During his tenure of office, he will undoubtedly live up to the expectations of his people and the world. His conviction that the prerequisite to the readjustment of Sino-Japanese relations is to remove mutual suspicions, hostile feelings and misunderstandings is correct. Prince Konoye further believed that sympathy and practical assistance should be extended to the Chinese people in their rebuilding of new China. We hope he will translate words into deeds so as to help the restoration to normalcy of Sino-Japanese relations.

Question: What is Dr. Wang's view on Foreign Minister Hirota's China policy?

Answer: Mr. Hirota is a well-known diplomat. His declaration on Jan. 23, 1935, that Japan will champion a policy of non-aggression and non-menace and that Japan desires to befriend China has left an everlasting impression on the Chinese people. We hope this can soon be realized. During last year many changes have taken place in the Oriental scene. We hope he will help to open a new chapter in Sino-Japanese relations based upon the spirit of the new age and principles of equality and reciprocity.

Willing to Listen.—Question: As Ambassador Kawagoe will soon return to his post in Nanking, has China made preparations to reopen negotiations for readjusting Sino-Japanese relations? If so, what is China's fundamental policy?

Answer: China's foreign policy has been outlined in the manifesto of the Third Plenary Session and the statement issued upon my assumption of the Foreign portfolio. I am always ready to exchange views with the Japanese diplomatic authorities. When Mr. Kawagoe returns I shall be willing to listen to his opinions on the subject.

Question: It is reported since last year's Sino-Japanese negotiations China has stiffened her attitude vis-a-vis Japan and adopted a counter-attack attitude. What is the real situation?

Answer: China's diplomatic policy has always been consistent. It aims at self-existence and co-existence. There is not such a thing as our attitude being softened or stiffened.

All Issues Political.—Question: If readjustment of Japanese political relations is an impossibility, would China forever oppose a policy of economic co-operation?

Answer: Regarding the question of breaking Sino-Japanese deadlock, China has not indicated which question should be settled first. But factually all issues between China and Japan are related to political questions. If we proceed to settle other cases but leave the political questions aside, the results would not be satisfactory. This is the actual situation and not mere theory.

Question: What is the National Government's policy towards political and economic questions affecting North China? Does it mean that Sino-Japanese economic co-operation in North China cannot be carried out if the East Hopei issue and the smuggling question are not satisfactorily disposed of? Does it also mean that if these problems are settled it would pave the way for the settlement of other pending issues and the resumption of normal relations between the two nations?

Answer: As long as the East Hopei issue and the smuggling problem are unsettled, North China's political and economic administration will be undermined. Under such circumstances no new political and economic measures would be effective. But if the first two issues are satisfactorily dealt with, it would open the way for harmonizing Sino-Japanese relations and the settlement of other pending issues.

Anti-Japonism, Explained.—Question: China has lately advocated anti-Japanese spirit. Such inflammatory campaign not only breeds unfortunate incidents but also excites the feelings of the Japanese people. It seems such a state of affairs is in contradiction to Dr. Wang's idea of "harmonizing the friendship of both the peoples."

Answer: It is important to harmonize the friendship between the two peoples. But such a task should not rest only upon the shoulders of one party. So far as I know, China has not advocated any anti-Japanese feeling lately. But if any foreign country has any designs on China, the Chinese people are determined to resist.

Question: Have Sino-British negotiations been started? If so, how far have the negotiations proceeded?

Answer: At present Sino-British relations are as of yore. Ordinary issues are handled through the diplomatic channels.

Question: What is China's attitude towards the Anglo-Japanese conversations?

Answer: It is believed that the scope of Japan's negotiations is wide and unconfined to the China question alone. But if any understanding on China is to be reached both countries must respect China's territorial integrity and political sovereignty and obtain China's consent by first consulting her. I am sure both Great Britain and Japan cherish the same viewpoint.

Extrality Stand Same.—Question: With regard to the question of abolishing extraterritoriality, is it true that China will soon open negotiations with the Powers concerned?

Answer: The abolition of extraterritoriality is the consistent policy of the Kuomintang. The Government is therefore ever ready to take the matter up. At present it is still studying the question.

Question: Is it true that negotiations are going on for the conclusion of a Sino-Soviet commercial treaty?

Answer: A Sino-Soviet trade pact is just like any other commercial treaties concluded between China and other countries. The matter can be taken up at any time.

Question: It is learned that the Central Government is gradually extending its influence to North China. Has the Chinese Government ever considered Japan's position in North China?

Answer: The northern provinces, like any other provinces, are Chinese territory. The orders of the state should no doubt be carried out in the northern provinces too. This is a feature of modern state and should give no cause for alarm. As to the legal rights of all countries in the northern provinces, they will be observed.

Equality and Reciprocity.—Question: What hopes does Dr. Wang place in Japan?

Answer: I hope Japan will respect China's territorial integrity and political sovereignty and will seek to readjust Sino-Japanese relations through diplomatic channels and in accordance with the spirit of equality and reciprocity.

Question: Does Dr. Wang believe the world is heading for war or peace?

Answer: Two forces are evidently existing in the world at present, One works for peace and the other unconsciously works for future war. The rise and fall of these two forces will decide the future fate of the world. The Chinese people are peace-loving and they sincerely hope those working for peace will emerge victorious.

Question: For the sake of Far Eastern peace, does Dr. Wang think it necessary to convene a special conference?

Answer: If such a parley is participated in by all interested states which will discuss the situation in a friendly spirit, it would unquestionably go a long way towards strengthening the peace in the Far East.

Question: It is reported that the Australian Prime Minister has proposed the conclusion of a non-aggression pact in the British Imperial Conference. What is Dr. Wang's opinion on this proposal?

Answer: It seems that Mr. Lyons' proposal is worth studying, but I so far am ignorant of the contents.

Political Obstacles in Way.—Question: The foundation of Japan's China policy is to secure economic raw materials and promote free trade. What is China's attitude towards such a policy?

Answer: Because of geographical and cultural reasons, China is willing to co-operate with Japan economically. Before such mutually beneficial co-operation is realized, all political obstacles which are in the way must be removed first.

Question: Recent intelligence reports from various localities, particularly North China, disclose that feelings between Chinese and Japanese have been aroused to a high pitch. If such a state of affairs is left unchecked, will it not be tantamount to awaiting the explosion?

Answer: These reports are exaggerated. But it is true that every effort should be exerted to avoid frictions between the two peoples. I hope both countries will work towards this end and I especially hope factors which prevent the restoration of Sino-Japanese relations will be removed.

Question: What is Dr. Wang's personal aspirations in bettering Sino-Japanese relations?

Answer: It has been my fervent wish to improve the friendship between our two countries. Several years ago when I held no foreign post I tried to do my share. Now that I am heading the Foreign Ministry I shall no doubt do my best. Mutual efforts, however, should be exerted.

Japan Has Share.—Question: According to the decision of the Third Plenary Session, the Government should settle political problems in North China within the shortest possible period. In this regard, has China any intention actively to open negotiations with Japan? Or is China waiting for the time to come and now taking a wait-and-see attitude?

Answer: No matter what formula is employed to settle the North China political questions, the matter can be easily solved provided Japan is determined to do her share.

Question: Ambassador Kawagoe is bringing with him to Nanking early next month a new China Policy which is based upon the principle of equality and reciprocity. What does Dr. Wang anticipate?

Answer: I place great hopes in Mr. Kawagoe. If the instructions given Mr. Kawagoe are really based upon the principle of equality and reciprocity, I am convinced that the readjustment of Sino-Japanese relations will be a reality in the non-distant future.

Question: What are some of the ways of breaking the Sino-Japanese deadlock?

Answer: Personally I do not believe that it is such a hard task to break the Sino-Japanese deadlock. As long as both parties respect each other's territorial integrity and political sovereignty and strictly uphold a spirit of equality and reciprocity in their negotiations, the deadlock will be overcome. As to procedure, I am of the opinion that both parties should first proceed with simpler issues than attending to complicated cases.

Ask About East Hopei.—Question: It is learned that China insists on the abolition of the East Hopei regime as an absolute condition for the readjustment of Sino-Japanese relations. Is the report true?

Answer: Such a report is untrue. But the existence of the puppet government in East Hopei does not benefit Japan but only impairs China's territorial and sovereign rights. This question is therefore easy to settle. But if as simple a question as this is not satisfactorily settled first, it would be difficult to proceed with the liquidation of other more complex issues.

Question: Before Sino-Japanese relations are normalized, reinforcement of revenue guards cannot prevent smuggling but will only give rise to future Sino-Japanese incidents. Is China going to reduce her import tariff?

Answer: Smuggling has not only affected China's revenue but has impaired Chinese and foreign trade, including legitimate Japanese traders. It is within the rights of the Chinese Government to institute anti-smuggling measures. I do not see how they will give rise to untoward incidents. As to the reduction of import tariff, any country may readjust its tariff table according to existing conditions. Illegitimate traders should not, however, bargain for lower tariff by resorting to smuggling.

Tells Expectations.—Question: What does Dr. Wang expect of the Japanese people?

Answer: I hope that the Japanese people will have a clear perspective of new China. I further hope that they will understand the real reason behind Sino-Japanese friction in

recent years. I also hope that the Japanese press will refrain from publishing any editorials which may incite feelings of both peoples. Instead, I hope that the Japanese newspapers will constantly create a friendly atmosphere. If this can be done, I am sure that work of diplomatic authorities of both countries to readjustment Sino-Japanese relations will be greatly simplified.

SETTLEMENT OF CHENGTU AND PAKHOI INCIDENTS

Among the incidents that have occurred to increase the Sino-Japanese tension may be mentioned those resulting in the loss of a few Japanese lives and those resulting in considerable loss to Chinese life and property, etc. The Chengtu and Pakhoi Incidents which occurred on August 24 and September 3, 1936, respectively were settled by the end of the year on the following terms:

The following is a free translation of the Chinese Note relating to the settlement of the Chengtu Incident:

Nanking, December 30, 1936.

Excellency:

With reference to the incident which happened at Chengtu on August 24, 1936, in which two Japanese were injured and another two killed, I wish to express, on behalf of the National Government, sincere regret to the Japanese Government.

While at the time of the incident the local authorities had taken measures to suppress the riot and give protection to the victims, nevertheless, the Garrison Commander, Chiang Shang-pu, and the Chief of the Public Safety Bureau, Wan Sung-shih, were found negligent in preventing the incident, and the National Government has already relieved them of their posts. Major Shao Wu-kun and Captain Liu Kuang-ku of the Garrison Headquarters, Section Chief Teng Chia-yung and Sergeant Sung Yueh-chun of the Bureau of Public Safety, and Kang Tseng, Chief of a branch bureau, have each been duly penalized.

The principal culprits of the incident, Liu Chen-sien and Su Teh-sun, have already been executed, while other guilty persons, namely, Cheng Chun, Wang Sheh-ching, Peng Ting-sheh and Liu Tse-yun, have been sentenced to various terms of imprisonment.

In regard to the two deceased parties, namely, Messrs. Keiji Fukagawa and Kozaburo Watanabe, the Chinese Government gives to their respective relatives an amount of money to cover the actual damage they suffered as well as an adequate compassionate grant. Likewise, the two injured parties, namely, Messrs. Takeo Tanaka and Shoichi Seto, are each given the actual medical expenses incurred and paid for the actual damage they suffered. The amounts are detailed in a separate communication.

Having dealt with this incident in the above manner, the Chinese Government now regards it as having been settled.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(*Signed*) Chang Chun

His Excellency
Mr. Shigeru Kawagoe,
Ambassador Extraordinary and Plenipotentiary,
Nanking.

The following is a free translation of the Japanese reply:

Nanking, December 30, 1936.

Excellency:

I have the honor to acknowledge the receipt of your Excellency's Note of December 30, 1936, which reads as follows:

(*Here follows the text of the Chinese Note*)

In reply, I have the honor to state that the Japanese Embassy has received the amounts given by the Chinese Government to the injured parties and the families of the two deceased, which total in Chinese currency Ninety-eight Thousand Eight Hundred Eighty-seven Dollars and Ten Cents ($98,887.10), and to further state that the Japanese Government now considers this incident to have been settled.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(*Signed*) Shigeru Kawagoe

His Excellency
General Chang Chun,
Minister for Foreign Affairs,
Nanking.

The following is a free translation of the Chinese Note relating to the settlement of the Pakhoi Incident:

Nanking, December 30, 1936.

Excellency:

With reference to the incident which happened at Pakhoi on September 3, 1936, resulting in the death of the Japanese merchant, Mr. Jyunzo Nakana, I wish to express, on behalf of the National Government, sincere regret to the Japanese Government.

Due to the special conditions than prevailing at Pakhoi and the suddenness of the outbreak, effective protection was rendered extremely difficult, although the local Chinese authorities took adequate measures to meet the emergency. In as much as Oong Chao-huan and Chiu Kuo-chen, who were then actually in charge of garrison duties at Pakhoi, have already been dismissed, and as the chief of the Public Safety Bureau has also given up his office, it is impracticable to take further measures against them.

I have the honor to inform Your Excellency that those who were found guilty in the incident have all received punishment in accordance with the degree of their complicity in the affair. The Chinese Government gives a compassionate grant of $30,000 to the relatives of the late Mr. Nakana.

In consideration of the above-mentioned measures, the Chinese Government considers the Pakhoi Incident as having been settled.

I avail myself of the opportunity to renew to Your Excellency the assurance of my highest consideration.

(*Signed*) Chang Chun

His Excellency
Mr. Shigeru Kawagoe,
Japanese Ambassador Extraordinary and Plenipotentiary,
Nanking.

The following is a free translation of the Japanese reply:

Nanking, December 30, 1936.

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's Note of December 30, 1936, on the subject of the settlement of the Pakhoi Incident, which reads as follows:

(*Here follows the text of the Chinese Note.*)

I have the honor to inform Your Excellency that the Compassionate Grant of $30,000 (Chinese currency) which the Chinese Government pays to the relatives of Mr. Jyunzo Nakana has been duly received by the Japanese Embassy, and that the Japanese Government considers the Pakhoi Incident as having been settled.

I avail myself of the opportunity to renew to Your Excellency the assurances of my highest consideration.

(*Signed*) Shigeru Kawagoe

His Excellency
General Chang Chun, etc. etc.

INVASION OF SUIYUAN REPULSED

Apparently designed to reinforce the arguments of the Japanese Ambassador in the conversations which he had initiated with the Chinese Foreign Minister, as already detailed above, the so-called "irregulars" of "Manchukuo" and Inner Mongolia began to invade Suiyuan, but were repulsed on all fronts. The morale of the Chinese troops could not have been better, and they were grimly determined that, irrespective of the cost, they must not let the invaders pass. The entire nation rallied behind them, and hundreds of thousands of dollars poured into Suiyuan for the relief as well as the encouragement of the heroic defenders.

As usual, Japanese propagandists attempted to make out a case for the invaders and the Chinese Government was taken to task for calling upon the defenders to resist. Whereupon the following semi-official statement was issued on November 28:

"Military operations against the Mongol and "Manchukuo" irregulars now invading Suiyuan are necessitated by the Government's sacred trust of protecting its territory and people," declared a spokesman of the Waichiaopu when interviewed to-day.

"In taking such military action, China is acting within her inalienable rights as a sovereign state—rights which cannot possibly be called into question by any foreign state.

"The threat to Suiyuan," he continued," must be drastically dealt with, whatever its background and objectives."

The spokesman announced that repeated victories had been gained by the government troops and expressed the conviction for an early extermination of the irregulars.

Referring to the question of Communism in China, he pointed out that, as a result of the punitive campaigns undertaken by the Government during the past few years, the strength of the Red forces has already collapsed.

"The determination of the Chinese Government to suppress Communism, as well as the results hitherto achieved, are so well known that they cannot be obscured by false propaganda," the spokesman declared.

Continuing, he said that "the Chinese are a peace-loving people and their Government hope to contribute to the cause of world peace by adjusting its international relations on the basis of good-neighborliness and co-existence in the family of nations."

"But," he emphasized, "territorial integrity is absolutely essential to the existence of a nation and permits of no external encroachments or interference on whatever pretext and by whatever party."

"In the event of such illegal encroachments or interference, the Chinese Government," he declared, "is duty-bound to defend the country with all resources at its command."

LANDING OF JAPANESE MARINES PROTESTED

As the protracted conversations between the Ambassador Kawagoe

and Minister Chang Chun were about to be suspended, labor trouble in Tsingtao caused the landing of over 700 Japanese marines from the Japanese men-of-war in the port. This landing was energetically protested by General Chang Chun, who, taking a most serious view of the situation, specially invited Mr. Kawagoe to the Waichiaopu on December 3 to discuss the flagrant disregard of China's sovereign rights.

In the course of the interview the Chinese Foreign Minister asked for immediate satisfaction concerning the following:

1. Withdrawal of the Japanese marines landed at Tsingtao;

2. Release of all persons illegally arrested by them.

The Chinese Foreign Minister reserved the right of making appropriate demands in connection with the affair.

After promising to communicate with his government, the Japanese Ambassador requested the Chinese Foreign Minister to continue their previous discussion concerning a readjustment of Sino-Japanese relations.

The Chinese Foreign Minister referred to the situation in Suiyuan and stated that he was not prepared then to discuss any Sino-Japanese question that had been under negotiation.

The interview ended after the Japanese Ambassador had given his views on various pending questions.

The vigorous protest which the Waichiaopu lodged with the Japanese Ambassador charged the Japanese naval authorities with flagrant violations of China's sovereign rights, and demanded the immediate withdrawal of the Japanese marines as well as the release of all persons arrested by them.

The protest denied that there was any justification for the Japanese action, although this had allegedly taken on the grounds of a labor dispute involving Japanese mills at Tsingtao. The dispute itself was not incapable of an amicable solution through mediation by the local authorities.

According to the Chinese version, the labor trouble arising out of the workers' demand for increased wages at first affected only a portion of the mill hands employed by the Japanese. Energetic efforts were made by the local authorities to mediate in the dispute and a few suspected agitators were arrested. There was no violence on the part of the "go-slow" strikers.

The Japanese were blamed for aggravating the trouble first by the declaration of a lock-out on December 2, affecting all Japanese mills at Tsingtao, and then by the landing of marines.

According to the Chinese note, more than 700 Japanese blue-jackets were landed in the early hours of December 3. While detachments of about 40 marines each were sent to all of the nine Japanese mills at Tsingtao, other groups entered the city with the alleged purpose of protecting Japanese shops and residents.

At the same time still other groups raided several Government and Kuomintang offices, including the Headquarters of Kiao-Tsi Railway Guards, the City Kuomintang, the Kuomintang Headquarters of Railway Employees, and the Tsingtao branch of the National Calisthenic Institute. A secretary of the institute was arbitrarily arrested by the Japanese.

The surprising action of the Japanese in landing marines and their subsequent extraordinary conduct were indignantly denounced in the Chinese protest, which demanded that the marines be immediately withdrawn and that the persons arrested by them be immediately released.

The protest concluded by reserving the right of the Chinese Government to make such demands as were relevant to the situation.

SWATOW AND OTHER INCIDENTS

Among other incidents of comparatively less serious proportions may be mentioned the incident in Swatow when two Chinese policemen were reported to have been assaulted by a local Japanese consular officer and four Japanese residents. The investigations undertaken jointly by the representatives of Chinese and Japanese authorities have been completed,

but up to the moment of writing (June 18) the Japanese are not prepared to accept the Chinese version of the findings.

According to information revealed on May 26, 1937, by Swatow official circles, the incident started on May 22 when Huang Sheng a Chinese policeman on duty, discovered that Mr. Kiyoshi Aoyama and his four compatriots did not notify the police of their removal to a flat on the second floor of the Shen Chow Company Building on Yungping Road.

Huang is reported to have requested them to undergo the required procedure of registering their removal, but this was flatly rejected.

When Huang reported the matter to the sub-station, Shang Wen-chih, a police officer and Lai Yung-chung, a policeman, were sent to urge Mr. Aoyama to register with the police in accordance with the law. Instead of listening to reason, the Japanese consular official, assisted by his four comrades, it is stated, gave the two Chinese policemen a serious beating.

Shang received wounds on the forehead and his condition is reported to be serious, while Lai was injured on the wrist.

Mr. Aoyama was subsequently taken to the police station.

Upon learning of the detention of Aoyama, Mr. S. Yamasaki, local Japanese Consul, sent the Chief of the Japanese Consular Police, and a group of Japanese consular officials to the police station.

Armed and arriving in two cars they demanded the immediate release of Mr. Aoyama.

Meanwhile, the sub-station informed the Police Headquarters of the incident and threw a cordon of armed police around the premises. Unable to proceed by car the Japanese alighted and attempted to break through the line, but were blocked by the Chinese police on duty.

Later on, however, the Japanese were given permission to see the head of the sub-station and informed him that the Japanese Consul had instructed them to take Mr. Aoyama back.

Sent Under Guard.—At this time, the sub-station police had received orders from Col. Hsueh Kwang-han, Director of Police, to remove Mr. Aoyama to the headquarters for questioning. This was subsequently carried out and Mr. Aoyama was sent by a motor car under heavy guard to the headquarters.

When another Japanese representative called at the headquarters to demand the release of Mr. Aoyama, he was requested to open negotiations with the city government in accordance with diplomatic practice.

At 6 o'clock in the evening, the Police Headquarters was instructed by the city government to hand over Mr. Aoyama to the Japanese consulate for punishment.

Following the release of Mr. Aoyama the Chinese authorities lodged a strong protest with the Japanese consulate.

* * *

Despite China's protests, Japanese smuggling in North China as well as South China continues unabated, Japanese and Korean smugglers persist in beating up Chinese as well as foreign operatives of the Chinese Customs Preventive Service, Japanese military airplanes continue to fly anywhere they please in North China, while plans have been announced for the inauguration of a commercial air service between Tientsin and Tokyo under the auspices of the Japanese-controlled Huitung Aviation Corporation, and the number of Japanese troops in North China has been increased.

On the other hand, the Japanese Consul in Tsingtao has seen fit to protest to the Tsingtao City Government against the disposition of Chinese salt revenue guards in the Kiaochow area of East Shantung. The following comment made on May 26 1937, by a spokesman of the Waichiaopu demonstrates the ludicrousness of the Japanese attitude:

> "The Kiaochow Salt District was originally garrisoned by one battalion of salt revenue guards. The Ministry of Finance recently sent the Fifth Brigade of Salt Revenue Guards into that area, whilst the battalion originally stationed there was transferred to Haichow. The increase of about two battalions was deemed necessary for fear that a recent increase in the salt tax might lead to more extensive smuggling.

"Due to an apparent misunderstanding, the Japanese Consul at Tsingtao lodged a protest with the Tsingtao Municipal Government demanding the removal of the Fifth Brigade from the Kiaochow area. At the same time an agitation was raised in the Japanese press and many unfounded reports of alleged maltreatment of Koreans were circulated.

"It goes without saying that the free movement of Chinese armed forces within China's own territory does not permit of any interference from foreign sources. Furthermore, the movement of Revenue Guards for the better prevention and suppression of smuggling in salt should not cause alarm to persons other than those against whom the measures are directed. It, therefore, cannot be conceived on what legal grounds a protest concerning this matter could be lodged with the Chinese authorities."

VISIT OF JAPANESE ECONOMIC MISSION

In an attempt to cut the Gordian knot and overcome the deadlock in Sino-Japanese negotiations, a Japanese Economic Mission headed by Mr. Kenji Kodama, former president of the Yokohama Specie Bank, visited Shanghai and Nanking for a fortnight (March 14-28, 1937). The Japanese had hoped that, through the economic approach and the consequent economic co-operation between the two countries, definite headway might be made in regard to political questions outstanding between China and Japan.

On the eve of his return to Japan, Mr. Kodama issued a public statement expressing his satisfaction with the "free and frank" exchange of views which members of his mission had had with Chinese officials and businessmen. The results achieved by his mission were summarized by him as follows:

1. Establishment of investigation sections in the Sino-Japanese Trade Associations in Shanghai and Tokyo to study ways and means of promoting commerce between the two nations.
2. Maintenance of a close liaison between the financial interests of the two nations.
3. Measures for Increased production of raw cotton and improvement of its quality, and the formation of a Sino-Japanese textile industrialists' body to promote their common interests.
4. Formation of special committees in China and Japan to deal with various branches of industry in order to advance their common interests.

Because the Chinese officials and businessmen had taken pains to explain to Mr. Kodama and his colleagues that it was futile to hope to adjust purely economic problems without first readjusting the more vital political issues between China and Japan, the newspapers in Japan began to belittle Mr. Kodama's mission and call it an "utter failure." In reply to such a charge, Mr. Kodama informed a Japanese correspondent, whoi nterviewed him when he landed in Nagasaki (March 29), that he and his colleagues had become fully convinced that Chinese businessmen were anxious to co-operate with the Japanese.

ELEVATION OF THE CHINESE LEGATION IN BELGIUM

As already stated, the Chinese Legation in Belgium and the Belgian Legation in China have reciprocally been raised to the status of Embassies. Formal announcement to this effect was made by the Waichiaopu on April 21, 1937, in these terms:

"In view of the close friendship and intimate economic relations between China and Belgium, the Governments of the two countries agreed in principle towards the end of 1935 to elevate their respective Legations to the status of Embassies.

"The two Governments have now completed their preparations for this step, which will be taken simultaneously.

"The Chinese Government has asked for the assent of the Belgian Government to its choice for the ambassadorship in Brussels."

Subsequently it was announced that Dr. Tsien Tai, Chinese Minister to Spain since November 1933, has been approved as the first Chinese Ambassador to Belgium and that Baron Guillaume, Belgian Minister to China, who was in Brussels on home leave, has been accepted as his country's first ambassador to this country.

Parenthetically it may be added in this connection that the Swedish Government, commencing from June

1937, has decided to station a full-fledged Minister in China, instead of accrediting a Minister to both Japan and China, and that Baron Johan Beck-Friis, Swedish Consul-General in Shanghai and concurrently Chargé d'Affaires, has been appointed the first Swedish Minister to China.

AMBASSADORS EXPLAIN REICH-JAPANESE AND ITALIAN-JAPANESE PACTS

On November 2, 1936, it was officially announced from Rome that Italy and Japan had respectively recognized "Manchukuo" and the Italian Empire in Ethiopia, and that they had signed an accord including commercial clauses. "Italy," the news despatch added, "will send a Consul-General to Harbin, but no Minister. The exequatur, or credentials for this official, have already been requested. Economic circles here (Rome) pointed out that the double recognition involves important commercial consequences."

Three weeks later, November 25, the text of an agreement reached between Germany and Japan was published in Berlin, as follows:

Text Of New Reich-Japanese Agreement.—BERLIN, Nov. 25.—(Transocean Kuomin).—The text of an agreement reached between Germany and Japan was made known here to-day as follows:

"The government of the German Reich and the Imperial Japanese government, in view of the fact that it is the purpose of the Communist International known as Comintern, to attempt to disintegrate existing states and to endeavor to bring them into submission by every means at its disposal, convinced also that a toleration of the interference of the Communist International into internal affairs of the nations constitutes not only a danger to their internal peace and social welfare but is also a menace to the peace of the whole world, and being desirous of co-operating in self-defense against the Communist subversive activities, have agreed as follows:

"(1) The contracting states agree to inform each other of the activities of the Communist International, to consult each other on the necessary measures of defense and to carry them out in close co-operation.

"(2) The contracting states will jointly invite such other states whose internal peace is menaced by the subversive activities of the Communist International to apply measures of self-defense in the spirit of the present agreement or to participate in the present agreement.

"(3) The German as well as the Japanese text of the present agreement is to be deemed the original text. The agreement comes into force on the day signed and will remain in force for a period of five years. Prior to the termination of this period and in due time the contracting parties will come to an understanding concerning the further method of their co-operation."

(Signed) " von Ribbentrop, Ambassador Extraordinary and Plenipotentiary of the German Reich.

Vicomte Mushakoji, Imperial Japanese Ambassador Extraordinary and Plenipotentiary."

Besides the agreement itself a supplementary protocol thereto was also signed, the text of which is as follows:

"On the occasion of the signature to-day of an agreement directed against the Communist International, the undersigned authorized representatives of the two governments concerned have agreed as follows: In matters concerning the exchange of intelligence bearing upon the activities of the Communist International as well as measures for the information on and defense against the Communist International, the competent authorities of the two contracting states will co-operate closely. According to the existing laws the competent authorities of the two contracting states will take severe measures against those directly or indirectly engaged at home or abroad in the service of the Communist International or promoting subversive activities. In order to facilitate the co-operation of the competent authorities of the contracting states set forth above a permanent committee will be established. In this committee will be considered and discussed all further ways and means necessary for fighting the subversive activities of the Communist International."

(*Signed*) "von Ribbentrop"
(*Signed*) "Vicomte Mushakoji."

As was to be expected, both agreements have created misgivings among Chinese circles. In regard to the pact between Germany and Japan these Chinese quarters, pointing out the very brevity of the agreement, which on the surface appears to aim at joint measures against Communism, manifest a general anxiety as to whether there is any secret arrangement besides what has been published.

Chinese observers state that whether there is a real necessity for Germany and Japan to form a united front against Communism is a question to be decided by themselves. The same observers express the conviction that China certainly can rely upon

her own efforts to deal with the question of Communism within her territory.

Although China has suffered greatly from the Red menace, the Communist-bandits, it is observed, have been greatly reduced in number as a result of the vigorous measures of suppression and military campaigns undertaken by the Government during the past few years.

Furthermore, Chinese circles emphasize, this matter is a purely internal question concerning which there is no necessity for an understanding with any third party.

Accordingly, Mr. Vincenzo Lojacono, then Italian Ambassador to China, called on the Chinese Foreign Minister on November 30 to explain the implications of the Italian-Japanese agreement. The Italian Ambassador referred to the extremely cordial relations existing between Italy and China and declared that Italy's friendly attitude towards China would, in spite of the afore-mentioned agreement remain unaltered. He hoped that the two countries would continue with their friendly co-operation and promised to refer to his Government the detailed questions raised by the Chinese Foreign Minister, General Chang Chun.

The German Ambassador, Dr. Oskar Trautmann, paid two calls on General Chang Chun to explain the nature of the Reich-Japanese pact. The Chinese Foreign Minister invited the attention of the German Government to the reaction of the Chinese people towards the said pact as well as China's fixed policy of relying on her own strength to suppress Communism in her own territory. In reply Dr. Trautmann assured the Chinese Foreign Minister that the German-Japanese agreement would in no way affect the interests of China or produce any unfavorable effect on the cordial relations existing between China and Germany. He further declared that his Government would continue to seek the means of furthering friendly relations between the two countries.

MISCELLANEOUS

A destructive demonstration was staged at the Isis Theater in North Szechuen Road, Shanghai, on February 20, 1937, by more than 100 Italians. This particular thoroughfare is an "extension road" of the International Settlement in Shanghai, but the theater is situated on Chinese territory under the jurisdiction of the City Government of Greater Shanghai. The majority of the group who carried out this attack were sailors in uniform. The demonstration was well organized, and it was alleged that the attack was launched upon the issuance of a verbal order from the balcony.

The cause of the demonstration was the showing of a Soviet-made film of the Italo-Ethiopian war. Many of the theater's windows were smashed; the projection machine was wrecked; the film was seized and taken away by the demonstrators; while the projection operator was set upon and sustained a broken arm.

Against this wanton attack the Waichiaopu lodged a vigorous protest (February 23) with the Italian Embassy. The Waichiaopu demanded the immediate punishment of the ringleaders of the riot, the immediate return of the "Abyssinia" film, as well as medical compensation for those injured during the demonstration, and reserved the right to present further demands.

The Chinese protest pointed out that all parts objectionable to Italy in the picture had already been cut out by the Central Movie Censorship Board upon the request of the Italian Embassy before the film was returned to its distributors in China. Holding of a second review by the Chinese censors, it was further explained, was made purely in consideration of the existing Sino-Italian friendly relations.

As a formal notification to the above effect had already been communicated to the Italian Embassy, the outbreak of the riot in Shanghai on Saturday was, therefore, entirely beyond the expectation of the Ministry of Foreign Affairs.

SUSPENSION OF SPANISH EXTRALITY RIGHTS

In regard to the anomalous state of Spanish representation consequent upon the resignation of the Spanish diplomatic and consular officials in China, the following semi-official statement was issued on February 22, 1937:

> Spain at present has no diplomatic or consular representatives in China, declared a spokesman of the Foreign Office in an interview this afternoon.
>
> After declaring that strict neutrality had been observed by China in the present civil strife in Spain, the spokesman described in detail how the present situation as regards Spanish representation in China was reached.
>
> On September 1, 1936, the former Spanish Minister, Mr. Garrido y Cisneros, notified the Waichiaopu by telegram that Mr. Eduardo Vasquex Ferrer had ceased his functions as Spanish Consul-General for Shanghai and that the Vice-Consul, Mr. Julio Larracoechea had taken charge of the Spanish Consulate-General in Shanghai.
>
> On September 7 the former Spanish Minister again requested the Waichiaopu to cancel Mr. Ferrer's exequatur.
>
> Both telegrams were confirmed by notes bearing the same dates, which were duly acknowledged by the Waichiaopu.
>
> On October 5, 1936, the Spanish Minister, in a Note to the Waichiaopu, announced his own resignation as well as the resignation of Mr. Ricardo Muniz, Second Secretary of the Spanish Legation in China.
>
> On October 15, Mr. Larracoechea called at the Shanghai Office of the Waichiaopu and informed the Chinese officials there that because of the resignation of Mr. Garrido he had been appointed Chargé d'Affaires ad interim.
>
> The information was further confirmed in a report later received by the Waichiaopu from the Chinese Legation in Madrid.
>
> On October 24, Mr. Larracoechea, however, notified the Shanghai Office of the Waichiaopu that he had resigned from all his official posts in China.
>
> Since then, the spokesman stated, there have been no diplomatic or consular representatives in China, directly appointed by the Spanish Government and recognized by the Chinese Government.
>
> The Chinese Government, he added, cannot recognize any person who without due authority claims to represent Spanish interests in this country.

Accordingly, on March 2, 1937, it was announced that the Chinese Government had decided to assume jurisdiction over all Spanish nationals in this country and that orders to this effect had been issued by the Ministry of Justice to all Chinese Courts.

CHINA ELECTED TO LEAGUE COUNCIL

In the previous issue of this Year Book it was recorded that on May 21, 1935, the Chinese Delegate (Ambassador Quo Tai-chi) to the Assembly of the League of Nations had requested that a committee be convened by the Council of the League "to study the existing system of election to the Council and authorize it to consider forthwith the question of giving adequate representation to Asia on the Council by creating a special seat for China, or a new non-permanent seat with special reference to the Far East," and that the committee of 14 so convened had recommended by a majority vote the creation of two new non-permanent seats for three years, being "very favorably impressed by the application of China for representation on the Council at an early date."

Consequently, on October 8, 1936, by practically a unanimous vote (namely 51 out of 52 votes), China was elected to one of the two extra non-permanent seats on the Council of the League. The other additional non-permanent seat was awarded to Latvia, which obtained 49 out of 52 votes.

At the same time Dr. Cheng Tien-hsi, formerly Vice-Minister of Justice, was elected (after the casting of a second ballot) Judge of the Permanent Court of International Justice to fill the vacancy created by the resignation of Dr. Wang Chung-hui—in preference to the Turkish candidate Dr. Ertekin.

In regard to the current discussions in Geneva (September, 1936) for the reform of the League organization, the Chinese Government suggested the adoption of a more effective preventive means in case of danger of external aggression or war, automatic immediate and all-inclusive sanctions, both economic and financial, in case of violation of the Covenant, and practical application of military sanctions.

"What is needed," the Chinese proposal pointed out, "is not a revision of the Covenant but only the education and elaboration of the methods and procedure for the realization of

the principles already embodied therein. The failure of the League in recent cases has been due not to the insufficiency or inefficiency of the measures provided in the Covenant but rather to the policy and method of application which were adopted."

In the opinion of the Chinese Government whenever there is a threat or danger of external aggression or war, more effective preventive means should be taken by the League so that actual armed conflict may be thwarted. League sanctions, as provided for in Article Sixteen of the Covenant, should not be excluded from the means and action the League is authorized to take under Article Eleven.

The Chinese proposal stated: "Whenever the League is called upon to deal with a conflict between states and when it fails to settle it by preventive measures and actual war or aggression have materialized, it naturally has to proceed with repressive measures, but it cannot do so without previously deciding which parties to the conflict is the aggressor.

"Since the definition of aggressor is not found in the Covenant, any decision on this question in each case will not be an easy task. It therefore would be desirable, in the opinion of the Chinese Government, that the League should lay down a definition of aggressor by resolution or by some other instrument so that whenever a crisis arises it may be able to rapidly perform its duty in safe-guarding the peace of the nations."

Automatic Application.—For the effective enforcement of economic and financial sanctions by member states against an aggressor in future cases of Covenant breaking, the Chinese Government suggested the appointment of a commission of experts to work out definite procedures for their application, which should be automatic, immediate and all-inclusive without necessarily awaiting a demand by the victim state or new recommendation from the League.

"As regards military sanctions envisaged in paragraph second of Article Sixteen," the Chinese recommendation proceeds, "their practical application seems to be difficult and complicated, but it is important and essential if the system of collective security provided in the Convenant is to prove really effective and peace to be safeguarded.

"It therefore should be desirable in the view of the Chinese Government to authorize an appropriate organ in the League now to study the various aspects of the question, political, technical, etc., and to draft a plan for its practical application in time of emergency."

Regional Pacts All Right.—China, the proposal revealed, also is prepared to accept the idea of regional pacts in principle, provided such a pact is intended to strengthen the existing guarantees for security provided in the Covenant. In other words, such pact is to serve as a supplement to, and not as a substitute for, any of its important provisions.

In conclusion, the Chinese memorandum stated that the possibilities of preventive action authorized in Article Eleven of the Covenant for the safeguarding of peace should be more extensively explored in future than in the past, and that the unanimity rule heretofore enforced in regard to action taken under this Article might be relaxed to extent of excluding votes of party or parties directly concerned so as to ensure more prompt action in maintaining peace and forestalling aggression.

* * *

As heretofore, the relations between the National Economic Council of the Chinese Government and the technical departments of the League of Nations for technical collaboration in the modernization and reconstruction of China continue to be cordial. This unstinted assistance is highly appreciated.

SINO-LATVIAN TREATY OF AMITY RATIFIED

Reference was made in the previous issue of this year book to the signing in London, on June 25, 1936, of a treaty of amity between China and Latvia. This treaty has since been ratified and become operative.

As promulgated on March 11, 1937, the text reads as follows:

TREATY OF AMITY BETWEEN THE REPUBLIC OF CHINA AND THE REPUBLIC OF LATVIA

(Ratifications exchanged on December 30, 1936; text of treaty promulgated on March 11, 1937)

The Republic of China and the Republic of Latvia, being equally desirous of establishing friendly relations between the two countries and promoting the mutual interests of their peoples, have decided to conclude a Treaty of Amity, based on the principles of equality and mutual respect of sovereignty, and have, for this purpose, appointed as their Plenipotentiaries:

His Excellency the President of the National Government of the Republic of China:

Monsieur Quo Tai-chi, Ambassador Extraordinary and Plenipotentiary in London;

His Excellency the President of the Republic of Latvia:

Monsieur Charles Zarine, Envoy Extraordinary and Minister Plenipotentiary in London;

who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:

Article I. There shall be perpetual peace and everlasting amity between the Republic of China and the Republic of Latvia as well as between their peoples.

Article II. The High Contracting Parties shall have the right reciprocally to send duly accredited diplomatic representatives, who shall enjoy, in the country to the Government of which they are accredited, all the rights, privileges, immunities and exemptions generally recognized by public international law.

Article III. Each of the High Contracting Parties shall have the right to send Consuls-General, Consuls, Vice-Consuls and Consular Agents to the localities within their respective territories which shall be determined by common accord. Such consular officers shall exercise the functions and enjoy the treatment generally recognized by international practice. Prior to their assumption of office, they shall obtain from the Government of the country to which they are sent, exequaturs which are subject to withdrawal by the said Government.

The High Contracting Parties shall not appoint persons engaged in industry or commerce as their consular officers, honorary consuls being excepted.

Article IV. The nationals of one of the High Contracting Parties shall be at liberty to enter or leave the territory of the other, provided that they shall carry with them passports issued by the competent authorities of the country of their origin, including its diplomatic and consular officers abroad, and visèed by the competent authorities of the country of destination.

Article V. The nationals of each of the High Contracting Parties shall enjoy in the territory of the other full protection for their persons and property in accordance with the laws and regulations of the country and with the principles of international law. They have the right, subject to the laws and regulations of the country, to travel, reside, work and engage in commerce and industry in the localities where the nationals of any third country are allowed to do so.

Article VI. The High Contracting Parties agree to conclude as soon as possible a Treaty of Commerce and Navigation.

Article VII. The present Treaty is drawn up in duplicate in the Chinese, Latvian and English languages. In case of any divergence of interpretation, the English text shall be authoritative.

Article VIII.—The present Treaty shall be ratified as soon as possible by the High Contracting Parties in accordance with their respective constitutional requirements, and shall enter into force on the day on which the exchange of the Ratifications takes place. The instruments of Ratification shall be exchanged at London.

In faith whereof, the above-mentioned Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done at London this twenty-fifth day of the sixth month of the twenty-fifth year of the Republic of China, corresponding to the twenty-fifth day of the month of June of the year nineteen hundred and thirty-six.

(*Signed*) QUO TAI-CHI.
(*Signed*) CHARLES ZARINE.

APPENDIX I

CHINA'S RELATIONS WITH THE OCCIDENT, 1936-1937

TI-TSUN LI (李迪俊)[1]

The past one and a half years[2] have been a memorable period in the history of China's relations with the Western world. It has witnessed many signs of increased cordiality between China and the Western nations as well as notable activities on the part of the latter to further their trade interests in this country. Such happy relations seem to have been fostered by a considerable change in Western opinion about China, which was especially marked during the period under review.

The recovery achieved by China following the establishment of internal peace and unity has not passed unnoticed in the Western world. Tributes to her remarkable progress have been paid during the last few years by influential newspapers in various world capitals, by foreign statesmen who were in control of government policies, by League of Nations officials and foreign economic experts who have been in China to study the situation on the spot, and by foreign financial and commercial representatives of long experience in the Far East. As was observed by the American Economic Mission who visited China in 1935, "A vast change has been coming over China: a modernization that, as compared with ten or even five years ago, marks many centuries." Other trade missions and economic experts who later visited this country have also testified to what the late M. Robert Haas termed the "reviving forces of reconstruction and the awakening of a second youth in this ancient people."

With China applying herself energetically and steadfastly to the task of reconstructing the political, social and economic life of her teeming millions, the general trend of her relations with the Western peoples is colored by a few conspicuous factors. First, a general optimism concerning the outlook for this country; secondly, an intense interest in the trade possibilities offered by a rapidly developing China; and thirdly, as a corollary of the first two factors, a manifest desire to collaborate in China's economic development on terms of mutual benefit. All the three factors have been strongly evident in the findings reached by various trade missions and foreign experts who have come to China to examine the situation on the spot.

The report of the American Trade Mission headed by Mr. W. Cameron Forbes deals extensively—though from the American angle, of course—with the trade and financial situation in China. It evinces a keen interest in the further development of American trade with China and outlines various measures to enable American firms to compete with those of other countries in bidding for this business. The document, which is both interesting and important, due to the authority of the signatures attached to it, ends "by bespeaking for the present Government of China, under its enlightened leadership, all the encouragement and help which can be accorded by the Government and the people of the United States."

The Leith-Ross Mission.—The American report was published when Sir Frederick Leith-Ross, chief economic adviser to the British Government, was in China studying her economic

[1] Dr. Ti-tsun Li is the Director of the Department of Intelligence and Publicity of the Ministry of Foreign Affairs.
[2] January 1936–May 1937.

and financial difficulties and the possibilities of extending to her some form of international assistance. It had been the hope of the British Government that the United States, Japan and France would send economic experts to collaborate with him, but this did not prove possible. Sir Frederick was in China for nearly nine months, returning to England by the end of June, 1936. His prolonged visit afforded strong evidence of Britain's desire for closer economic collaboration with China, and his talks with Chinese Government leaders were no doubt of immense value in paving the way for such collaboration.

Sir Frederick's activities in China were viewed with great suspicion and jealousy by Japan, where it was alleged that he played an important rôle in China's adoption of an incontrovertible managed currency. But this was categorically denied by the British expert, who throughout his nine months in China lost no opportunity to allay Japanese suspicions and to stress the desirability of international support for any proposal he might put forward. He maintained a diligent contact with Japanese Government representatives and bankers in China and paid two visits to Tokyo, apparently in an effort to overcome the obstructionist attitude assumed by the Japanese Government on the question of financial support for China. The smuggling issue in North China, on which diplomatic representations had been made to Japan by both the American and British Governments, was also reported to have figured in his Tokyo discussions. But it was most doubtful whether Sir Frederick succeeded in getting the support and co-operation he had looked for at Tokyo.

The difficulties Sir Frederick met with in Japan showed the long shadow cast by the Sino-Japanese problem over the Far Eastern horizon. Nevertheless his mission to the Far East, while not yet producing concrete results, could not but be of great significance. The statements he gave out both here and in London revealed a sympathetic and penetrating understanding of China's domestic and external situation. He agreed with the observation of the American Economic Mission as to China's striking progress and described himself as being "definitely optimistic about China." The fact that Sir Frederick was sent out by the British Government, with whom his expert views must carry weight, has caused a large measure of expectancy in both China and the United Kingdom regarding the future development of Sino-British economic relations.

Credits for British Exports.—Indeed, his ardent desire for the promotion of British trade with China found an expression soon after his return to England. On October 19, 1936, the British Government announced the extension of the Exports Credits scheme to China and the appointment of Mr. W. M. Kirkpatrick as China representative of the Exports Credits Guarantee Department. Under the scheme British exporters who would like to place their goods in China might, for a small premium, call upon the Exports Credits Guarantee Department to accept a portion of a joint responsibility for the risks involved. This arrangement, though a positive measure for advancing British trade interests in China, should not be confused with a loan or credit for the Chinese Government. A confusion of this kind unfortunately prevailed when Mr. Kirkpatrick's appointment was first announced, and rumors of fabulous British credits for China were circulated, to the considerable chagrin and bitterness of the Japanese press.

As further evidence of the value attached to the growing trade opportunities in China may be mentioned the formation of a special China committee of experts by the Federation of British Industries, the visit of the German Trade Mission in 1936 and that of the Chilean Trade Mission in 1937. Much interest was also aroused by the activities of Mr. Warren L. Pierson, president of the Import-Export Bank of the United States, who arrived in China in April, 1937, with the object of investigating the economic situation. Since the Import-Export Bank is concerned with the

financing of American exports Mr. Pierson's visit gave rise to talk of possible provision of credit facilities for American exports to China.

The visits of the foreign trade missions and economic experts indicate that the Western Powers in general and Great Britain in particular have been keenly alive to the increased opportunities for trade with and investment in China. This constitutes a significant fact in itself and is bound to exercise a profound influence on the course of China's future relations with the Western world. While large-scale plans for foreign collaboration in China's economic development have not yet materialized, the supply of foreign credits has already played not an inconsiderable part in the construction of new railway lines and other engineering projects.

Adjustment of Foreign Loans.—During 1936 a number of railway loans which had been long in default or in arrear were settled under adjustment schemes agreed to by all parties concerned. Settlement of the Tientsin-Pukow Railway Loan, which enjoyed a claim on Customs as well as railway revenue, was announced in February, 1936. Other railway loans settled during the same year included the indebtedness of the Taokow-Chinghua Railway, the Canton-Kowloon Railway, the Lunghai Railway and the Honan Railway, while an offer concerning the service of the outstanding bonds of the Hukuang Railway Loan of 1931 was made by the Ministry of Finance in April, 1937. The efforts of the Chinese Government to settle these defaulted issues on fair and reasonable terms have been warmly praised in foreign financial circles and have contributed to the success of negotiations for new credits. The readiness of foreign fiscal agents, like the Hongkong and Shanghai Banking Corporation and the British and Chinese Corporation, Ltd., and of foreign firms like Otto Wolff, of Cologne, to co-operate with the Chinese banks in railway financing bespeaks of their confidence in the future of this country. Agreements were concluded by the Ministry of Railways in December, 1936, with the Banque Franco Chinoise pour le Commerce and Industrie, the Sino-British Indemnity Fund Board and the Hongkong and Shanghai Banking Corporation, and a German syndicate headed by Otto Wolff providing for credits totaling over $87,000,000.

The Sino-American Silver Agreement.—The Sino-American Silver Agreement concluded in the summer of 1936 was another notable instance of friendly co-operation with the Western Powers. Under the arrangement China agreed to enlarge the use of silver and continued to maintain an independent system of currency, while the United States agreed to purchase substantial quantities of silver from China and to provide facilities in dollar exchange. The arrangements thus made, according to one of the Chinese delegates responsible for the negotiations, "will further increase our gold and foreign exchange reserve with which to defend the external value of our new currency, and ensure the success of our monetary reform, thereby ushering in a new era of economic prosperity. They will also help toward the stabilization of the value of silver in which both China and the United States are interested, and pave the way for future economic co-operation between these two friendly countries."

Other significant events in the field of Sino-foreign economic relations were the inauguration of the Canton-Hanoi air line in July, 1936, to connect with the Hanoi-French air line operated by French interests; the extension of the Shanghai-Canton air-line to Hongkong in November, 1936, to link up the network of Chinese air lines with that of the British Empire and with the Trans-Pacific line operated by Pan American Airways; and the opening of the Sino-American radio-telephone service in May, 1937, whereby communication between Shanghai and New York is reduced to a matter of seconds. All these developments, coupled with improved means of communication and transit within China, cannot but be of great benefit to China's commercial relations with the Occident.

DIPLOMATIC DEVELOPMENTS

As may be noted from the above paragraphs, trade and economic matters rather than treaty questions have occupied a far greater place in the past one and a half years of China's relations with the Western world. Preoccupied with Sino-Japanese problems, the Chinese Government has not yet been able to resume negotiations on the question of treaty revision. Nevertheless there are not a few diplomatic developments, both happy and unfortunate, to be recorded for the period under review.

Sino-British Relations.—It has been generally agreed that Sino-British relations during the last two years were more cordial than they had been ever before. The rendition of the Kuling Estate was effected on January 1, 1936, as a result of negotiations initiated in 1927. The work of the Sino-British Boundary Commission for the Yunnan-Burma Border, suspended in May, 1936, due to the rainy season, was resumed in November of the same year. The duty of the Commission is to interpret certain paragraphs in the Agreement of 1897 over which the former Sino-British Commissioners, 30 years ago, failed to arrive at a common interpretation. The portion of the Yunnan-Burma boundary concerned has since been left unsettled. After two prolonged visits to the disputed border areas, the present Commission has now completed its preliminary task of investigation, and a report is to be submitted to the Chinese and British Governments in due course.

As further examples of Sino-British amity may be mentioned here the prompt settlement of the incident at Kunming in May, 1936, in which the former British Consul-General there was reported to have assaulted an American and two Chinese teachers with a walking stick; the exchange of visits between the Governor of Hongkong, Sir Andrew Caldecott, and the late General Huang Mou-sung, chairman of the Kuangtung Provincial Government, in the autumn of 1936; and, finally, the dispatch of a large Chinese mission headed by Dr. H. H. Kung and Admiral Chen Shao-kuan to attend the Coronation of King George VI in May, 1937.

In February, 1936, the Chinese Legation in Paris was raised to the status of an embassy simultaneously with the elevation of the French Legation in China, while a similar arrangement between China and Belgium was announced in April, 1937. Following the enforcement of the Sino-French convention concerning French Indo-China in 1935, the Chinese Government has opened two consulates in the French colony to look after Chinese interests there. The consulate at Saigon was opened in December, 1935, and that at Hanoi in January, 1936. A revision of the Sino-French regulations concerning the Yunnan Railway was effected in 1936 and an agreement was signed in the same year concerning telegraphic communications between French Indo-China and the adjoining Chinese provinces.

The Kwangchowwan Incident.—Sino-French relations during the period under review were marred by the unfortunate Kwangchowwan incident of April 23, 1936, in which French troops opened fire on a group of Chinese, killing five and wounding twelve. According to statements made by the Chinese side, the French authorities in the leased territory of Kwangchowwan had imposed a tax on every one of the male population, on the basis of reports submitted by the villages on the number of males therein. On April 23 a large group of Chinese villagers at Poto went unarmed to the Headquarters of the French Garrison Commandant with the peaceful intention of asking for a remission of the tax on grounds of poverty and depression, but the French troops opened fire on the Chinese petitioners. Following the incident the Chinese Foreign Commissioner at Canton lodged a vigorous protest with the French Consul-General there, demanding that the "officers and soldiers who shot the unarmed petitioners be punished, that indemnity be paid to the bereaved families, and that the corvée service and all the increased and multiple taxes which have been the cause of all the trouble be abolished." Although

more than a year has elapsed since the incident an amicable settlement has not been reached.

Sino-Soviet Relations.—On March 21, 1936, a Protocol of Mutual Assistance was concluded at Urga between the representatives of Soviet Russia and Outer Mongolia providing for "mutual assistance by all means in the matter of averting and preventing the menace of military attack and also rendering to each other aid and assistance in case of attack by any third state upon the U. S. S. R. or the Mongolian People's Republic." When the terms of the Protocol became known in China about a month later the Chinese Government immediately protested to the Soviet Government. The Chinese note declared that "Outer Mongolia being an integral part of the Republic of China, no foreign state has the right to conclude with it any agreement or treaty." It further charged the Soviet Union with committing an infringement upon China's sovereignty and a violation of the Sino-Soviet Agreement of 1924 in which the U. S. S. R. recognizes Outer Mongolia as an integral part of China and pledges to respect China's sovereignty therein. The note finally declared that the Chinese Government "can under no circumstances recognize such a protocol and is in no wise bound by it." The Soviet reply, while confirming that the Sino-Soviet Agreement of 1924 remained in force, maintained that the Soviet-Outer Mongolian Protocol did not violate the said agreement. The reply was found unsatisfactory by the Chinese Government which lodged two more protests on April 11 and June 4, 1936, reiterating the stand enunciated in its first note of protest.

German-"Manchoukuo" Trade Agreement.—On April 30, 1936, a trade agreement[1] was signed in the Tokyo Foreign Office by Dr. Otto Kiep, on behalf of the German Administration of Foreign Exchange, and a representative of the puppet state of "Manchoukuo." The agreement provided *inter alia*, that the German Administration of Foreign Exchange "shall admit the importation of products of Manchoukuo to the amount of 100 million yuan." "Payments in respect of the importation shall be made as to three-fourths (75 million yuan) in foreign exchange and as to one-fourth (25 million yuan) in Reichsmarks, the latter to a special account at a bank to be designated by the authorities of Manchuokuo and to be utilized for the payments to be made in respect of products of Germany imported into Manchoukuo." The agreement, which resulted from the Far Eastern visit of the German Trade Mission headed by Dr. Otto Kiep, did not seem conducive to the plea he had made in China for Sino-German friendship and co-operation, and was received with profound regret by the government and the people of this country.

It will be recalled that Germany participated in the League of Nations Commission of Inquiry into the Sino-Japanese dispute of 1931 and later voted for the report adopted by the League Assembly on February 24, 1933. Germany's subsequent withdrawal from the League, due to questions of purely European origin, did not release her from the moral, if not legal, obligation to adhere to the Assembly report she had accepted. Hence it might be expected that the German Government would in consideration of its friendly relations with China and its own pledged word, continue to refrain from any act which might be interpreted as *de jure* or *de facto* recognition of the Japanese puppets in Manchuria.

In an attempt to allay the natural resentment aroused in China by the German-Manchuokuo trade agreement, assurances were given by German officials that it was for a purely commercial purpose and devoid of political significance. They further explained that Germany had a great demand for soya beans from Manchuria and that, in view of her present shortage of foreign exchange, she would like to pay for a part of her Manchurian imports with her own manufacturers. The only material benefit Germany received under the pact was that

[1] Text published in *Japan-"Manchoukuo" Year Book* for 1937.

she could pay for one-fourth of her imports from Manchuria with Reichsmarks to be spent in Germany and thus save an estimated amount of $25,000,000 of foreign exchange. It must be pointed out, however, that in 1936 Germany had a favorable trade balance with China to the amount of $110,878,000, besides which the advantage derived by Germany from her agreement with "Manchoukuo" would seem small indeed. It is therefore highly regrettable that the German Government, failing to see this point, has entered into negotiations for the renewal of the agreement, which is due to expire in June, 1937.

The Anti-Communist Pact.—In November, 1936, Germany and Japan concluded an anti-Communist agreement stipulating that the authorities of both states should "take stringent measures against persons both at home and abroad who work, directly or indirectly, with, or assist in the disintegrating activities of, the Comintern." The pact, which was denounced throughout the world as a threat to peace and was criticized even within Japan, could not but arouse the deepest concern of the Chinese Government, especially in view of the alleged secret clauses. In an interview with the Chinese Foreign Minister on December 3, 1936, the German Ambassador conveyed the assurance of his Government that the anti-Communist pact would in no way affect the interests of China or produce any unfavorable effect on the cordial relations between China and Germany. He further stated that his Government would continue to seek the means of furthering friendly Sino-German relations. Inspite of such assurances, it was generally believed in China, as in many other countries, that the pact had a disturbing rather than salutary effect on the peace of the world. By promptly declaring that China would rely on her own resources to deal with the Communist problem the Chinese authorities dispelled whatever illusion may have been entertained abroad concerning the possibility of China joining the pact.

The Italo-Japanese Accord.—Shortly after the announcement of the German-Japanese agreement reports were circulated to the effect that Japan and Italy had agreed on mutual recognition of their respective conquests in the Chinese Three Eastern Provinces and in Ethiopia. The actual facts, as subsequently revealed, were that Japan replaced her legation in Ethiopia by a consulate, while Italy, apparently with the aid of Japanese good offices, opened a consulate-general at Shenyang under the charge of Signor Luigi Cortese. In response to Chinese inquiries, Italian officials in China denied that the latter step amounted to official recognition of "Manchoukuo." Their denial, whether one accepts it or not, shows that the action was taken by Italy not without knowledge of her moral and legal obligation under the League resolution concerning non-recognition of the puppet regime in Manchuria.

Anglo-Japanese Pourparlers.—News of important Anglo-Japanese conversations in London for a "new deal" in the Far East began to reach China in the month of April, 1937. Coming from Japanese sources, the first reports of these pourparlers were of an extremely disturbing character, alleging that Britain would be asked to "recognize Japan's special economic and strategic interests" in North China. These reports, which inevitably aroused grave anxiety throughout China, led to official denials from both London and Tokyo that any suggestion had been made for a revival of sphere of influence in China. These denials constitute the only official information hitherto given out on the pourparlers, both the nature and progress of which are being kept under a veil of great secrecy.

China's primary reaction to the London talks was that any agreement or understanding relating to this country must have her full participation and endorsement. It was held that present difficulties in the Far East were entirely due to the disregard of China's territorial integrity and sovereign rights. Hence any new deal for the Far East, if it is to serve the interests of peace, must emphasize on the one hand the inviolability of the territorial and administrative in-

tegrity of China as well as non-interference with her political and economic development, and on the other the non-recognition of so-called special interests of other Powers in China. In other words, the principles laid down at the Washington Conference 15 years ago continue to be vital to-day.

The Income Tax.—A few words may be said here regarding the position of the newly imposed income tax as it affects foreign residents in China. Since January, 1937, the Chinese Government has imposed an income tax on all individuals, companies, and corporations irrespective of nationality and without discrimination. The receipts from this tax have greatly exceeded earlier expectations, thus showing that the tax has been enforced among all Chinese with a reasonable degree of efficiency. With a few exceptions, foreign nationals possessing extraterritorial privileges have not been willing to submit to this form of direct taxation. The British Government has taken the view that unless all foreigners in China agreed to pay income tax British subjects could not be expected to pay it, while the other Powers concerned seem to have maintained that extraterritorial privileges exempted their nationals from payment of taxes to the Chinese Government.

The latter view has been vigorously contested by all Chinese writers as being unfair and unjustified. Extraterritoriality, it has been pointed out, is a judicial, not a fiscal privilege. Privileges enjoyed by foreigners within the territory of a sovereign and independent state must be expressly granted by treaty stipulations but cannot be implied or extended therefrom; rights not expressly granted are retained *in toto* by the sovereign state. Since none of the Sino-foreign treaties exempted foreigners from payment of legitimate and non-discriminatory taxes it is difficult to conceive how the plea for exemption from income tax on the part of extraterritorial foreigners could be maintained. While an amicable solution has yet to be reached in this matter, it is gratifying to record that a number of American and British missionaries have, irrespective of the attitude assumed by their respective governments, willingly paid the tax to the Chinese Government.

China and the League.—The relations between China and the League of Nations during the period under review also deserve to be recorded. At the seventeenth session of the League Assembly convened in October, 1936, China was elected to a special seat on the Council, thus ending a deplorable situation in which not a single Asiatic Power was represented on the Council. The system of economic collaboration with the League, first introduced in 1931, was continued during the period under discussion. The development of agriculture, communications and administrative organization was emphasized in the 1937 program of co-operation which, like the previous ones, called for the sending of League experts and officials to advise the Chinese Government.

With her bitter experience of foreign aggression since 1931, China has naturally taken a deep interest in the proposed reform of the League or, more specifically, the reinforcement of the League Covenant. The proposals submitted by the Chinese Government in the autumn of 1936, in response to an invitation from the League Council, provided, *inter alia*, that measures should be taken to designate an aggressor nation quickly and unerringly, to enforce automatic sanctions against any Power so designated, and to strengthen the provisions for the prevention of war. By these proposals and in other ways China has demonstrated her loyalty to the League, her attachment to the system of collective security, as well as her fundamental belief in the settlement of international disputes by peaceful means rather than by resort to force.

The Drug Problem.—Apart from political matters, the Chinese Government has continued to accord sincere and wholehearted support to the League in its effort to deal with various social problems common to all countries, and more particularly the problems of drug traffic. In May, 1936, following amazing revelations of the extensive activities of Japanese and Korean drug traffickers in North

China, the League Advisory Committee on Opium and Drug Traffic passed a resolution requesting Japan to "double her efforts and to take such action as may be necessary to apply to all persons under Japanese jurisdiction, wherever they may be, who engage in the illicit traffic in, or manufacture of, narcotic drugs, penalties which are likely to act as an effective deterrent." This international appeal to the Japanese Government in the name of humanity has been deeply appreciated by the Chinese people, as also a report later adopted by the League Council expressing its gratification at the six-year plan enforced by the Chinese Government for the suppression of opium.

The following is a list of international conventions, mostly concluded under the auspices of the League or its affiliated organizations, which were ratified by the Chinese Government during 1936–7: (1) convention fixing the minimum age for admission of children to employment at sea; (2) convention concerning the compulsory medical examination of children and young persons employed at sea; (3) convention fixing the minimum age for the admission of young persons to employment as trimmers or stokers; (4) convention concerning the repatriation of seamen; (5) convention concerning seamen's articles of agreement; (6) convention concerning the employment of women on underground work in mines; (7) slavery convention; and (8) convention for the suppression of the illicit traffic in dangerous drugs.

APPENDIX II

LIST OF INTERNATIONAL CONVENTIONS

(Ratified or adhered by China since 1927)

Title	*Date of Adoption*	*Place of Adoption*	*Date of Ratification or Adhesion*	*Remarks*
Convention concerning Rights of Association and Combination of Agricultural Workers*	Oct. 25th, 1921	Geneva	Rat. Feb. 9th, 1934	
Convention concerning Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents*	May 19th, 1925	,,	,,	
Convention concerning the Application of the Weekly Rest in Industrial Undertakings*	Oct. 25th, 1921	,,	,,	
Convention and Statute Establishing an International Relief Union*	July 12th, 1927	,,	Adh. May 27th, 1935	
Convention concerning the Creation of Minimum Wage Fixing Machinery†	May 30th, 1928	,,	Rat. Feb. 28th, 1930	
Treaty for the Renunciation of War†	Aug. 27th, 1928	Paris	Rat. March 8th, 1929	With reservation
International Convention for the Safety of Life at Sea*	May 31st, 1929	London	Adh. Feb. 14th, 1933	
Convention concerning the Marking of the Weight on Heavy Packages Transported by Vessels*	July 21st, 1929	Geneva	Rat. May 24th, 1931	
Universal Postal Convention†	Mar. 25th, 1934	Cairo, 1924	Dec. 3rd, 1935	
Agreement concerning Money Order†	,,	,,	,,	
Parcel Post Agreement†	Mar. 25th, 1934	Cairo, 1934	,,	
Agreement concerning Insured Letters and Boxes†	,,	,,	,,	
Convention for the Amelioration of the Condition of the Wounded and Sick in Armies in the Field*	July 27th, 1929	Geneva	Rat. Nov. 19th, 1935	
Convention on Certain Questions relating to the Conflicts of Nationality Laws†	Apr. 12th, 1930	Hague	Rat. Dec. 18th, 1934	

Acts relating to the Constitution of the Permanent Court of International Justice†	Sept. 14th, 1929	Geneva	Rat. Aug. 29th, 1930	
Protocol relating to a Certain Case of Statelessness†	Apr. 12th, 1930	Hague	Rat. Dec. 18th, 1934	
Special Protocol concerning Statelessness†	,,	,,	,,	
Convention concerning the Protection against Accidents of Workers Employed in Loading or Unloading Ships*	Apr. 27th, 1932	Geneva	Rat. Apr. 15th, 1935	
Convention Fixing the Minimum Age for Admission of Children to Employment at Sea‡	June 15th, 1920	,,	Rat. Oct. 14th, 1936	
Convention Fixing the Minimum Age for the Admission of Young Persons to Employment as Trimmers or Stokers‡	Oct. 25th, 1921	,,		
Convention concerning the Compulsory Medical Examination of Children and Persons Employed at Sea‡	Oct. 25th, 1921	,,	,,	With reservation
Convention concerning Seamen's Articles of Agreement‡	June 7th, 1926	,,	,,	
Convention concerning the Repatriation of Seamen‡	,,	,,	,,	
Convention concerning the Employment of Women on Underground Work in Mines of All Kind‡	June 4th, 1935	,,	,,	
Slavery Convention‡	Sept. 25th, 1936	,,	Mar. 5th, 1937	
Convention for the Suppression of the Illicit Traffic in Dangerous Drugs*	Dec. 31st, 1936	,,	,,	
International Convention Respecting Load Lines*	July 5th, 1930	London	Adh. Aug. 15th, 1935	
Agreement concerning Manned Lightships not on the Stations*	Oct. 23rd, 1930	Lisbon	Rat. May 27th, 1935	
Agreement concerning Maritime Signals*	,,	,,	,,	
Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs*	July 13th, 1931	Geneva	Adh. Nov. 29th, 1933	
Protection against Accidents of Workers Employed in Loading or Unloading Ships	Apr. 27th, 1932	,,	Rat. Apr. 15th, 1935	
International Convention of Tele-Communications†	Dec. 9th, 1932	Madrid	Rat. July 5th, 1935	

* In preparation.
† Published.
‡ In printing.

THE NORTH CHINA CRISIS

SHUHSI HSÜ (徐淑希)

I. THE BACKGROUND

The Japanese-Promoted Autonomy Movements of 1935 and Their Aftermath.—The present crisis in North China seems to be but a logical development of events of the last two years, during which time the Japanese have endeavored incessantly to turn North China into a separate political entity similar to the puppet state of Manchuria.

Readers may recall that it was in 1935 when the bulk of the army of the Chinese Government was engaging the Chinese Red Army in the western provinces, that the Japanese made their first attempt to detach North China. At that time they started with the demand that the Central Government dismiss certain officials and withdraw certain designated units of its army from Hopei. When this demand was complied with, they then set on foot an autonomy movement which aimed at the creation of a puppet state on the basis of Hopei, Shantung, Shansi, Chahar and Suiyuan. Fortunately, the local authorities in these provinces proved more patriotic than the Japanese had thought them to be. In addition the Chinese Government was recalling its troops from the western provinces. The Japanese, therefore, found it impossible to carry out their plan. Later they abandoned the five-province idea and concentrated upon Hopei and Chahar alone. Again, and for the same reasons, they failed. In consequence they hastened to console themselves with the creation of two smaller puppet units in East Hopei and North Chahar respectively. East Hopei, it may be added, had already been demilitarized and put into the hands of a police force that was "not constituted by armed units hostile to Japanese feelings," and North Chahar had been under occupation by a Japanese-fostered bandit force which took over that region shortly after it was demilitarized under the Chin-Doihara Agreement.[1]

In handling the situation created by the Japanese the Central Government had to exercise a great deal of care, for of the five provinces in respect of which the Japanese promoted an autonomy movement only Hopei was under the direct control of the Central Government in the spring of 1935, and even in this province that control was very much weakened after the withdrawal of the designated units of the army referred to above. In order to fortify the local authorities in Hopei and Chahar against Japanese intrigues the Central Government had to create a Political Council for these two provinces and to endow it with a considerable degree of autonomous power.

The Japanese naturally were not satisfied with the meager success of their first attempt and were on the alert for a second chance. Looking over the situation, they decided that the arrangement of the Political Council was the weakest link in the Chinese chain of defense and they proceeded immediately to concentrate their attack upon it.

The method which the Japanese adopted was twofold. On the one hand, they insisted upon treating the Council as if it were independent of the Central Government. On the other hand, they went ahead to clinch their grip upon the Council by increasing their North China garrisons to a strength four times larger than that which the Protocol Powers,

[1] For details see author's *The North China Problem*, Chapters II–IV.

including Japan herself, had considered to be necessary during the past thirty-five years. It goes without saying that they took both of these steps in the face of strong Chinese protests.

On the basis of the policy outlined above the Japanese then approached the Council in regard to two questions. One of these was co-operation against the Red menace and the other co-operation in the economic development of the two provinces. In spite of the way in which these questions were raised, the Council saw clearly from the beginning that what the Japanese actually aimed at was freedom of movement for the Japanese Army on Chinese soil and control over the economic resources of the country. However, the Council was saved from the embarrassment of turning down the Japanese, for the Red menace of the spring of 1936 which served as an occasion for the Japanese to raise the question was soon eliminated by the determined efforts of the Central Government and the local authorities of Shansi, while adequate capital, most essential to any economic enterprise except when, as in the present case, that enterprise is meant only as a cover for some political design, was never forthcoming.

Isolation of the Hopei-Chahar Political Council in Preparation for Its "Chastisement."—The Political Council was thus saved by its fortune rather than by its own effort. It was a fact, nevertheless, that it did not go out of its way to facilitate the success of the Japanese by, for instance, accepting unconditionally the Japanese request concerning the question of the Communist menace or supplying Chinese funds to the Japanese to develop the economic resources of Hopei and Chahar. By refraining from so doing the Council made its attitude sufficiently clear, and it did not take the Japanese long to discover that the Chinese leaders were "insincere." At this point the matter of "chastisement" was mooted. But if this were to be carried out effectively, it would be necessary for the Japanese first to isolate the Council physically.

Now Peiping, the seat of the Council, was connected with the outer world by two railways—the Peiping-Mukden and the Peiping-Hankow—of which the latter was still in Chinese hands. If isolation were to be effected, it would be necessary also to cut this latter line. When the Peiping-Mukden Railway was constructed the line was purposely carried further to the west after leaving Tientsin for Peiping than would ordinarily be justified. The object was to form a junction with the Peiping-Hankow Railway before reaching the city in order that the national capital of the day might be saved from the noise and congestion that would result from inter-railway transportation. To serve the purpose a branch line was finally added between the nearest and most convenient points of the two railways—Fengtai and Lukouchiao, the latter known to Westerners as Marco Polo Bridge. If the Peiping-Hankow Railway were to be cut, it would therefore be necessary for the Japanese first to occupy Fengtai.

Along the Peiping-Mukden Railway from the former capital to Shanhaikwan there were twelve points designated in the Boxer Protocol as points at which the Protocol Powers could station troops, and Fengtai was not among them. But this lack of treaty right did not, however, deter the Japanese from proceeding with their plan. It seems that no sooner had contingents arrived to augment the garrison forces, than a small detachment was sent to this place. Then in July, 1936, a couple of months afterwards, the Japanese made their second move. Seizing upon the minor incidents of a fracas between a Chinese soldier and a Japanese national and the escape of a Chinese army pony into the Japanese camp, both of which took place at Fengtai, demands were presented to the Council for (*a*) apology, (*b*) indemnity, (*c*) punishment of the local commanding officer, and (*d*) withdrawal of the troops stationed at Fengtai. The first three items raised no problem with the Council; the last was not accepted until the term "withdrawal" was metamorphosed into "replacement."

The way the Japanese went about the matter was undoubtedly clever. By carrying out their plan in piecemeal fashion they were able to hoodwink the Council. Encouraged by their success, they made the third move a couple of months later.

In the afternoon of September 18, 1935, a detachment of Japanese troops passed by a Chinese detachment proceeding in the opposite direction on its return from the drill ground. In the course of passage a mounted Japanese officer ran into the Chinese line. The Chinese resented the intrusion and pushed him out. The Japanese took this as an insult and began to surround the Chinese, with the result that a skirmish took place. Refusing to take up the challenge, the Chinese retreated into their own camp. The Japanese followed them up, however, and surrounded them there again. In the meantime both sides applied for reinforcement from neighboring towns and their respective numbers were accordingly augmented. At this point the authorities on both sides intervened and fighting thereby ceased.

Taking the incident as an excuse, the Japanese demanded that all Chinese troops at Fengtai, as well as at Langfang and Changhsintien, be withdrawn. The Council replied by voluntarily replacing the troops at Fengtai with other troops. Against this the Japanese expressed their dissatisfaction, and eventually the Council was constrained to recall even the relief contingent, leaving the Japanese alone at Fengtai. On the other hand, the Japanese ceased to press for the evacuation of Langfang and Changhsintien.

With Fengtai securely in Japanese hands, Lukouchiao would naturally be the next object of attack. In the meantime, however, the Japanese were busy with a larger project, the invasion of Suiyuan. Then before long there came a series of political crises at home. As a result nothing further was done until the summer of 1937.

In making the attempt upon Lukouchiao the Japanese employed the same tactics as in the case of Fengtai; that is to say they went about it by short successive steps. The first move was to carry out field exercises in the vicinity of Lukouchiao. Now, in the case of foreign troops in Tientsin such exercises can be inferred as legitimate from conditions accepted by the Chinese Government for the dissolution of the provisional government set up by the Powers at Tientsin during the Boxer Uprising. With that sole exception the Protocol Powers have as a rule abstained from carrying on field exercises in places other than the Shanhaikwan region furthest removed from the capital. It must also be remembered that Lukouchiao is not situated on the Peiping-Mukden Railway and should not have been selected for the purpose, even if courtesy and consideration were to be ignored. But the Council did not consider the Japanese action a sufficient cause for taking a stand.

Finding that the Council was contented with merely protesting against the field exercises, the Japanese took courage and went ahead to make their next move. This consisted of large-scale military manoeuvres with the district city of Wanping, at Lukouchiao, as a hypothetical point of attack. Now if the former move was improper, this move was outright illegal, for such a display of military force, like the unlimited increase of troops itself, was *prima facie* a hostile act. Again, however, the Council did not consider it a sufficient cause for taking a stand. At this juncture the Japanese became desperate and made a third move with the object of forcing an issue.[1]

II. THE LOCAL PHASE

Two Steps in One, Preparation of "Chastisement" Merged with "Chastisement" Itself.—It was on the evening of July 7 that the Japanese made

[1] For views of a Chinese jurist on Japanese manoeuvres in the vicinity of Lukouchiao see Appendix B. Also author's article, *The Boxer Protocol and Japanese Aggression*, published in Council's *Information Bulletins*, Vol. IV, No. 8, August 18, 1937.

the fateful third move which precipitated the North China crisis. Shortly before midnight they suddenly demanded that they be allowed to enter Wanping in order to conduct a search, alleging that one of their soldiers engaged in the manoeuvres that evening was missing, and on being refused they started to bombard the city. Under this provocation the Chinese troops returned fire. They confined themselves, however, to repulsing any Japanese attempt to rush the city, without sallying forth themselves to make any preventive attack. Spasmodic fighting on a similar basis continued thereafter until it merged into the general hostilities of a later date.

The principal members of the Hopei-Chahar Political Council were gallant soldiers and patriotic Chinese, different from men like Yin Ju-keng and Cheng Hsiao-hsu. Nevertheless, they were military leaders who had at one time fought in civil war against the Central Government, and as such, though it seems unnecessary and unfortunate that it should have been so, they had not found themselves able to work in such close co-operation with the authorities at Nanking as was demanded by the difficult international situation in which China found herself. During the days following the Hopei Affair of 1935 they did not scruple to stoop to profit by the situation in order to secure the establishment of the Political Council. Since then they had done their best to keep their position, even to the point of often doing what came very close to compromising their own stand, not to speak of often seeming to ignore the Central Government.

Since the Japanese, at least those in control of the North China situation, had forced the issue, it would seem evident that the Council must decide without hesitation either to surrender or to resist. But on account of their mentality as described above they were able to do neither. This suited the plan of the Japanese, who thereupon took two steps in one, merging the preparation for its "chastisement" with the "chastisement" itself.

On July 11, four days after the Lukouchiao Incident took place, General Chang Tzu-chung, a member of the Council and mayor of Tientsin, who happened to be in Peiping at the time, agreed provisionally to the conditions submitted by the Japanese for the settlement of the affair.[1] According to the Japanese these conditions were as follows:

> (*a*) The representative of the Twenty-ninth Army [commanded by the principal members of the Council] shall express regret to the Japanese Army and undertake to punish those who are responsible for the incident;
>
> (*b*) On account of the fact that the close proximity of the Chinese troops to the Japanese troops stationed at Fengtai easily causes incidents, no Chinese troops shall be stationed in the city of Lukouchiao (Wanping) and Lungwanmiao, order and peace in these places to be maintained by Paoantui;
>
> (*c*) In view of the fact that the present incident is fostered by the teachings of the so-called Blue Shirts, Communists and other anti-Japanese organizations, measures shall be adopted for their suppression.

The foregoing conditions were not acceptable to most of the members of the Council, including General Sung Cheh-yuan, the chairman, not to mention the rank and file of the Twenty-ninth Army under their command. At that time General Sung was at his home in West Shantung. When he heard of the conditions he hurriedly repaired to Tientsin with the object of seeking some mitigation of their severity. If the General cherished any hope of success at all, he must soon have been disappointed, for the Japanese were not prepared to change one iota. Finally, on July 18, he signified his acceptance in principle by calling upon Lieutenant-General Kiyoshi Kazuki, the newly-appointed commander of the Japanese North China Garrison, together with General Chang Tzu-chung, who had come to Tientsin to join him. Next day General Sung left for Peiping. On the 22 he reported the conditions to the Central Government. Within two days the Central Government gave its approval.

Both General Sung and the Central Government thus gave the Japanese

[1] For what took place before July 11, see Appendix A.

enough "face," and if the latter had been out only for face-saving they could have easily stopped at that point. But by this time their lust for conquest had been roused in addition to their determination to "chastise" the Council, and nothing short of superior force could have stopped them from going the length in carrying out their plan. On the very day General Sung left for Peiping they compelled General Chang to agree provisionally to a number of terms which they declared to be but supplementary to the third condition previously accepted. As announced by the Japanese War Office on July 23 those terms were as follows:

(*a*) To get rid of persons who are inimical to Sino-Japanese relations;
(*b*) To subdue completely the Communists;
(*c*) To suppress all anti-Japanese institutions and organizations and all their acvities as well as the anti-Japanese education that lies at the bottom of them.

Of the three original conditions, the last one, which the Japanese now tried to develop, was perhaps the most objectionable not only to the Council and the Twenty-ninth Army, but also to the Central Government and the Chinese people as a whole. But the Japanese were not, of course, to stop there. On July 26, a couple of days after the original conditions were approved by the Central Government, they sent troops to Langfang, presented a demand for withdrawal to the Chinese troops stationed there, and on being refused started to attack and decimate them. Then, as if this were the fault of the Chinese, they further presented an ultimatum, which according to Reuter[1] demanded that:

(*a*) Units of the 37th division in the Lukouchiao area retire to Changhsintien before noon the following day (July 27), and
(*b*) Other units of the same division inside Peiping and Hsiyuan retire to points west of the Yungting River before noon on the day afterwards (July 28).

The ultimatum also indicated that immediately after the evacuation of these areas the whole 37th Division was expected to withdraw to Paoting.

On the morning of July 27, before the first part of the ultimatum had expired, the Japanese repeated the same high-handed action and committed the same atrocity in Tungchow as in Langfang. In the western suburb of Tungchow there were several hundred Chinese troops whom the Council had stationed there since its own establishment. These the Japanese now decided to get rid of just as they had done in the case of the Chinese troops at Langfang. On the morning in question they descended upon them with superior numbers, demanded that they lay down their arms, and on being refused proceeded to mop them up.

Ever since the beginning of the Lukouchiao Incident there had been many instances of clashes between the Japanese and Chinese troops, these generally consisting of cases where the Chinese repulsed Japanese provocation. These we may not now narrate. But there is another incident which it seems that we should not allow to pass unnoticed. This was the revolt of the Paoantui under Yin Ju-keng, the Japanese puppet. For days past the Japanese had been concentrating the Paoantui of the East Hopei regime at Tungchow just as they had hastened their own men to Fengtai. In spite of its being constituted of "armed units not hostile to Japanese feelings" and having served under a puppet regime for the last two years, what had taken place in Tungchow on July 27 proved too much for their innate patriotic feeling, and they rose in revolt the following day.

What was done constituted undoubtedly a very effective protest against the atrocity of the Japanese, but unfortunately an equally regrettable act was soon committed. The Japanese had stationed troops at Tungchow for the protection of their puppet. On account of the tense situation which had come into existence after the Lukouchiao Incident a number of Japanese nationals had fled there to seek protection under their

[1]All information in the present article which is given as supplied by certain news agencies is based upon reports in such a standard daily as the *North-China Daily News*.

own flag. After suffering some casualties the Japanese troops made good their own escape, leaving the East Hopei regime as well as their fellow nationals to their own fate. Of the latter the Paoantui proceeded thereupon to make short work by putting them to death.

Through the dark cloud of animal passion fortunately one can still see some ray of hope for the human race. One of those Japanese nationals who managed to escape—a woman—owed her life, according to Domei, entirely to a fellow being, a Chinese lady, who took her along in disguise among her own children to Peiping as she fled herself from the scene of two episodes of gruesome slaughter.

Failure of General Sung Cheh-yuan to Sense the Danger of the Situation and the Resultant Loss of Peiping and Tientsin.—On July 20, the day after his arrival at Peiping, General Sung issued to the public a statement which the Central News Agency reported in part as follows:

> "I have always been a strong advocate of peace," General Sung said. "It is my policy to place the interest of the nation above that of my own. Concerning the recent incident at Lukouchiao," he continued, "I am positive that neither China nor Japan had hoped for its occurrence. I hope that both parties with the spirit of mutual trust, will seek an amicable settlement in the interests of peace in the Far East."

General Sung was evidently quite confident of himself when he issued the statement. But he could not help being startled when he received the ultimatum, and shortly afterwards he formally ordered his troops to resist. However, nothing short of his full realization of the danger ahead could really have saved the situation. Under him, as Commander of the Twenty-ninth Army, there were four divisions. But if he had began to think of making use of them, he would have found that what he could count upon was only a total of less than two divisions. There was a part of the 37th division which, though it had been moved away under one of the conditions of the July 11 arrangement, was not yet entirely out of reach. There was also the part of the division (the 132nd) transferred from South Hopei to replace the 37th that had just arrived. Finally there was a small number of troops belonging to a division (the 38th) the main body of which was in the Tientsin region, cut off by the Japanese occupation of Fengtai and Langfang. As to the last of the four divisions (the 89th), it was too far away from the scene, being stationed in South Chahar (part of Hopei until 1928) beyond the Nankow Pass.

Of course, Hopei was not entirely devoid of other Chinese troops. There were the divisions that had been in the province before the arrival of the Twenty-ninth Army. We refer to those originally forming parts of the Northeastern Army but recently transferred to direct Central control. Then there were the Central Government divisions dispatched into the province after the Lukouchiao Incident took place. But all of these troops were also too far removed from the scene, for the old Northeastern troops were stationed at Paoting, while the Central Government troops had been halted, at the request of General Sung himself, at points further south.

In spite of this unsatisfactory situation the General neither hastened to concentrate his men, nor did he make an attempt to forestall Japanese attack. His order, as we have seen above, was merely "to resist," and the men available to him were still scattered in various directions. Under these circumstances the Japanese had a comparatively easy task in dealing with him.

Ever since the crisis began to develop the Japanese had been rushing reinforcements into North China. By the time they issued their ultimatum on July 26 they had already on hand a force superior to that which they had actually to handle. Furthermore, they had concentrated at Fengtai and established communication between this point and Tientsin by the occupation of Langfang. What they had to do now was simply to give orders for the attack. This they did on the night of the 28, and the point chosen was the headquarters of the Twenty-ninth Army at Nanyuan.

The first blow turned out to be almost the last. At any rate it was

fatal. General Sung's men at that famous army concentration point were those who had just been transferred from South Hopei. They had scarcely taken over the camps when the Japanese arrived. In spite of the most disconcerting situation in which they found themselves they gallantly moved out to meet the enemy. Led by Generals Tung Lin-ko and Chao Teng-yu, vice-commander of the Twenty-ninth Army and commander of the 132nd Division respectively they threw themselves upon their attackers. Their gallantry proved of no avail, however. Some two thousands fell in the battle, their two leaders falling with them.

There was scarcely anything left for General Sung to do. On learning of the disaster he hurriedly ordered the abandonment of Peiping and retreated in the direction of Paoting with whatever troops he had with him, closely pursued by the Japanese, who crossed the Yungting River and occupied Changhsintien.

Having routed General Sung's main army, the Japanese then turned eastward to attack his men in Tientsin. In the course of this onslaught they bombarded the Chinese district from the air as they did with Chapei in 1932, killing numerous innocent people and destroying a considerable section of the town as well as Nankai University in the suburbs. At the time of writing they had finished with Tientsin and were concentrating upon South Chahar.

The Twenty-ninth Army is now being reorganized. It seems very likely that before long General Sung will be able, with the help of his men, to redeem himself from the disgrace into which he has fallen for the loss he incurred for the country.[1]

III. THE NATIONAL AND INTERNATIONAL PHASE

Clarification of the Stand of the Central Government by General Chiang Kai-shek.

—What then was the Central Government doing in the meantime? According to Domei at first it reached the following decisions:

(*a*) To instruct General Sung to localize the incident;

(*b*) To request the Japanese military authorities in North China to cease military operations;

(*c*) To effect a settlement of the incident by peaceful means.

The Central Government was not dreaming, however, like General Sung. According to an interview granted to the Central News Agency on July 29,[2] General Chiang Kai-shek early advised General Sung to repair to Paoting to prepare for the coming emergency—a piece of advice which the latter ignored with sad consequences to the interests of the nation and of himself.

The Central Government was not prepared to force the hands of General Sung and in the following weeks it had to confine its activities merely to backing him up. Perhaps the most important move made was the issuing of a statement by General Chiang to clarify the stand of the Central Government. This took the form of a speech delivered at the "summer conversations" held between the Generalissimo and leaders of various walks of life at Kuling, the "summer capital." As given out by the Central News Agency on July 19 it read as follows:

> When China is carrying out her cardinal policy of maintaining external peace and internal unity, the Lukouchiao Incident suddenly broke out, throwing the nation into a state of profound indignation and causing great concern to the world. The consequences of the incident threatened the very existence of China and the peace of East Asia. At this present juncture, in answer to many inquiries, I wish to state the following:
>
> First, the Chinese race has always been peace-loving. The internal policy of the National Government has always been directed towards maintaining internal unity, and in our foreign relations, mutual respect and co-existence with other nations. In February this year, at the Plenary Session of the Central Executive Committee, a manifesto was issued in which these points were clearly emphasized. For the last two years, as actual facts show, the National Government in its policy toward Japan has constantly sought to confine all pending

[1]For General Sung's conduct compare General Chiang's statement in Appendix E. For further developments of the situation in North China see author's article, *The National Struggle*, to be published in a later number of the Council's *Information Bulletins* if circumstances permit.

[2]See Appendix E.

problems to proper, recognized channels of diplomacy so that a just settlement could be reached.

Our people should understand our own strength. For the past few years, we have bent all our efforts towards patient endeavors to insure peace in face of grave difficulties and grievous pain so that we may achieve national reconstruction. For this reason in my report on foreign affairs at the Fifth Plenary Session, the year before last, I stated that while there is the slightest hope for peace, we will not abandon it; so long as we have not reached the limit of endurance we will not talk lightly of sacrifice, and the subsequent explanation at the Central Executive Session shows beyond the least doubt our anxiety to maintain peace.

But although a weak country, if unfortunately we should have reached that last limit, then there is only one thing to do. This is to throw the last ounce of energy of our nation into a struggle for national existence. And when that is done, neither time nor circumstance will permit our stopping midway to seek peace. We should realize that to seek peace after war has once begun means that terms would be such that subjugation of our nation and complete annihilation of our race would be encountered. Let our people realize to the full extent the meaning of "limit of endurance" and the extent of sacrifice thereby involved. For once that stage is reached, we have to sacrifice and fight to the bitter end though always with the expectancy of eventual victory. Should we hesitate, however, and vainly hope for temporary safety, we shall perish forever.

Second, there may be people who imagine that the Lukouchiao Incident was a sudden and unpremeditated step. But already a month ago, there were symptoms that an incident would ensue because of statements from the other side made both through their press directly and indirectly through diplomatic channels. Besides, before and after the incident we received news from various sources to the effect that the opposite side was aiming to expand the Tangku Agreement, enlarge the bogus East Hopei Government, drive out the 29th Army, force out General Sung Cheh-yuan and try to impose other similar demands. From the above, it can easily be seen that the Lukouchiao Incident is not a sudden and accidental development. From this incident we must realize that the other side has a definite purpose towards us and that peace is not to be easily secured.

According to our reports, the only way by which the Lukouchiao Incident could have been avoided was to allow the foreign armies to come and go freely within our territory without limitation while our own army must abide by the imposed restrictions upon its movements, or to allow others to fire upon our soldiers and for us not to return fire. Any country in the world that has the least self-respect could not possibly accept such humiliation. The four northeastern provinces have already been lost to us for six years. Following that there was the Tangku Agreement and now the point of conflict at Lukouchiao has reached the very gates of Peiping. If we allow the bridge to be occupied by force then the result would be that our ancient capital of 500 years and the political, cultural and strategic center of our entire North would be lost. Peiping of to-day would then become a second Mukden, the Hopei and Chahar provinces would share the fate of the four northeastern provinces. If Peiping could become a second Mukden, what is there to prevent Nanking from becoming a second Peiping? The safety of Lukouchiao therefore is a problem involving the existence of the nation as a whole and whether it can be amicably settled comes within the comprehension of our term, "limit of endurance."

If finally we reach the stage where it is impossible to avoid the inevitable, then we cannot do otherwise than to resist and to be prepared for the supreme sacrifice. This resistance is forced upon us. We are not seeking war. We are meeting attacks upon our existence. Our people must realize that to-day the Central Government is in the midst of preparing measures to defend ourselves. Weak nation as we are, we cannot neglect to uphold the integrity of our race and insure the very existence of our nation. It is impossible for us not to safeguard the heritage of our forefathers, a duty which we must fulfill to the utmost. Let us realize however that once war has begun there is no looking backward. We must fight to the bitter end. If we allow one inch more of our territory to be lost, then we would be guilty of committing an unpardonable offense against our race. What would be left to us other than to throw all the resources of the nation into a struggle for the final victory?

Third, at this solemn moment, Japan will have to decide whether the Lukouchiao Incident would result in a major war between China and Japan. Whether or not there is the least vestige of any hope for peace between China and Japan depends upon the action of the Japanese Army. Even at the very last second before we abandon all hopes of peace, we would still be hoping for peace, we would still be seeking a solution through proper diplomatic channels. The following four points will clearly show what our stand on this issue is:

> First, any kind of settlement must not infringe upon the territorial integrity and sovereign rights of our nation;
>
> Second, the status of the Hopei and Chahar Political Council is fixed by the Central Government and we should not allow any illegal alteration;
>
> Third, we will not agree to the removal by outside pressure of those local officials appointed by the Central Government such as the chairman of the Hopei and Chahar Political Council; and
>
> Fourth, we will not allow any restriction being placed upon the position how held by the 29th Army.

These four points constitute the minimum conditions possible as a basis for negotiations for any nation no matter how weak it may be. If the opposite side will place itself in our position and have due regard for maintaining peace in the Far East and does not desire to force China and Japan into hostilities and to make them enemies forever it shall realize that these conditions are the minimum that can be considered.

To sum up, during the Lukouchiao Incident, the Central Government, insuring the very existence of our nation, has taken a clear and unequivocal stand. But let us realize that we are a nation. We seek for peace but we do not seek for peace at any cost. We do not want war but we may be forced to defend ourselves. During this grave crisis, the Government may be counted upon to guide the nation with calmness and restraint, the people likewise must show sobriety and discipline. In discharging our obligations to our race, let there be no distinction between North and South, age or youth, but let all implicitly and with iron discipline follow the guidance of the Government.

I hope you, Gentlemen, will explain what I have said to all those you meet so that they will understand the situation and appreciate our policy."[1]

Vain Attempts of the Japanese Embassy and Military Attache at Cowing the Chinese Government into Submission.—On the fateful day of July 7 all of the Chinese ministers of state as well as heads of the embassies of the leading Powers were in various summer resorts. When the Lukouchiao Incident took a turn for the worse, Dr. C. H. Wang, the Minister of Foreign Affairs, was the first to hurry back. Soon he was followed by all of his colleagues and by all of the foreign envoys except Mr. S. Kawagoe, the Japanese ambassador. Judging by the attitude of the Japanese military throughout the incident, Mr. Kawagoe had good reasons for staying away. Nevertheless his absence was unfortunate, for it deprived the Ministry of Foreign Affairs of a person of his standing with whom it could discuss matters.

On July 12, following the Japanese report that on the previous day representatives of the Hopei-Chahar Political Council had accepted Japanese conditions for a settlement of the incident, a memorandum was submitted by the Ministry to the Japanese embassy, reminding it that, as announced already by the Central Government, no local arrangement would be considered valid without its approval.

The Japanese not only ignored the reminder but even sent the Ministry a "virtual ultimatum" on the 17, calling upon the Chinese Government to "realize its wish" for peace "by ceasing immediately its provocative activities and undertaking that there shall be no interference with the execution of the terms of settlement by the local authorities," and, furthermore, requesting it "to give promptly an adequate answer." In view of the weighty nature of the Japanese note the Ministry asked for sufficient time for deliberation.

In the meantime the Japanese military also acted in support of their diplomats. On the same day as the embassy sent in its note a Japanese officer called upon the Chinese Ministry of War, invoking the so-called Ho-Umetsu Agreement and declaring that the sending of Central Government troops to North China or the making of preparations to utilize the air force in that region would be considered by the Japanese Army as a violation of the agreement.

As if this was not sufficient, Major-General S. Kita, Japanese military attaché, traveled all the way from Shanghai on the 19 to call upon General Ho Ying-ching, and served on him the Japanese Army's "last warning."[2] The military attaché demanded, it was reported, the withdrawal of the Central Government troops and intimated that failure to comply with the demand might result in the aggravation of the Sino-Japanese crisis, which was, he declared, "rapidly approaching the final stage."

General Ho reiterated in reply the Chinese Government's desire for a peaceful settlement as well as its intention not to aggravate the situation, but declared that precautionary measures were rendered necessary by the dispatch of a large number of Japanese troops to North China, and that those measures were purely defensive, without the least intent at provocation. In demanding the withdrawal of Central Government troops the military attaché quoted the so-called Ho-Umetsu Agreement. The General promptly denied that what was referred to had anything to do with the inalienable right of China to move her troops within any region of her own

[1] For a later statement of policy see Appendix E.
[2] See Appendix D.

territory.[1] He intimated, however, that if Japan withdraw her newly-increased forces from North China the Chinese Government would, as a friendly gesture, consider making a similar move.

On July 19, the day on which the Ho-Kita interview took place, the Ministry of Foreign Affairs replied to the Japanese note of the 17 in the following *aide memoire:*

> Since the outbreak of the Lukouchiao Incident China, having not the least desire to aggravate the situation or provoke a conflict with Japan, has repeatedly declared her readiness to seek a settlement by pacific means. The Japanese Government, while professing anxiety not to see the situation aggravated, has at the same time dispatched a large number of troops to the province of Hopei. The movements of Japanese troops, which have not yet ceased, indicate a clear intention on the part of Japan to resort to force.
>
> In the circumstances the Chinese Government has been compelled to take adequate precautionary measures for self-defense, but the Chinese Government has not relaxed its consistent efforts for peace. On July 12, the Minister for Foreign Affairs, in discussing the situation with Mr. S. Hitaka, Counselor of the Japanese Embassy, proposed mutual cessation of military movements and withdrawal of troops on both sides to their original positions. It is to be regretted that no reply to this proposal has yet been received from Japan.
>
> The Chinese Government now wishes to reiterate its desire for a peaceful settlement of the incident as well as its intention not to aggravate the situation. It is therefore proposed that the two parties jointly fix a definite date on which both sides shall simultaneously cease all military movements and withdraw their respective armed forces to the positions occupied prior to the incident, In view of the peaceful aspirations voiced by the Japanese Government, the Chinese Government trusts that the proposal will be acceptable to Japan.
>
> As regards the procedure to be followed for a just settlement of the Lukouchiao Incident, the Chinese Government is prepared Immediately to enter into negotiations with the Japanese Government through regular diplomatic channels. The settlement of questions of a local nature susceptible of adjustment on the spot shall be subject to the sanction of the Chinese National Government.
>
> In short, the Chinese Government is ready to exhaust all pacific means for the maintenance of peace in Eastern Asia. Therefore, all methods provided by international law and international treaties for the pacific settlement of international disputes—such as direct negotiations, good offices, mediation, arbitration, etc.—are equally acceptable to the Chinese Government.

Statement of Policy by Mr. Cordell Hull and Mr. Anthony Eden Respectively.—The Ministry of Foreign Affairs, of course, did not confine its efforts to dealing with the Japanese Embassy. It early drew the attention of the Powers to the serious situation with which, not only China and Japan, but the world as a whole, were confronted. Unfortunately joint action in the matter, which alone had some chance of success, though seriously mooted by the other leading Powers, was not favored by the United States on account of its traditional policy of acting independently, and nothing substantial was accomplished.

On July 15, when the situation looked more alarming, the Ministry presented a memorandum to all signatories of the Nine Power Treaty other than Japan and, in addition, also the Soviet Union and Germany. The memorandum read as follows:

> Since the outbreak of the Lukouchiao Incident in the night of July 7, when the Japanese troops, in the course of their manoeuvres (which were not permissible even under the terms of the Protocol of 1901). suddenly opened attack on the city of Wanping and met with resistance from the local garrison, the Chinese authorities, anxious to reach a peaceful settlement, have used their best efforts to arrange for the cessation of hostilities by mutual withdrawal of troops. But almost immediately after each successive arrangement was made, it was nullified by the resumption of attack by the Japanese forces. In the meantime, fighting has been extended to the immediate environs of Peiping while large numbers of Japanese reinforcements are being rapidly sent into Hopei Province from Manchuria, Korea and Japan Proper. It is estimated that over 100 aeroplanes and 20,000 troops have already been concentrated in the Peiping and Tientsin area, ready to precipitate a major clash at any moment.
>
> It needs scarcely to be pointed out that the sudden attack on Lukouchiao and the invasion of North China by large Japanese military forces constitute a clear violation of China's sovereignty, contrary to the letter and spirit of the Nine Power Treaty, the Paris Peace Pact and the Covenant of the League of Nations. The crisis thus precipitated by Japan's aggressive action in China, if permitted to take its own course,

[1] For the so-called Ho-Umetsu Agreement see author's *The North China Problem*, Chapter II, and article, "The North China Agreements and Japanese Charges against China" to be published in a later number of the Council's *Information Bulletins* if circumstances permit.

will not only immediately disturb the peace in East Asia, but may entail unforeseen consequences to the rest of the world. While China is obliged to employ all the means at her disposal to defend her territory and national honor and existence, she nevertheless holds herself in readiness to settle her differences with Japan by any of the pacific means known in International Law and treaties.

On the 16, i.e., the following day, Mr. Cordell Hull, American Secretary of State, made a statement. In giving it out to newspaper correspondents he explained that it was universal in its application and was intended to apply everywhere.[1] The statement follows:

I have been receiving from many sources inquiries and suggestions arising out of the disturbed situation in various parts of the world. Unquestionably there are in a number of regions tensions and strains which on their face involve only countries that are near neighbors but which in ultimate analysis are of inevitable concern to the whole world. Any situation in which armed hostilities are in progress or are threatened is a situation wherein rights and interests of all nations either are or may be seriously affected. There can be no serious hostilities anywhere in the world which will not one way or another affect interests or rights or obligations of this country. I therefore feel warranted in making—in fact I feel it a duty to make—a statement of this Government's position in regard to international problems and situations with respect to which this country feels deep concern.

This country constantly and consistently advocates maintenance of peace. We advocate national and international self-restraint. We advocate abstinence by all nations from use of force in pursuit of policy and from interference in the internal affairs of other nations. We advocate adjustment of problems in international relations by processes of peaceful negotiation and agreements. We advocate faithful observance of international agreements. Upholding the principle of the sanctity of treaties, we believe in modification of provisions of treaties when need therefor arises, by orderly processes carried out in a spirit of mutual helpfulness and accommodation. We believe in respect by all nations for the rights of others and performance by all nations of established obligations. We stand for revitalizing and strengthening of international law. We advocate steps toward promotion of economic security and stability the world over. We advocate lowering or removal of excessive barriers in international trade. We seek effective equality of commercial opportunity and we urge upon all nations application of the principle of equality of treatment. We believe in limitation and reduction of armament. Realizing the necessity for maintaining armed forces adequate for national security, we are prepared to reduce or to increase our own armed forces in proportion to reductions or increases made by other countries. We avoid entering into alliances or entangling commitments, but we believe in co-operative effort by peaceful and practical means in support of the principles hereinbefore stated.

On the 19 Reuter reported from London:

Events in the Far East were the principal subject of the speech with which the Foreign Secretary, Mr. Anthony Eden, opened a debate on foreign affairs in a crowded House of Commons this afternoon.

The situation in China, he said, remained confused and anxious, with the causes and responsibilities for the clash of July 7 and 8 uncertain. The course of the local negotiations which followed were largely unknown. All indications, however, encouraged the belief that the present situation, grave as its possibilities undoubtedly were, was not deliberately provoked by either the Chinese or Japanese Government. Both the Japanese and Chinese Governments, Mr. Eden went on, had given assurances that they were anxious to avoid an extension of the trouble, and he, himself, had expressed to both Governments the earnest hope of the British Government that the situation would not be aggravated and that a peaceful settlement would be reached.

There was obvious cause for apprehension in the reported movements of troops on both sides. He had been assured, however, that these were purely precautionary and defensive measures, and there was no intention whatever of starting hostilities. There was, however, danger clearly inherent in the situation and in consequence, H. M. Government had been in consultation with not only the Chinese and Japanese Governments, but also with other Governments on the general situation. The United States and French Governments had both, like Great Britain, expressed their concern and their hope for a peaceful settlement.

It was a matter of the greatest regret to the Government, Mr. Eden continued, that this unfortunate incident should have arisen at a moment when it seemed justifiable to hope that the situation in the Far East was entering on a better phase. "We ourselves," the Foreign Secretary declared, "enjoy very good relations with both the Governments concerned. We do not believe that these two Far Eastern nations need be in conflict. We have watched with sympathy, during the recent years, the efforts of China to develop her vast resources and at the same time, we have not been unmindful of the economic difficulties of Japan."

Viscount Cranborne, Under Secretary of State for Foreign Affairs, declared, during the course of the debate, that "so far as we know neither the Japanese nor the Chinese Government wish to resort to the dreadful arbitrament of war." There was, he continued, an immense danger that the two countries might drift into war, but it was the British Government's sincere hope that an amicable arrangement could still be reached. Viscount Cranborne declared that the services of the British Government were always available to assist in any such settlement. Regarding co-operation in the

[1] Compare Appendix C.

matter between Great Britain and America, Viscount Cranborne gave assurance that the Government intended to move along with the United States. "We have been in touch with them" he said, "and we shall continue to keep in touch with them."

On the day Mr. Anthony Eden made his speech in the House of Commons General Sung signified his acceptance in principle of the provisional agreement of July 11 by making a call upon the Japanese military authorities in Tientsin. A few days later the Central Government approved of his act. But on July 26, a couple of days after the latter event, the Japanese occupied Langfang by force and presented an ultimatum to the Hopei-Chahar Political Council. On the 28 they further initiated general hostilities by an attack upon Nanyuan. All these events we have already described and would not here elaborate. What we wish to add is: Now that undeclared war has broken out, it will be interesting to see what will actually develop out of the efforts and declarations on the part of the Chinese Central Government and of the statesmen of the leading Powers which we have reviewed above.

APPENDICES

A. Statement of Waichiaopu Spokesman Concerning the Renewal of Sino-Japanese Hostilities, July 11, 1937.—According to the reports received, the Japanese military have, in violation of the arrangement reached for the suspension of hostilities at Lukouchiao, refused to carry out the complete withdrawal of their troops to the designated points. They have maintained more than 200 troops at Wulitien and have further effected a concentration of over 1,000 men at Tawayao, both points being a little to the northeast of Lukouchiao.

Beginning from 6 o'clock P.M. yesterday (July 10) the Japanese troops have launched a series of fierce attacks on the Chinese soldiers at Lukouchiao. In the meantime large numbers of Japanese troops have been ordered to the Peiping-Tientsin area from their stations both at home and in Manchuria. Such military activities, indicating as they do that a large-scale military campaign was contemplated, have further increased the tension brought about by the Lukouchiao Incident. For this the responsibility rests solely with the Japanese.

The Lukouchiao affair, it may be recalled, broke out late in the night of July 7, when a number of Japanese troops were engaged in illegal manoeuvres at Lukouchiao. In the course of their war exercises the Japanese demanded to enter the walled city of Wanping for a search on the pretext that one of their men had been missing. How this could have happened is beyond comprehension.

Upon this demand being refused by the Chinese authorities, the Japanese immediately launched an artillery attack upon the city, thus giving rise to the outbreak of hostilities. It appears quite obvious that the Japanese troops acted in accordance with a preconceived plan.

It is to be pointed out here that the presence of foreign troops at Lukouchiao is without treaty sanction, and still less the holding of manoeuvres there. The action on the part of the Japanese troops is undoubtedly illegal.

Acting in self-defense, the Chinese troops at Lukouchiao have put up a stern resistance. At the same time the Foreign Ministry lodged a vigorous protest with the Japanese Embassy demanding the immediate cessation of military activities on the part of the Japanese troops and reserving for China the right to make legitimate demands.

Meanwhile, the Chinese local authorities have been engaged in patient negotiations with the Japanese with a view to an early amicable settlement of the affair. Our firm determination and painstaking efforts to preserve the peace must be obvious to all impartial observers.

On the evening of July 8 an understanding was reached by the two parties on the following basis:

1. Cessation of military activities on both sides;
2. Withdrawal of troops on both sides to their original positions; and
3. Lukouchiao (Bridge) to be guarded, as heretofore, by Chinese soldiers.

But unfortunately, the tranquility thus restored was shortlived. As indicated by subsequent developments, the Japanese military, instead of showing the least sincere effort to bring about a peaceful settlement, appear to have entered into the understanding with no other object than that of gaining time to call up reinforcements for a fresh offensive.

The policy of China is, internally, economic reconstruction and externally, the maintenance of peace. So far as our relations with Japan are concerned our policy is to seek a peaceful settlement, through diplomatic channels, of all outstanding issues on the basis of equality and reciprocity.

Such being the case, the Chinese Government earnestly desires that the Japanese will immediately cease all military activities, and, in accordance with the understanding previously reached, withdraw their troops from the scene of the conflict.

Furthermore, with a view to avoiding the possibility of future conflict, it is also to be desired that the Japanese will refrain from stationing troops or holding military manoeuvres in those parts of China where no foreign troops are allowed.

The carrying out of the above measures may be confidently expected to bring about an improvement in the situation and facilitate the liquidation of the unfortunate affair. On the other hand, failure to take such action is likely to further aggravate the situation and increase the danger to the peace of Eastern Asia, in which eventuality the heavy responsibility will rest with Japan.

B. Report by the Kuo Min News Agency on Views of a Chinese Jurist on Japanese Manoeuvres in the Vicinity of Lukouchiao, July 11, 1937.—Regarding the statement issued by the spokesman of the Japanese Foreign Office on July 10 seeking to defend manoeuvres on the part of the Japanese garrison troops in North China, reported by Reuter, an eminent jurist resident in Nanking has the following to say:

> The Japanese Foreign Office spokesman has attempted to defend the Japanese manoeuvres in the vicinity of Lukouchiao on the basis of Article 9 of the joint note of the Allied Powers concerning the Boxer Uprising and the 4th paragraph of the note exchanged between China and the Powers separately, Japan included, concerning the restoration of Tientsin to the Chinese authorities. The Japanese spokesman evidently has forgotten that the joint note of the Allied Powers which demanded of China the right to keep open communication between Peking and the sea was conditioned upon the occupation of only certain points to be determined by an agreement between the Powers and that that agreement was later embodied in the Final Protocol signed on September 7, 1901,

fixing twelve points along the Peking-Mukden Railway. It is to be noted that these points do not include Fengtai, which the Japanese have occupied since the latter part of 1935, and still less Lukouchiao, which, being located on the Peiping-Hankow Railway, could not possibly have had anything to do with the question of open communication between Peking and the sea.

The Japanese spokesman appears to be equally oblivious of the fact that the reference in the 4th paragraph of the note exchanged between China and the Powers to "the right of carrying on field exercises and rifle practice, etc., without informing the Chinese authorities, except in the case of *feux de guerre*" applied by the very terms of the note, only to troops stationed in Tientsin and not to troops stationed in the other eleven points specified in the Final Protocol. Still less could it have applied to Lukouchiao, a place not situated along the Peking-Mukden Railway. It may also be observed that "field exercises and rifle practice" can in no way be interpreted to mean manoeuvres on the scale of those which the Japanese have been in the habit of carrying on during the last couple of years in spite of repeated strong protests from China.

In my opinion the Japanese not only have no legal basis for the holding of manoeuvres near Lukouchiao but appear to have betrayed a complete lack of any sense of propriety. If they had sought to oust Chinese soldiers from Fengtai after illegally sending troops there, as they did on September 18, 1936, they should at least have had enough consideration to leave them alone in Lukouchiao instead of following them up there under the cover of manoeuvres. This would appear to be another instance of the fact that aggressors are never able to set a limit to their own acts.

C. Report by the United Press on the Hull Statement, July 16, 1937.—A sharp warning against resorting to war in North China was issued to-day by the Secretary of State, Mr. Cordell Hull, to the diplomatic representatives of both China and Japan. Mr. Hull warned that a war between the two nations would directly encroach on the interests of American industry.

Mr. Hull's statement was one of the most forthright concerning the position of the United States in foreign affairs to be issued in recent years. "I have been receiving from many sources," he said, "inquiries and suggestions arising from disturbed situations in various parts of the world. Any situation in which armed hostilities are in progress or are threatened is a situation in which the rights and interests of all nations are or may be seriously affected.

"There can be no serious hostilities anywhere which will not, in one way or another, affect the interests or the rights or the obligations of the United States. I therefore feel it my duty to make a statement of this government's position. . . . This country constantly and consistently advocates the maintenance of peace. . . . It advocates abstention from force in pursuit of its policy and abstention from interference in the internal affairs of other nations."

The Secretary of State said that the United States was an advocate of peaceful negotiation and the faithful observance of international agreements, the "respect by all nations of the rights of others, and the lowering of excessive trade barriers." The United States," he added, "seeks effective equality of commercial opportunities." Mr. Hull reasserted the belief of the United States in the limitation of armaments and the avoidance of standing alliances.

The Secretary, in a vigorous restatement of American foreign policy, did not name any country specifically, but the timeliness of the statement indicated beyond question that it was aimed at China and Japan.

D. Report on the Ho-Kita Interview, July 19, 1937: (*a*) *By the Central News Agency.*—That military precautions taken by the Chinese Government are for no other purpose than self-defense was emphasized by Gen. Ho Ying-ching, Minister of War, in a talk with Maj.-Gen. Seiichi Kita, Japanese Military Attaché, this afternoon.

Calling on the War Minister at 4 P.M., Maj.-Gen. Kita asked for the withdrawal of "Central Government troops" from Hopei. He intimated that failure to comply with the request may result in the aggravation of the Sino-Japanese crisis which "is rapidly approaching the final stage."

Gen. Ho told the Japanese visitor that present tension in the North was entirely due to Japan's sending large military and air forces to Hopei since the outbreak of the Lukouchiao Incident.

The War Minister reiterated China's desire for a peaceful settlement as well as her intention not to aggravate the situation, but declared that precautionary measures were rendered necessary on account of the dispatch of large numbers of Japanese troops to North China.

These measures, General Ho emphasized, were purely for self-defense and were without the least intent at provocation.

General Ho said that all units of the Chinese Army were national forces and that there never was any distinction between "Central Government" and "non-Central Government" troops.

While defending China's inalienable right to move her troops within her own territory, Gen. Ho intimated, however, that if Japan withdrew her newly-increased forces from Hopei the Chinese Government would consider making a similar move.

In conclusion, Gen. Ho reminded the Japanese Military Attaché that whether or not the North China situation would be further aggravated depended solely upon the attitude of Japan.

(*b*) *By Domei.*—The Japanese Army's "last warning" to China was served on Generals Ho Ying-ching and Cheng Chien, respectively War Minister and Chief of General Staff, this afternoon by Maj.-Gen. Seiichi Kita, Japanese Military Attaché.

China, the Japanese officer is reported to have told the Chinese generals, must "disregard minor differences" on the settlement of the North China Incident, and "save the situation" by a prompt withdrawal of Central troops and the air force to their original stations.

Emphasizing the desire of the Japanese Army to avoid an aggravation of the situation, Maj.-Gen. Kita is said to have accused the Chinese Government of "highly provocative" actions.

Among these he reportedly placed Nanking's refusal to recognize agreements reached by local authorities in North China and the northward march of Central troops "in violation of the Ho-Umetsu Agreement."

Gen. Ho, on whom Maj.-Gen. Kita called at 5 P.M., is reported to have admitted that Central troops have been marching north, but described it as a "purely self-defensive measure."

E. Report by the Central News Agency on an Interview with General Chiang Kai-shek Concerning the Military Situation in North China and the Future Policy of the Government, July 29, 1937. — General Chiang Kai-shek, Chairman of the Military Affairs Commission and President of the Executive Yuan, in an interview with the Central News Agency this evening, held himself responsible for the sudden turn in the military situation in North China.

This, however, the Generalissimo declared, was only the beginning of fighting, and the Central Government would not surrender to Japanese pressure.

Q.—The sudden departure from Peiping of Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, has resulted in the fall of an important city. What will the Central Government do in regard to responsibility?

A.—Speaking from the military point of view, Gen. Sung should have been in Paoting and not have gone to Peiping or Tientsin. From the very beginning I have made this point clear. As I am the Commander-in-Chief of the nation's forces and concurrently responsible for the executive branch of the Government, I should be responsible for the military reverses in Peiping and Tientsin.

Gen. Sung is not to be held responsible for what has happened. I am confident that I shall be able to exert my full energy and bear the entire responsibility for relieving the critical situation.

In fact this sudden turn in the situation in Peiping and Tientsin has been foreseen by keen Chinese observers. The Japanese military invasion and political pressure did not begin to-day, but has had a long history.

Therefore, the present situation is not accidental, and what is more, the temporary military reverses must not be considered as defeats and hostilities in the Peiping-Tientsin area are not to be regarded as having been terminated.

Since the Japanese military have been deliberately planning to invade China and have used all kinds of methods to achieve this aim, it is obvious that the warfare in Peiping and Tientsin only marks the beginning of a war of invasion and not its end.

The only course open to the nation is to be determined unanimously to cope with the national crisis. As to the personal responsibility of Gen. Sung Cheh-yuan, it does not deserve serious attention.

Q.—What is the Government's future policy toward Japan?

A.—After the outbreak of the Lukouchiao Incident, I definitely declared in a speech in Kuling that this would make the limit of our endurance. I also listed four minimum conditions for the settlement of the incident. These conditions have been made known to the nation in particular, and to the world in general. There is absolutely no possibility of changing or revising them.

I said then that we would not seek war but would meet war when forced upon us. Since we have arrived at the "limit of endurance," how could we consider the state of affairs in Peiping and Tientsin as a local question and let the Japanese military encroach upon our territorial and sovereign integrity, or let them set up another puppet regime?

The Government has the responsibility of defending national territory and sovereign rights and of protecting the people. The only thing to do now is to put into operation its comprehensive plan to lead the entire nation in a struggle for the protection of the nation to the very bitter end.

Henceforth, absolutely no local settlement is possible. We must remember that the four minimum conditions I laid down form a deciding point of our existence or extinction.

Our troops have not suffered any great reverses, and even if they should so suffer, we would be determined to perish with the state and never would we compromise or surrender.

In short, the ultimate position of our Government has been consistent and unalterable, namely, no territory must be lost and no sovereign righs impaired.

I am sure that our people, finding their fatherland at this critical point of existence or extinction, will like one man fight to the finish. Meanwhile, I wish to announce that I have decided upon all necessary measures in regard to the situation.

My only wish now is that our people will seriously but cautiously fulfill their respective duties and at the same time have the common determination to sacrifice everything, including their very lives for the nation. I am confident that the final victory will be ours.

NATIONAL DEFENSE

THE ARMY

CHU SHIH-MING (朱世明)

I. HISTORICAL SKETCH

The Chinese Army has behind it a long and glorious history. Under the legendary Emperor Hwang-Ti (2700 B. C.?) it successfully repulsed the Chih-Yu, strongest of the barbarian tribes. Conscription was introduced for the first time in history during the Period of the Warring States (about 470–370 B. C.) and military power reached its highest during the regimes of Chin-Shih-Huang-Ti (246–210 B.C.), Han-Wu-Ti (140–86 B. C.) and Tang-Tai-Tsung (A. D. 627–650). On the field there were generals who must be counted among the world's best, while among military writings the Book of War by Sun Tsu (about 500 B. C.) antedated and perhaps excelled in value the Roman Strategecon.

The Modern Army.—The modern Chinese army had a comparatively recent beginning. As was the case in the last days of every dynasty, during the late years of the Ching dynasty (1644–1911), the army was in a bad state of decay. Both the "Bannermen" and the "Green Standard" troops were ineffective against the Tai-Ping rebels, and it was the volunteers, the "Hsiang Chun" (Hunan volunteers) under Tseng Kuo-fan and "Hwei Chun" (Anhwei volunteers) under Li Hung-chang, who finally succeeded in suppressing the Tai-Ping Rebellion. These volunteers were better disciplined and better officered troops but they were by no means modern. Their organization was modelled after that of the famous Ming general Chi Chi-kwang and they still relied on the bow and arrow, sword and shield as their principal weapons, with only a sprinkling of firearms, mostly of the match-lock type. Thus military art and science had remained almost at a standstill from the great days of the Yuan dynasty until this time.

Toward the end of the Tai-Ping Rebellion, there was incorporated in the "Hwei Chun," a small unit, the so-called "Ever Victorious Army," commanded successively by an American Ward, a Frenchman Burgevine, and a British officer, General Gordon. The name was a misnomer and its role in the campaign was comparatively insignificant, but it demonstrated the superiority of modern army organization and equipment.

In 1884 Li Hung-chang established in Tientsin what may be called the first military school in China. The instructors were German officers and the German system was adopted throughout. There were no modern troops at the time, however, and graduates of the school were detailed to serve with old-type units. This did not produce satisfactory results, as was proved by the disaster in 1895, when China was defeated by Japan.

In 1896 Yuan Shih-kai organized the "New Army" at Hsiaotsan, an army camp near Tientsin, with graduates of the Tientsin Military School as officers. Simultaneously there were similar efforts at other places, notably that of Chang Chih-tung at Woosung and Hupeh. In 1907 the old War Ministry was reorganized, a general staff was formed and a complete program for the organization of 36 divisions to be posted throughout the entire country was promulgated. This program was only about two-thirds completed when the revolution broke out in 1911.

In the early years of the Republic the army degenerated into personal following of the so-called "War lords." The total number of units fluctuated according to the fortunes of these satraps. With the rise in power of a number of officers who had received

their training in Japanese schools, the army at this time adopted the Japanese organization, but there was no improvement in equipment or training. Some native schools, notably that at Paoting and Kunming and later the one at Mukden, also turned out a large number of officers. These schools were also organized along Japanese lines.

The National Revolutionary Army.—In 1924 Dr. Sun Yat-sen, leader of the Kuomintang Party, established at Whampoa, an island near Canton, the Kuomintang officers training school, thus turning a new page in the history of the Chinese army. At the same time the troops in the province of Kwangtung were gradually reorganized and brought together under the name, "National Revolutionary Army." When the northern expedition started from Canton in 1926, there were under the Kuomintang flag the following forces:

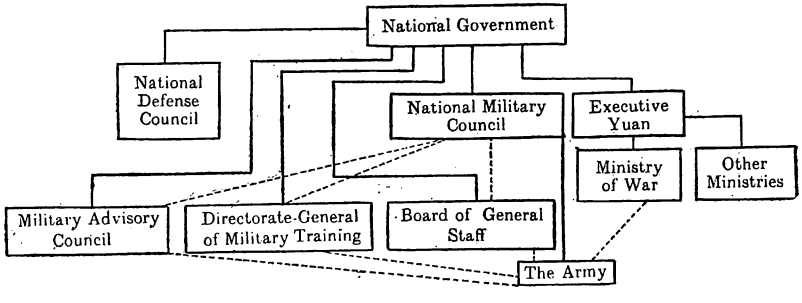
Commander-in-Chief:	General Chiang Kai-shek.
First Army:	General Ho Ying-ching.
Second Army:	General Lu Ti-ping.
Third Army:	General Chu Pei-teh.
Fourth Army:	General Li Chai-sum.
Fifth Army:	General Li Fu-lim.
Sixth Army:	General Cheng Chien.
Seventh Army:	General Li Tsung-jen.
Eighth Army:	General Tang Seng-chih.

As the expedition progressed, the number of units increased very rapidly. When the country was finally unified under the Kuomintang Government in 1929, there were altogether four group armies, composed of 178 divisions, some 30 independent brigades, and other units. In the same year, a disbandment conference was held in Nanking, when it was decided that the national army should consist of 60 divisions. This decision the Government has never been able to carry out owing to various reasons. At present there are about 200 divisions plus other independent units.

The organization of the National Revolutionary Army differs little from that of a few years ago. In equipment, it has improved in uniformity. But it is the advances made in discipline and political training that mark it off most distinctly from the army in the early days of the Republic. There is a political training department in each division so that officers and men are kept well acquainted with the principles of the Kuomintang. The army now has at last become an instrument of national policy and not one for personal aggrandisement. However, there is still plenty of room for further improvement in *materiel* and in training, both technical and tactical.

II. ORGANIZATION

Administrative Organization.—The following is a diagramatic representation of the administrative organs of the army:



The National Defense Council was organized in July, 1936. Its membership consists of the President of the National Military Council, Chairman; President of the Executive Yuan, Vice-Chairman; the two Vice-Presidents of the National Military Council; Chief of the Board of General Staff; Chief of the Military Advisory Council; Director-General of Military Training; Chief of the Air Forces; the Ministers of War, Navy, Finance, Foreign Affairs, Communications, Railways, and other members as may be designated by the National Government. The National Defense Council is the advisory organ to the National Government concerning the following: (1) National defense policy, (2) Foreign policy, (3) Internal policy as it may concern national defense, (4) Emergency measures, (5) General mobilization, (6) War organization, (7) Other matters concerning national defense. The National Defense Council meets once a year, but special meetings may be called.

The National Military Council is the organ by which all military activities of the nation are regulated. It has sole charge of all operations of the land, sea, and air forces. Its principal subdivisions are: the General Affairs Bureau, the Personnel Bureau, the Auditing Bureau, the Naval Operations Bureau, the Air Committee, the Economic Resources Committee and the Political Training Bureau. General Chiang Kai-shek is the President and Generals Yen Shi-shan and Feng Yu-hsiang are the Vice-Presidents.

The Military Advisory Council is purely advisory in character. Its membership consists of some 50 officers of the rank of general. General Chen Tiao-yuan is the chief.

The Board of General Staff is in charge of detailed plans for national defense based on the policies as recommended by the National Defense Council and approved by the National Government. It is also required to train and supervise all staff officers, including attaches to the embassies in foreign countries. The Staff College and the Land Survey Bureau are under the control of the chief of the General Staff. The Board of General Staff itself is divided into three divisions: General Affairs, Operations, and Intelligence. General Chen Chien is the chief of the board.

The Directorate-General of Military Training is in charge of all military schools except the Staff College, which comes under the General Staff, and a few special schools under the Ministry of War. It is responsible for the coordination and development of military education. The Directorate has a General Affairs Bureau and Sections for infantry, cavalry, artillery, engineers, service troops and communications troops. General Tang Seng-chih is the Director-General.

The Ministry of War is in charge of ordnance, quartermaster and medical supplies, and also financial and judicial matters of the army. It has three departments (Military Affairs, Ordnance, Replenishment and Intendance), a General Affairs Bureau, and Bureaus for Communications and Remount Service. General Ho Ying-ching is the Minister of War.

Field Organization.—The basic field organization is the division. In time of war the divisions are grouped together to form armies and route armies.

Actually the divisions at present vary somewhat in their organizations. The following organization, approved by the Military Affairs Commission in 1932, may be regarded as a typical division and is fairly representative:—

DIVISION

Commander, *Lieutenant-General*
Vice-Commander, *Major-General*
Chief of Staff, *Major-General or Colonel*
- 2 Infantry Brigades:
  - Commander, *Major-General*
- 1 Artillery Regiment:
  - Commander, *Colonel*
- 1 Cavalry Troop
- 1 Engineer Battalion
- 1 Signal Battalion
- 1 Quartermaster Battalion
- 1 Special Service Company
- Medical detachment

An infantry brigade has two regiments consisting of three battalions, each with four companies (including one machine gun company). Each regiment has also one infantry cannon company and one signal company. An artillery regiment has three battalions

consisting of three batteries with four guns each. It has also one signal company. The strength of a division in round numbers is about 13,000.

Cavalry divisions differ from one another to an even larger degree in their organization. In general, they have two brigades of two regiments each, one battery of horse artillery and some special troops. Each cavalry regiment has four troops and one machine gun troop.

III. CONSCRIPTION

The Conscription Law was promulgated by the National Government in June, 1933, and amended in March 1935. This law was to take effect on March, 1936. However general application of this law will have to be defered until other prerequisite measures are completed, such as the taking of the census. Certain districts such as the province of Kiangsi have carried it out on a small scale, mainly as an experiment. Pertinent points of the Conscription Law are as follows:

Service is divided into two kinds: national service and regular service.

All male citizens of the country, from the age of 18 to 45, except when they are serving in the regular service, shall be drafted into the national service, subject to call to the colors at time of war by orders of the National Government.

The regular service is divided into three categories: the active service, the first reserve service, and the second reserve service.

Male citizens from the age of 20 to 25, physically qualified, shall be enrolled by lottery to active service. This shall last two or three years according to the branch of service. After the active service, they shall pass into the first reserve, for six years, when they shall again pass into the second reserve until they reach the age of 40.

IV. MILITARY EDUCATION

The Central Military Academy is the basic school of military education, candidates for which must be of good health, of commendable character, and with high school education. After successfully completing a three years' course of instruction, which includes Kuomintang principles, fundamentals of military science and tactics, foreign language and other general subjects, the student is graduated and commissioned as a second lieutenant in the army. After a few years' service, he may return to one of the special service schools for further training according to the particular branch of service he is attached to. This course usually lasts about a year. Later he may be selected for the Staff College, for which he must have the recommendation of his unit commander and the approval of a special board appointed by the Chief of the General Staff. The staff course lasts three years, in which staff and command duties from brigade to army are taught, together with instruction on certain functions of the General Staff Office. This course represents the highest stage in the military educational system. A list of the schools is as follows:

Name	*Place*
Staff College	Nanking
Central Military Academy	Nanking
Loyang Branch	Loyang, Honan
Chengtu Branch	Chengtu, Szechwan
Yunnan Branch	Kunming, Yunnan
Whampoa Branch	Whampoa, Kwangtung
Infantry School	Nanking
Artillery School	,,
Engineer School	,,
Quartermaster Corps School	,,
Signal School	,,

In addition to the above, there are other special schools, a list of which is given below:

Name	*Place*
Fortress Artillery School	Chinkiang
Anti-aircraft Defense School	Nanking
Ordnance Technical School	,,
Army Medical School	,,
Finance Officers School	,,
Veterinary School	,,
Surveying School	,,
Language School	,,
Gendarmerie Training School	,,

Military training among colleges and high schools and other civilian groups is conducted under the supervision of the Directorate-General of Military Training. Officers for this duty are

appointed by the directorate in conjunction with the Ministry of Education or the Ministry of Interior.

V. PROMOTION, AGE LIMIT, AND SCALE OF PAY

Army officers in active service are promoted to higher ranks in time of peace by selection in accordance with the rules given below. Under war conditions the time limit is reduced by half.

2nd Lieutenant to 1st Lieutenant	1.5 years
1st ,, to Captain	2 ,,
Captain to Major	4 ,,
Major to Lieutenant-Colonel	3 ,,
Lieutenant-Colonel to Colonel	3 ,,
Colonel to Major-General	4 ,,
Major-General to Lieutenant-General	3 ,,
Lieutenant-General to General	4 ,,

The age limits for officers on the active list are as follows:

Rank	*Age Limit*
General	70
Lieutenant-General	65
Major-General	60
Colonel	58
Lieutenant-Colonel	55
Major	53
Captain	50
Lieutenant	47

The pay of officers is according to the scale given below. However, financial difficulties of the National Treasury have necessitated some discount. The higher officers often receive less than 50 percent of the regular rate; officers of the middle ranks generally get about 70 percent, and lower ranks about 80%. The following scale of pay is officially announced:

Rank	*Monthly Salary*
General (Special Class)	$1,000
(first ,,)	900
(Second ,,)	800
Lieutenant-General	500–660
Major-General	320–400
Colonel	240–300
Lieutenant-Colonel	170–210
Major	135–165
Captain	80–104
1st Lieutenant	60–76
2nd Lieutenant	42–48
Warrant Officers	32–40

VI. COMPENSATIONS

When army officers are killed or wounded in action, compensation is to be provided according to the following rules:

Officers and soldiers who are killed or wounded in action are classified as follows:

1. Killed in military action.
2. Death following serious wounds.
3. Wounded in military action.
4. Death while on duty.
5. Death from poor health due to assiduous duties.

For cases mentioned above the compensation is graded as follows:

Single Compensation. A single compensation is given to the family of the deceased according to his rank.

Annual Compensation.—If an officer or soldier is killed while in action, or on duty, or following continued assiduous duties, annual compensations will be given to his family or heir. But if an officer or a soldier is wounded in action, annual compensations will be given to the wounded himself.

Deaths from Serious Wounds.—Officers and soldiers who die from wound received in action are to be considered as "killed in action" and compensation will be given to them according to their rank and according to the time limit set and in the manner described below:

1. First-class wound.—Death follows within six months after a serious wound.
2. Second-class wound.—Death follows within four months after a serious wound.
3. Third-class wound.—Death follows within two months after a serious wound.

If a wounded man died from his wound within the periods specified above, he is to be compensated as one wounded in action. If he died from his wound after the time limit, he is to be compensated as one killed on duty. If he died not of his wound, but of illness, then he is to be compensated as one run down by continued assiduous duties. The annual compensation for those wounded in action must cease while a death compensation is given.

Wounded in Action.—For officers and soldiers who are wounded in fighting, or on duty in an expedition, compensation varies according to the

nature of the wounds which, after being cured, are classified according to the degree of seriousness. Men who are suffering from light wounds not within the grades mentioned above and are still capable of future services, are to be given the compensation for a third-class wound for one year. If an order for compensation is given to the wounded before his wound is examined and carefully graded, it may be properly classified when the wound is cured.

In case an order for compensation is given to one who seemed at first to have suffered seriously but was not ultimately crippled or in any way organically disabled, a first-class compensation is limited to seven years; a second-class compensation, five years; and a third-class, three years. When the time limit expires, the order for compensation shall be cancelled.

Killed While on Duty.—Officers and soldiers killed under conditions (1) or (2) listed below are considered as killed on duty; their compensations are limited to 10 years, and compensation is to be graded according to the preceding provisions as the case may be:

1. Deaths of men on war duty due to fire, drowning, or explosion.
2. Death due to failures or mishaps while under special services.

Death Due to Continued Strenuous Duties.—Deaths of men under military service having performed arduous duties are to be compensated with a condolence allowance for five years. If one's death is due to illness caused by any particular strenuous work, his family is to be compensated with a condolence allowance for one year.

VII. DECORATIONS

There are three kinds of decorations for meritorious service:

1. The Tsing-Tien-Pei-Jih Medal.
2. The Pao-Ting Medal 1st to 9th class.
3. The Yun-Hwei Medal 1st to 9th class.

When an officer has received the highest class in one kind of decoration, further meritorious service is acknowledged by the award of a sword.

* * *

THE NAVY

Since ancient times China has been a maritime as well as a continental nation, for with her immense coastline of some thousands of miles, abounding in bays and inlets, it has been imperative for her to maintain an adequate navy to safeguard her shores.

The Chinese Navy has its roots in the navies maintained by past dynasties in remote and recent times, but the beginning of the present navy may be traced as far back only as 1866, the fifth year of the Emperor Tung-chih of the Manchu dynasty. In that year Viceroy Tso Tsung-tang, in laying down the foundation of the modern Chinese Navy, selected Mamoi, a strategic point at the mouth of the Min River in Fukien Province, as the site of a navy yard. In the following years, under the strenuous efforts of Viceroy Shen Pao-cheng and with the active co-operation of Viceroy Li Hung-chang, the construction and rapid development of the Chinese Navy began. The Mamoi and Shanghai Naval Docks were constructed with the aid of foreign engineers; a naval academy was founded at Mamoi for the training of naval architecture; officers and cadets were sent to the principal foreign countries for higher training; warships of various types were constructed and bought and the general establishment of necessary training centers and dockyards was subsequently completed. Had it not been for the misappropriation by the Empress Dowager Tzu Hsi of funds earmarked for the navy in order that she might construct the Summer

Palace, near Peiping and the diversion by the Viceroy of Kiangsu of naval funds for the financing of river conservancy work at Chu Chia Shan (朱家山), there is no doubt that the navy would not have suffered the early setbacks that it did and hence need not have begun its career in a crippled state.

With the change from a monarchical to a republican form of government in 1911 hopes were raised within the navy that proper provision would be made for the maintenance and strengthening of the service; but during unsettled years after the Revolution of 1911 it was not found possible to provide an adequate fund. Indeed in the year 1926 the Northern Government went so far as to abolish the Naval Ministry and reduce it to a naval administration. In spite of these setbacks the Navy managed to play its part in the nationalist revolution and to render commendable service. It was honored for its action in protecting the national capital at the delicate moment when the new government had just installed itself in Nanking.

In 1928 the new naval administration was inaugurated and, as a result of the united efforts of the Navy, the Ministry of Navy was again brought into existence in 1929. During the succeeding eight years, notwithstanding the interference caused by foreign and domestic troubles, the ministry was successful in overcoming its difficulties, carried out its manifold duties and accomplished such material construction as its finances permitted.

I. ORGANIZATION OF THE MINISTRY OF NAVY

The Ministry of Navy is composed of the following departments: The General Department, the Department of Personnel, the Department of Naval Operations, the Department of Naval Construction, the Department of Naval Training, the Department of Naval Ordnance, the Department of Marine Affairs and the Commissariat Department.

The forces of the fleet are divided into three squadrons, the First[1] and Second[2] Squadron and the Training[3] Squadron. Certain other ships are placed under the Coastguard Service[4] and six other vessels are attached to the Hydrographic Service.[5]

The Marine Corps, executing most of its duties on land, is composed of two brigades, the First Independent Brigade and the Second Independent Brigade. Besides these two brigades there are two battalions, the Guard Battalion and the Reserve Battalion.

For the execution of its multitudinous duties ashore and afloat the Ministry of Navy has the following stations: the Naval Headquarters at Mamoi, the Naval Headquarters at Amoy, the Naval Aviation Administration, the Hydrographic Department, the Coastguard Administration, the Naval Compilation Department, the Naval College, the Marine Corps Officers Training Institute, the Naval Barracks, the Mine and Torpedo Training Station, the Pilot Training Institute, the Shanghai Navy Yard, the Mamoi Navy Yard, the Amoy Navy Yard, the Naval Ordnance Bureau, the Naval Hospitals at Nanking, Shanghai, Mamoi, Amoy and Hukow, the Meteorological Station at Pratas Island, the Naval Wireless Stations and the Naval Coal Depots.

[1]First Squadron: "Hai Yung," "Hai Chou," "Ning Hai," "Ping Hai," "Yat Sen," "Ta Tung," "Tze Chiang," "Chung Shan," "Yung Chien," "Yung Chih," "Chien Kang" "Ting An," "Ke An."

[2]Second Squadron: "Chu Tai," Chu Yu," "Chu Tung," "Chu Kuan," "Chu Chien," "Kiang Yuan," "Kiang Chen," "Yung Sui," "Ming Chuen," "Ming Seng," "Hsien Ning," "Teh Sheng," "Wei Sheng," "Kiang Hsee," "Kiang Kung," "Hu Ngo," "Hu Tsuin," "Hu Yin," "Hu Peng."

[3]Training Squadron: "Yin Swei," "Tung Chi."

[4]Coast Guard Service: "Shun Sheng," "Kiang Ning," "Hai Ning," "Fu Ning," "Sui Ning," "Wei Ning," "Chung Ning," "Su Ning," "Yi Ning," "Tseng Ning," "Chang Ning," "Yi Sheng," "Jen Sheng," "Yung Sheng."

[5]Hydrographic Service: "Kan Lu," "Chiao Jih," "Ching Yien," "Kung Sheng," "Chen Sheng," "Wu Sheng."

II. BUILDING OF NEW WARSHIPS

In spite of the difficult conditions which have prevented the Ministry of Navy from carrying out a large scale program during the past few years it has, nevertheless, done much in the way of naval construction. The following is a brief review of the work achieved in this line:

The "Hsien Ning" was completed in 1928, the "Yung Sui" in 1929, the "Ming Chuen" in 1930, the "Yat Sen" and the "Ming Seng" in 1931 and the "Ning Hai" in 1932.

To meet the requirements of the coastal service ten additional gunboats were built as follows: the "Kiang Ning" and the "Hai Ning" were completed in January 1932, the "Fu Ning" and the "Sui Ning" in June, 1933, the Wei Ning" and the "Su Ning" in February, 1934, the "Chung Ning" and the "Yi Ning" in June, 1934, and the "Chang Ning" and the "Tseng Ning" in October of the same year.

On September 28th, 1935, the ceremony of launching the new cruiser "Ping Hai" took place at the Shanghai Navy Yard; she was completed and commissioned on April, 1937. On May 5, 1937, the keel of the new sloop "Tai Ning" was laid at the Shanghai Navy Yard and her launching will soon take place.

III. RENOVATION AND REFIT OF EXISTING SHIPS

In all navies the renovation and refitting of existing ships is one of the most important duties of the naval administration. In the Chinese Navy the constant use that has been made of its ships in the suppression of bandits and pirates, in the patrolling of coasts and in the execution of its other numerous duties has likewise necessitated much attention to the overhauling and refitting of its ships to keep them efficient.

During the period 1928–1930 several gunboats were completely overhauled, refitted and renamed: "Teh Sheng," "Wei Sheng," "Shun Sheng," "Kung Sheng," "Yi Sheng," "Yung Sheng," "Chen Sheng," and "Ching Tien." In 1930 and 1931 the sloops "Kien Ang" and "Kien Wei" were both similarly rebuilt and renamed "Ta Tung" and "Tze Chiang" respectively. In 1930 the surveying ship "Kan Lu," which was originally fitted with turbine engines, was refitted with three sets of Diesel engines. Besides major work done on the above ships, others are continually undergoing repair in the different naval yards.

IV. TRAINING OF PERSONNEL

The primary institution for the training of officers is the Naval College at Mamoi, where courses are offered in navigation and engineering. Specialized foreign officers have been engaged since 1930 as instructors for these classes. Besides this college, the Naval Barracks at Mamoi and the Torpedo Training Station at Nanking also have separate courses for the training of boys and enlisted men. A new college, on a larger scale and along modern lines, is projected, a suitable site having been selected at Nimrod Sound. A special marine battalion has been dispatched for the work of laying the foundations.

For several years past young officers have been sent abroad for further higher study in the different branches of naval technology such as gunnery, navigation, etc. Aboard the vessels short classes for the officers of the fleet in higher technical and war courses are held and special courses for the different ratings have also been organized. Night school has been regularly held aboard all vessels.

V. MATERIAL CONSTRUCTION

Besides the proposed establishment of the new naval college already mentioned, the following more important constructions carried out by the Ministry of Navy may be briefly mentioned:

A. The Shanghai Naval Hospital.—Shanghai, being an important port and a major station for ships of the navy, it was deemed necessary to establish a more modern naval hospital to care for the personnel of the fleet, the original hospital having been found to

be inadequate. In 1931 such a hospital, supplied with modern equipment, was erected on the site of the West Fort, Kiangnan Arsenal.

B. The Mine and Torpedo Station.—As the original training station was inadequate for present purposes, the Ministry planned its enlargement and improvement. The erection of a three-storied modern building, occupying an area of several acres, was started in 1931 and completed in the following year. In addition to the original torpedo workshop, new buildings for various purposes were erected. Workshops No. 1 and No. 2 were successively completed in 1934 and 1935 and the building of a third workshop is proceeding.

C. The Naval Barracks at Mamoi.—With the building of new ships and the consequent necessity of enlarging the number of new recruits enlisted periodically, it was found that the old buildings of the Naval Barracks at Mamoi was insufficient for their accommodation. Two large buildings were therefore erected for this purpose in 1931 and an adequate number of necessary instruments for the training of the additional new recruits were supplied at the same time.

D. The Nanking Naval Hospital.—As Nanking is, like Shanghai, an important naval anchorage the Ministry of Navy, deeming the old hospital unsatisfactory, decided on the building of a new and more modern hospital to take its place. Ten acres of land on the site of the former West Fort of Hsiakwan were appropriated and the modern naval hospital was duly completed in 1930. With three sides facing the river, the hospital has proved to be an excellent sanatorium. Subsequently, in 1931, a naval gymnasium, equipped for athletics and physical training, was built beside the hospital and a recreation ground was added.

E. Library and Recreation Ground in the Ministry.—Within the Ministry of Navy a building for the housing of a library for reference and study on technical subjects was begun in 1931 and completed at the beginning of the following year. Chinese and foreign publications on naval matters, naval periodicals and a comprehensive collection of books on technical subjects are available.

F. New Docks at the Shanghai and Mamoi Navy Yards.—The Shanghai Navy Yard, originally the "Kiangnan Dock and Engineering Works," is the most important naval dockyard in China owing to its location and the amount of naval construction regularly carried out there. Recognizing that the docks were not large enough to cope with the demands of naval construction or for the accomodation of the larger vessels of the fleet and merchant lines, the No. 3 dock was built, the dimensions being 640 feet long, 80 feet wide at the entrance and 28 feet 1 inch deep. Work on this dock was started in June, 1933; the first section 370 feet long was completed and opened on October 10, 1934, and the remainder was finished in April, 1936. This is the largest dock in China and is able to accommodate the largest vessel which can come up the Whangpoo River to Shanghai.

At the Mamoi Navy Yard the No. 2 Dock was completed in April, 1936. This dock was originally built and operated for the repairing of commercial vessels. The Ministry of Navy purchased it and has enlarged its dimensions to facilitate the work of building and refitting ships.

VI. NAVAL AVIATION

As the air arm is nowadays an important part of a navy, the training of personnel as well as the production of flying machines are the essential factors in keeping an air force in being. In 1918 a naval aircraft factory was established from which a number of land planes and seaplanes have been continually produced, and in the meantime a number of fighting and training planes have been purchased from abroad. The flying officers from both the Naval Aviation Administration and the Naval Aircraft Factory have successfully made long flights over the country from time to time.

VII. COASTAL SERVICE

The safety of ships at sea has always been a major concern of all maritime nations and China, through the Ministry of Navy, has paid due regard to this problem.

The main task in insuring the safety of ships plying the coastal seas is to give them clear guidance to the fairways. In the past the charting of Chinese waters was a complicated matter as the task was entrusted to different organs, which shared the work of surveying along the coasts, ports, etc. To insure uniformity the Hydrographic Department was established in 1921 and after the Ministry of Navy was brought into being again in 1929 the methods of charting navigation routes and hoisting tide signals were systematized. All charts of coastal and inland water surveys, previously prepared by the Maritime Customs and various river conservancy bureaus, had to undergo verification and revision at the Hydrographic Department and a special bureau for the making and publishing of such charts was planned. In October, 1931, a branch office of the Hydrographic Department was installed on the Bund, Shanghai, to provide information on waterways, coastal conditions and to issue charts.

For survey work five ships, namely, the "Kan Lu," the "Chiao Jih," the "Ching Tien," the "Kung Sheng" and the "Chen Sheng" were detailed for duty. Charts were subsequently published of various portions of the coast, ports and their approaches and of the different channels of the Yangtze River.

Tide tables, lists of lighthouses, light-vessels, buoys and beacons have been published. Notices to mariners have been continuously issued and supplied to all ships requiring them.

The wireless station on Pratas Island has rendered valuable service by issuing daily weather reports to vessels at sea, and similar stations along the coasts of Kiangsu, Chekiang, and Fukien also render such service. The help given to foreign and Chinese vessels in distress, as may be seen from the periodical records of the Ministry, is worthy of note. It may be mentioned here that the Pilot Training Institute was established in 1930 and that pilots have been trained for the Upper Yangtze River.

VIII. PACIFICATION WORK OF THE NAVY

The Navy has done much for the maintenance of peace and order along the coastal regions and in the inland waterways of the country. Vessels are constantly detailed for the duty of policing and patrolling territorial waters. Naval forces have rendered signal service in protecting the fishing villages and the isolated islands along the coasts of Fukien and Chekiang and in eradicating pirates and pirate lairs which were formerly a great menace to coastal shipping.

In the various military expeditions undertaken by the National Government during the early years of its existence the Navy played an important part in escorting and transporting troops and in co-operating with them in battle. During the rebellion in Fukien in 1933 the Navy blockaded that coast, transported troops to the disturbed area and covered their landing. The Naval Marines fought successfully on land in many districts and at Amoy landed to co-operate with the ships off shore; naval forces also aided in the capture of the capital of the province.

IX. THE NEW LIFE MOVEMENT

The New Life Movement, which has met with so enthusiatic a reception

throughout the country, finds no keener advocates anywhere than in the Navy. The qualities of simplicity, honesty, efficiency and attention to duty inherent in the Navy are in accord with the principles of the New Life Movement, which was naturally and easily adopted by the Navy.

APPENDIX I

NAVAL RANKS

Admiral = Hai Chun Shang Chiang
Vice-Admiral = Hai Chun Chung Chiang
Rear-Admiral = Hai Chun Shao Chiang
Captain = Hai Chun Shang Hsiao
Commander = Hai Chun Chung Hsiao
Lt. Commander = Hai Chun Shao Hsiao
Lieutenant = Hai Chun Shang Wei
Sub-Lieutenant = Hai Chun Chung Wei
Midshipman = Hai Chun Shao Wei

THE DEPARTMENT, RANK, AND PERSONNEL IN THE MINISTRY OF NAVY

Department and Rank	*Personnel*
Minister of the Navy	Admiral Chen Shao-kuan
Political Vice-Minister of the Navy	Vice-Admiral Chen Chi-liang
Administrative Vice-Minister of the Navy	Vice-Admiral Chen Hsung-yung
Councilors	Rear-Admiral Lin Yung-mu Rear-Admiral Jen Kwan-yu Captain Chow Kwan-tsu
Secretaries	Chief Secretary Chen Pei-yuen Assistant Secretary Chen Ki-lu
Department of General Affairs	Rear-Admiral Yang Ching-cheng
Department of Personnel	Rear-Admiral Yang Ching-cheng
Department of Naval Operations	Rear-Admiral Chia Ching
Department of Naval Construction	Rear-Admiral Tang Teh-shing
Department of Naval Training	Rear-Admiral Lu Teh-yuen
Department of Naval Ordnance	Rear-Admiral Lin Shein-shing
Department of Marine Affairs	Rear-Admiral Hsü Tsee-chiang
Commissariat Division	Rear-Admiral Lo Sü-ho
Hydrographic Department	Captain Liu Teh-pu
Coast Guard Administration	Rear-Admiral Wu Cheng-nan
Naval Compilation Department	Rear-Admiral Sheh Tseng-hsin
Naval Aviation Administration	Captain Chen Wen-lin
Naval Ordnance Bureau	Captain Lin Yuen-chuen
Marine Corps Officers Training Institute	Rear-Admiral Li Shih-chia
Naval College	Rear-Admiral Li Meng-bing
Naval Barracks	Commander Chen Tien-tsing
Mine and Torpedo Training Station	Lt. Commander Teng Chao-chiang
Pilot Training School	Captain Fong Yin
Naval Ports:	
Commandant of Naval Port at Mamoi	Rear-Admiral Li Shih-chia
Commandant of Naval Port at Amoy	Rear-Admiral Lin Kuo-keng

THE FLEET

Command	*Rank*	*Name*
Commander of First Squadron:	Vice Admiral	C. L. Chen
Flag Commander	Commander	H. C. Huang
Flag Lieutenant	Lieutenant	S. K. Chen
Flag Lieutenant	Lieutenant	C. P. Lin
Ping-Hai	Captain	H. S. Kao
Ning-Hai	Captain	H. T. Chen
Hai-Yung	Captain	C. Ou-Yang
Hai-Chou	Captain	C. K. Lin
Yat-Sen	Commander	P. C. Chen
Yung-Chih	Commander	K. Y. Tseng
Yung-Chien	Commander	C. H. Teng
Ta-Tung	Commander	T. T. Lo
Tze-Chiang	Commander	J. C. Chang
Chung-Shan	Commander	S. C. Sah
Chien-Kang	Lt. Commander	S. Y. Tsi
Commander of Second Squadron:	Rear-Admiral	Y. T. Tseng
Flag Commander	Commander	C. H. Lu
Flag Lieutenant	Lieutenant	S. C. Liang
Flag Lieutenant	Lieutenant	T. Y. Chung
Chu-Tung	Commander	C. S. Lin
Chu-Chien	Commander	C. K. Wang
Chu-Yu	Commander	Y. K. Tseng
Kiang-Yuan	Commander	H. Y. Liu
Chu-Tai	Commander	M. H. Cheng
Min-Chuen	Commander	H. C. Liu
Kiang-Chen	Commander	Y. C. Tsen
Chu-Kwan	Commander	K. H. Yin
Ming-Seng	Commander	S. C. Tsen
Yung-Sui	Commander	C. Fu
Teh-Sheng	Lt. Comdr.	T. T. Tsen
Hsien-Ning	Lt. Comdr.	C. S. Sieh
Wei-Sheng	Lt. Comdr.	H. N. Wang
Kiang-Kung	Lt. Comdr.	K. C. Tseng
Kiang-Hsee	Lt. Comdr.	H. S. Chiang
Hu-Tsuin	Lieutenant	P. C. Kao
Hu-Peng	Lieutenant	H. C. Kuo
Hu-Yin	Lieutenant	S. Y. Nih
Hu-Ngo	Lieutenant	N. C. Ho
Commander of Training Squadron:	Rear-Admiral	S. T. Wang
Flag Commander	Commander	H. C. Tai
Flag Lieutenant	Lieutenant	C. Yen
Flag Lieutenant	Lieutenant	M. L. Kuo
Yin-Swei	Captain	Y. C. Chen
Tung-Chi	Commander	S. H. Yen

Coast Guard Squadron:

Su-Ning	Lieutenant	C. H. Tseng
Shun-Sheng	Lieutenant	T. Y. Ho
Yi-Ning	Lieutenant	C. C. Yen
Fu-Ning	Lieutenant	Y. F. Chiang
Yi-Sheng	Lieutenant	C. Hsiung
Sui-Ning	Lieutenant	W. Tsen
Wei-Ning	Lieutenant	M. Y. Lee
Chung-Ning	Lieutenant	S. Y. Yeh
Jen-Sheng	Lieutenant	K. C. Tseng
Chang-Ning	Lieutenant	L. C. Lin
Yung-Sheng	Lieutenant	S. C. Yeh
Hai-Ning	Lieutenant	K. H. Lin
Kiang-Ning	Lieutenant	C. H. Woo
Tseng-Ning	Lieutenant	C. C. Tseng

Surveying Squadron:

Kan-Lu	Commander	W. L. Hsieh
Chiao-Jih	Commander	T. Y. Liang
Ching-Tien	Lt. Commander	Y. H. Yeh
Kung-Sheng	Lt. Commander	C. Y. Ho
Chen-Sheng	Lt. Commander	S. Y. Lee

Surveying Ships:

Kan Lu	Commander	Sieh Wei-liang
Kiu Jih	Commander	Liang Tung-yi
Ching Tien	Lt. Commander	Yeh Yu-ho
Kung Shen	Lieutenant	Ho Chuan-yung
Chen Shen	Lieutenant	Li Shen-yung
Wu Shen	Commander	Chow Lin-jui

Marine Corps:

First Independent Brigade	Major General	Lin Ping-chow
Second Independent Brigade	Rear-Admiral	Li Shih-chia
Guard Battalion	Lt. Colonel	Yeh Pou-chi
Reserve Battalion	Lt. Colonel	Ma Hung-ping

Navy Yards:

Shanghai	Director	Ma Teh-tsee
Mamoi	Director	Han Yu-hen
Amoy	Captain	Sah Yi

Naval Hospitals:

Nanking	Chief Surgeon	Wu Ching-sung
Shanghai	,, ,,	Chang Ting-hang
Mamoi	,, ,,	Kou Chang-yin
Amoy	,, ,,	Ho Ken-yuen

SHIPS OF THE CHINESE NAVY

1. First Squadron

Name of Ship	*Class*	*Displacement*	*Built*	*Length*	*Beam*	*Draught*	*Speed*	*Armament*
Hai Chou	Cruiser	2,950 tons	1897	328 ft.	40.8	19	14k.	3 15-cm., 8 10.5-cm., 4 5.7-cm., 1 4-cm. A. A., 4 3.7-cm., 1 14-in. T. T. (Submerged)
Hai Yung..	,,	2,950 tons	1897	328 ft.	40.8	19	14k.	3 15-cm., 8 10.5-cm., 4 4.7-cm., 1 4-cm. A. A., 4 3.7-cm., 1 14-in. T. T. (Submerged)
Ning Hai..	,,	2,526 tons	1932	360 ft.	39	14.45	23k.	6 14-cm., 8 8-cm., 4 21-in. T. T. (Above water)
Ping Hai ..	,,	3,015 tons	1937	360 ft.	39	15	21.2k.	6 14-cm., 3 8-cm., 3 4.7-cm., 4 21-in. T. T.
Yat Sen	Sloop	1,500 tons	1930	270 ft.	34	12.4	19k.	1 15-cm., 1 14-cm., 4 7.5-cm. A. A., 2 4.7-cm.
Ta Tung	,,	1,050 tons	1903	260 ft.	26	11	17k.	2 4.7-in., 1 3-in., 2 5.7-cm., 1 2-cm. A. A.
Tze Chiang	,,	1,050 tons	1900	260 ft.	26.6	12.6	17k.	2 4.7-in., 1 3-in., 2 5.7-cm., 1 2-cm. A. A.
Chung Shan	,,	844 tons	1910	216 ft.	29	10	14k.	1 4-in., 1 3-in., 4 4.7-cm., 2 3.7-cm., 1 2-cm. A. A.
Yung Chien	,,	860 tons	1917	205 ft.	29.6	12.5	13k.	1 4-in., 1 3-in., 2 3-cm., 4 4.7-cm., 1 4-cm. A. A.
Yung Tsih	,,	860 tons	1918	205 ft.	29.5	11.5	13k.	1 4-in., 1 3-in., 4 4.7-cm., 1 4-cm. A. A., 2 3.7-cm.
Ting An	Transport	1,969 tons	1901	218 ft.	33	19	10k.	
Ke An		1,242 tons	1903	230 ft.	33	19	9k.	
Chien Kang	Destroyer	390 tons	1913	208 ft.	21.6	9	20k.	2 3-in., 4 4.7-cm., 2 18-in. T. T.

2. Second Squadron

Name of Ship	*Class*	*Displacement*	*Built*	*Length*	*Beam*	*Draught*	*Speed*	*Armament*
Chu Tai	Gunboat	745 tons	1906	200 ft.	30	8	12k.	2 4.7-in., 2 3-in., 1 4-cm. A.A., 2 2.5-cm.
Chu Yew	,,	745 tons	1906	200 ft.	29.5	9	10k.	2 4.7-in., 2 3-in., 3 6.5-cm., 1 4-cm. A. A., 2 3.7-cm.
Chu Tung..	,,	740 tons	1906	200 ft.	29.6	8	10k.	2 4.7-in., 2 3-in., 2 2.5-cm.
Chu Chien		740 tons	1907	200 ft.	29	8	11k.	2 4.7-in., 2 3-in., 2 2.5-cm., 1 2-cm. A. A.
Chu Kwan	,,	750 tons	1907	200 ft.	29.6	8	10k.	2 4.7-in., 2 3-in., 2 2.5-cm., 1 2-cm. A. A.
Kiang Yuan	,,	550 tons	1904	180 ft.	28	7.5	12k.	1 4.7-in., 1 3-in., 4 5.7-cm.
Kiang Chen	,,	550 tons	1909	180 ft.	28	8	13k.	1 4.7-in., 1 3-in., 4 4.7-cm., 1 2-cm. A. A.
Yung Sui	,,	600 tons	1929	224 ft.	30	7.5	18k.	1 12-cm., 1 4.7-in., 2 3-in., 1 8-cm. A. A., 2 4.7-cm., 1 2-cm. A. A.
Ming Chuen	,,	464 tons	1929	196 ft.	26	6.9	17k.	1 4.7-in., 1 10-cm., 2 5.7-cm., 1 2-cm. A. A., 1 8-cm. A. A.
Ming Seng	,,	505 tons	1931	205 ft.	26	6.5	16k.	1 12-cm., 1 10-cm., 1 8-cm. A.A., 1 2-cm. A.A., 2 5.7-cm.

Hsien Ning	Gunboat	418 tons	1928	180 ft.	24	6.6	16k.	1 4.7-in., 1 10-cm., 1 8-cm. A.A., 1 2-cm. A.A., 2 5.7-cm.
Teh Shen	,,	932 tons	1922	205 ft.	31	8	15k.	1 4.7-in., 1 3-in., 1 7.5-cm.
Wei Shen..	,,	932 tons	1922	205 ft.	31	8	16k.	1 4.7-in., 1 3-in., 1 7.5-cm.
Kiang Hsee	,,	140 tons	1911	144 ft.	25	4	9k.	1 8.7-cm., 2 3.7-cm.
Kiang Kun	,,	140 tons	1911	142 ft.	26	3	10k.	1 8.7-cm., 1 3-in., 2 3.7-cm.
Hu Ngo	Torpedo Boat	96 tons	1906	132 ft.	16.5	7.6	15k.	1 4.7-cm., 1 3.7-cm., 3 14-in. T. T.
Hu Tsuin..	,,	96 tons	1906	132 ft.	16.5	7.6	14k.	1 4.7-cm., 1 3.7-cm., 3 14-in. T. T.
Hu Yin	,,	96 tons	1906	132 ft.	16.5	7.6	13k.	1 4.7-cm., 1 3.7-cm., 3 14-in. T. T.
Hu Peng	,,	96 tons	1906	132 ft.	16.5	7.6	13k.	1 4.7-cm., 1 3.7-cm., 3 14-in. T. T.

3. Training Squadron

Name of Ship	*Class*	*Displacement*	*Built*	*Length*	*Beam*	*Draught*	*Speed*	*Armament*
Yin Swei	Cruiser	2,460 tons	1913	346 ft.	39.6	15	18k.	2 6-in., 4 4-in., 2 3-in., 7 4.7-cm., 2 4-cm. A.A., 2 3.7-cm., 2 18-in. T.T. (Above water)
Tung Chi	,,	1,900 tons	1894	252.7 ft.	34.7	18	9k.	2 6-in., 5 12-cm., 3 5.7-cm., 8 3.7-cm., 1 2-cm. A.A.

4. Coast Guard Flotilla

Name of Ship	*Class*	*Displacement*	*Built*	*Length*	*Beam*	*Draught*	*Speed*	*Armament*
Shun Shen	Gunboat	280 tons	1911	146 ft.	24	6	9k.	2 3-in., 2 3.7-cm.
Kiang Ning	,,	300 tons	1932	128 ft.	20	6.5	10k.	2 5.7-cm.
Hai Ning	,,	300 tons	1932	128 ft.	20	7	10k.	2 5.7-cm.
Fu Ning	,,	300 tons	1933	128 ft.	20	7	9k.	2 5.7-cm.
Sui Ning	,,	300 tons	1933	128 ft.	20	7	9.5k.	2 5.7-cm.
Su Ning	,,	300 tons	1933	140 ft.	20	7	11k.	2 5.7-cm.
Wei Ning..	,,	300 tons	1933	140.9 ft.	20	7	11k.	2 5.7-cm.
Chung Ning	,,	281 tons	1934	140 ft.	20	7	11k.	2 5.7-cm.
Yi Ning	,,	300 tons	1934	140.9 ft.	20	7	11k.	2 5.7-cm.
Chen Ning	,,	300 tons	1934	140.9 ft.	20	7.4	11k.	2 5.7-cm.
Chang Ning	,,	300 tons	1934	140.8 ft.	20	7	11k.	2 5.7-cm.
Yi Shen	,,	250 tons	1911	126 ft.	20.7	11	10k.	1 3-in., 1 6.5-cm.
Jen Shen	,,	260 tons	1911	125 ft.	22	7.9	10k.	1 3-in., 1 5.7-cm.
Yung Shen	,,	280 tons	1908	125 ft.	21	8	10k.	1 3-in., 1 5.7-cm.

5. Surveying Ships

Name of Ship	*Class*	*Displacement*	*Built*	*Length*	*Beam*	*Draught*	*Speed*	*Armament*
Kan Lu	Yacht	2,133 tons	1903	300 ft.	33	18	12k.	1 7.5-cm., 2 5.7-cm., 1 3.7-cm.
Kiu Jih	,,	500 tons	1910	173 ft.	25	10	12k.	2 3.7-cm.
Ching Tien	Survey Ship	279 tons	1923	145 ft.	21	7	8k.	1 3.7-cm.
Kung Shen	,,	280 tons	1911	120 ft.	21	8	10k.	2 3-in.
Chen Shen	,,	276 tons	1900	120 ft.	20	7	12k.	1 3-in., 1 5.7-cm.
Wu Shen	,,	740 tons		192 ft.	27	11	11k.	

NUMBER OF OFFICERS AND THEIR RANKS OF DIFFERENT UNITS OF THE NAVY

(*Not including the Marine Corps*)

Admiral	1
Vice Admiral	2
Rear Admiral and Co-ordinate	20
Captain and Co-ordinate	44
Commander and Co-ordinate	89
Lieut. Comdr. and Co-ordinate	129
Lieutenant and Co-ordinate	342
Lieut. Junior Grade and Co-ordinate	335
Sub-Lieutenant and Co-ordinate	313
Warrant Officer and Co-ordinate	460
Other Ranks	7,579
TOTAL	9,314

APPENDIX II

FOREIGN NAVAL SQUADRONS IN CHINESE WATERS

(*July, 1937*)

1. British Naval Squadron

Command	*Rank*	*Name*
Commander in Chief China Station	Vice Admiral	Sir Charles J. C. Little K. C. B.
Chief of Staff	Commodore	F. N. Attwood
"Kent" (Flagship)	Captain	I. W. A. Waller
"Dorestshire"	Captain	A. J. L. Murray, D. S. O. O. B. E.
"Cornwall"	Captain	H. C. Philips
"Folkestone"	Captain	B. C. S. Martin
"Berwick"	Captain	E. R. Bent, D. S. C.
"Medway"	Captain	C. G. B. Coltart
"Sandwich"	Commander	R. E. F. Mcq. Mackenzie, D. S. C.
"Grimsby"	Commander	H. F. Nader
"Falmouth"	Commander	G. F. N. Bradford
Yangtze Flotilla:		
Rear Admiral & Senior Naval Officer, Yangtze	Rear Admiral	L. G. E. Crabbe, C. B. C. I. E., D. S. O.
Chief Staff Officer	Captain	C. E. Hotham, D. S. C.
Flag Secretary	Payr. Comdr.	J. A. Miller
Flag Lieutenant	Lieutenant	B. D. Gallie
"Bee" (Flagship)	Captain	C. E. Hotham, D. S. C.
"Cockchafer"	Commander	R. L. Moore
"Gannet"	Commander	D. P. Evans
"Mantis"	Commander	E. W. Reep
"Tern"	Lt. Commander	G. G. Pugh-Cook

"Sandpiper"	Lt. Commander	R. E. Butler
"Scarab"	Lt. Commander	W. C. Bushell
"Falcon"	Lt. Commander	G. P. C. Ball
"Aphis"	Lt. Commander	R. B. S. Tennant
"Cricket"	Lt. Commander	J. I. M. Ashby
"Gnat"	Lt. Commander	J. M. G. Waldagrave
"Peterel"	Lt. Commander	H. N. A. Richardson
"Ladybird"	Lt. Commander	S. A. M. Else
Flotilla Accounting Officer, Hankow	Payr Comdr.	H. J. Kirkby
Asst F. A. O. Hankow	Payr Lt. Comdr.	E. R. F. Hok
Resident Naval Officer, Shanghai	Payr Comdr.	C. A. Bowen
Asst. to R. N. O.	Payr Lt. Comdr	R. Q. Pine
Engineer Officer of Flotilla, Shanghai	Comdr. (E)	J. G. Moncrieff

2. American Naval Squadron

Command	*Rank*	*Name*
Commander in Chief	Admiral	H. E. Yarnell
Chief of Staff	Captain	R. F. McConnell
Flag Secretary	Lieutenant	A. H. Oswald
Flag Lieutenant	Lieutenant	J. Sylvester
"Augusta" (Flagship)	Captain	H. V. Mckittrick
ComDesRon-5	Captain	H. L. McClure
"Black Hawk" (Flagship)	Commander	J. K. Esler
ComSubRon-5	Commander	A. C. Bennett
"Canopus" (Flagship)	Commander	J. R. Redman
"Sacramento"	Commander	W. N. Richardson, Jr.
"Tulsa"	Commander	H. D. Bode
"Asheville"	Commander	R. P. Luker
"Isabel"	Lieutenant	T. L. McCann
Commander Yangtze Patrol		
	Rear Admiral	E. J. Marguart
Flag Secretary	Commander	A. G. Robinson
Flag Lieutenant	Lieutenant	B. F. Tompkins
"Luzon" (Flagship)	Lt. Commander	W. N. Moses
"Monocacy"	Lieutenant	L. B. Farrell
"Guam"	Lt. Commander	A. P. Lawton
"Palos"	Lt. Commander	W. H. Ferguson
"Oahu"	Lt. Commander	Sheehan
"Panay"	Lt. Commander	J. J. Hughes
"Tutuila"	Lt. Commander	L. Herndon

3. Japanese Naval Squadron

Command	*Rank*	*Name*
Commander in Chief Third Fleet	Vice Admiral	Kiyosi Hasegawa
Chief of Staff	Rear Admiral	Rokuzo Sugiyama
Aide de Camp	Commander	Hirosi Fujino
"Idzumo" (Flagship)	Captain	Dosho Kamada
Comdr. Tenth Squadron	Rear Admiral	Shosuke Simomura

Tenryu (Flagship)	Captain	Kanji Ugaki
Tatsuta	Captain	Gihatsu Takayanagi
Comdr. Eleventh Squadron	Rear Admiral	Umataro Tanimoto

Yangtze Patrol

Flag Commander	Commander	Shukei Sigenaga
Flag Lieutenant	Lieutenant	Eiiti Ino
"Ataka" (Flagship)	Commander	Keiji Sibasaki
"Katata"	Commander	Kaoru Kawase
"Seta"	Commander	Siniti Yosimi
"Atami"	Lt. Comr.	Keisaku Mori
"Hozu"	Commander	Mituji Ueda
"Hira"	Commander	Sinji Doi
"Toba"	Lt. Commander	Satoru Kubota
"Futami"	Commander	Mitugu Arita
"Tsuga" (Destroyer)	Lt. Commander	Katukuma Honda
"Kuri" (Destroyer)	Lt. Commander	Hajime Okawara
"Hasu" (Destroyer)	Lt. Commander	Moritaro Tukamoto
"Kotaka"	Lieutenant	Hirosi Uwai

Japanese Landing Party

Shanghai	Rear Admiral	Densiti Okawati
Senior Staff	Commander	Isamu Taketa
Aide de Camp	Lt. Commander	Koiti Hukumi

4. French Naval Squadron

French Naval Forces in the Far East

Commander-in-Chief, Vice-Admiral le Bigot

Staff of the F. N. E. O.	Captain de Vaisseau Lemaire (Chef d'Etat-Major) Lieutenant de Vaisseau Arnould de Pirey (Officier d'Ordonnance)
Cruiser:	
"Lamotte-Piquet"	Capitaine de Vaisseau Gribelin (Capitaine de Pavillon)
Dispatch Boats:	
"Dumont d'Urville"	Capitaine de Frégate Amanrich
"Amiral Charner"	Capitaine de Frégate Mercier
"Savorgnan de Brazza"	Capitaine de Frégate Robert
"Tahure"	Capitaine de Corvette Petit
River Gunboats:	
"Francis Garnier"	Capitaine de Frégate Le Moaligou (Commandant la Flottille du Yangtze-Kiang)
"Doudart du Lagree"	Capitaine de Corvette Buscail
"Balny"	Lieutenant de Vaisseau Fournet
"La Grandière"	Enseigne de Vaisseau de 1. cl. Sauvy
"Argus"	Capitaine de Corvette Castaing
Shanghai Transit Service	Capitaine de Frégate Robbe
Shanghai Naval Base	Enseigne de Vaisseau de 2. cl. Fougère

Naval Barracks:

"Commandant Odent" .. .. Enseigne de Vaisseau de 1. cl. Fay

5. Italian Naval Squadron

Command	*Rank*	*Name*
Commander of Naval Forces in Far East	Commander	Vittorio Bacigalupi
"Lepanto"	"	"
"Carlotto"	Lieutenant	Gennaro Cloppa

* * *

MILITARY AVIATION

HUANG PING-HENG (黃秉衡)

I. HISTORICAL ASPECTS

Regular military aviation in China goes back a matter of about 20 years. In 1910 an experimental factory was started at Nanyuan, near Peiping, but it does not appear to have achieved anything up to the time of the outbreak of the first Revolution in 1911, when the Republicans proposed to bomb the Forbidden City from the air. Two Etrich monoplanes were actually purchased from Austria for this purpose, but they reached Shanghai only at the end of 1912 after the Revolution was over. These monoplanes aroused considerable interest in the North, with the result that the government secured a grant of $300,000 for the purchase of twelve Caudron biplanes, the engagement of instructors and the equipment of an aviation school. Two French and two Chinese instructors and two French mechanics were engaged at the Nanyuan Aviation School. During 1917 airplanes were used for military purposes for the first time—in the operations against the bandit "White Wolf" and in a spectacular attempt to bomb the Forbidden City during the brief-lived restoration of the puppet Emperor.

In 1919 the Chinese Government signed contracts for the purchase of six large passenger planes, 40 Vickers-Vimy commercial planes, 40 Vickers-Vimy training machines and 65 Avro aircraft. In the summer of 1920 hostilities broke out between the ruling Anfu Clique and the Chihli leaders. On the overthrow of the Anfu Clique, the machines were removed to Paotingfu and Mukden.

In the Spring of 1922 war broke out between the Chihli and Fengtien forces and the victors carried off from Nanyuan as many of the aircraft as they could lay hands on; most of the machines that remained after the 1922 war were wrecked or ruined, and when the Kuominchun (National Army) occupied Peiping in 1924 there were but few aircraft among the spoils.

From 1926 onward various local leaders continue to buy aircraft of various types. Probably the largest and best-equipped of the provincial air forces until the occupation of Mukden by the Japanese in September, 1931, was that of the four Northeastern provinces. It was reported that about 200 serviceable machines passed into the hands of the Japanese when Mukden was seized.

II. PRESENT SITUATION

The Mukden Coup awakened the Chinese authorities to the necessity of building up a strong air force, without which they could not hope to stave off a hostile intrusion. As its establish-

ment dates back only a short time, and as progress has frequently been hampered by indecision regarding policy and the lack of an acceptable program, it seems unreasonable to expect the present Chinese Air Force to achieve miracles when faced with a superior air power in a future international War. Nevertheless, the inferiority in numerical strength may be compensated for to some extent perhaps by geographic advantages and by the personal valour of the pilots, many of them young boys in their teens, who, with their political training and flying skill, will be ready for any sacrifice at the call of a national emergency.

The Air Force has been an important factor in the success of communist-suppression campaigns in Kiangsi, Szechwan, Suiyuan and other provinces. Many squadrons are still detailed for such work, often operating at remote places where flying is difficult and dangerous. Their work includes reconnaissance, bombing, and even the transport of munitions and food to the besieged ground troops. Facing heavy losses and casualties, the government air squadrons have repeatedly saved the situation and turned the tide of battle for the ground troops after the latter have been demoralized by a fierce onslaught on the part of the communists. The rapid suppression by the Central Government troops of the Foochow uprising in 1933, when the young Air Force displayed its utility admirably, has much enhanced the prestige and authority of the Central Government. Many provincial leaders who had formerly maintained local air forces soon learned that the maintenance of an air force was not simply a matter of buying a few airplanes to start with and then leaving them damaged or obsolete, that it was just as expensive to keep the machines in flying condition and that a small force of a few obsolescent planes was no match for the better trained and equipped air force of the Central Government. During the last few years the provincial air forces of Hunan, Shantung and Kweichow have unconditionally transferred in succession their personnel and equipment to the unified control of the Central Government. Up to September, 1936, Kwangtung and Kwangsi provinces maintained independent air forces to some extent, but after that time the entire Kwangtung Air Force, consisting of about 10 aircraft, and the Kwangsi Air Force went over to the Central Government.

Of all the inventions that have helped to unify China perhaps the airplane is the most outstanding. Its ability to annihilate distance has been in direct proportion to its achievements in assisting to annihilate suspicion and misunderstanding among provincial officials far removed from one another or from the officials at the seat of government.

III. FLYING TRAINING

There is little activity in flying training apart from that of the military flying schools. The American Mission headed by Colonel John H. Jouett, former U. S. air corps officer and West Pointer, who was engaged by the Central Government to introduce the American Randolph Field system of flying training to the Central Aviation School at Hangchow, returned home in May, 1935, at the expiration of the contract, but the system has still been adhered to by the Chinese instructors. The mission was originally composed of 13 pilots and four mechanics. At one time or another all of the flying personnel had either been in the regular Army Air Corps or had had considerable service on active duty as reserve officers.

The Hangchow School is located about 10 miles outside the walls of Hangchow, a town of half a million people situated roughly 110 miles south of Shanghai. The field itself is on the railway line to Shanghai, at a small village named Jen-Chiao. Several large, modern concrete hangars, as well as smaller metal ones, house ships of the latest types. The equipment here is new, an innovation to China, and is laid out in the best possible way to facilitate handling and to save time. The shops consist of the assembling line, wing and fabric shops, metal department, metal overhaul, propeller

room and dope room. In addition there is an instrument department and an electrical shop inside the main building. Outside are the other buildings housing the motor torque stands and the storerooms for motors, parts and materials. There is also a salvage department.

The attempt of the Italian Air Mission, under General Silvio Scaroni to introduce the Italian system of flying has proved no less successful. A Flying Training School was established under Italian supervision at Nanchang with the object of training Chinese cadets in advanced training.

On the whole, the experiment of employing flying instructors of various nationalities has proved that Chinese flying cadets are always adaptable to the situation and capable of becoming apt flyers. As an illustration of the resourcefulness of the average Chinese student at the school, Colonel Jouett recently described how one of the Chinese cadets joined the Caterpillar Club. It is an interesting incident deserving repetition. "While flying formation over Hangchow Bay," he said, "one of the cadets put his plane too far forward and chopped off the tail of the shop in front. The pilot of the leading plane had to bail out. After his 'chute filled, he looked down from an altitude of about four thousand feet, and discovered he was directly over the bay—and the water looked mighty cold and wet to him. Descending slowly, he began to ponder over his plight, wondering how he could possibly swim to shore in his heavy boots. By dexterous efforts, he managed to get his boots off, but then realized that if he made the shore, he would have to walk back to the field in his bare feet. Well, he dropped into the water with his boots in his hands. Looking around, he noticed that his 'chute was floating on the water, with the edge submerged and the center puffed out with water, so he had something resembling a blown up paper bag. The cadet then tied one of his socks around the opening, and using the 'chute as a water wing, managed to swim to shore. He returned to the field with his boots, parachute and personal equipment intact. I found that Chinese youths compared very favorably with American boys as far as flying ability is concerned. Checking records at both schools (Randolph Field and Hangchow School), I discovered that their progress was about the same, and giving one hundred hours in the air, Chinese and American students would be advanced to about the same stage. If anything, I believe the Chinese youths can adapt themselves to flying more quickly than American boy, during the early stages of instruction."

Realizing that flying is no more difficult than some other activities which they have been able to go in for during the recent years, Chinese women have given the country no less than a dozen aviatrices trained either in China or abroad. One woman was included amongst the forty graduates from the Shanghai Flying Club last term.

IV. ENGINEERING EDUCATION

Aeronautical engineering, one of the newest independent branches of engineering, has become the most popular subject in Chinese engineering colleges and universities during the past few years. Many colleges are giving optional course in aeronautical engineering to the senior students in the department of mechanical engineering, and one university is offering a post-graduate course subsidized by the Commission of Aeronautical Affairs, which, working under the jurisdiction of the National Military Council, is the executive organ of the Chinese Air Force. Although wind tunnel and other research equipments are installed by some universities, they are mainly used for instruction purposes and no research results of academic importance have been published.

About 70 engineering students, the majority of whom received government scholarships, have been sent abroad to study aeronautical engineering, mostly in Italian, American and German universities. Some of these men returned recently to China and were distributed amongst the various engineering schools as instructors. Judging from the enthusiasm of the

young men receiving aeronautical education, it is expected that the Chinese aircraft industry, which is still in an embryonic stage, will have plenty of good material to choose from, although it may be doubted how far the aircraft industry can develop when other basic industries continue to lag behind.

V. IMPORTATION AND MANUFACTURING OF AIRCRAFT

China still depends upon foreign countries for the supply of aircraft and material. As a nation which is building up an air force without a domestic aircraft industry, she has naturally become a dumping ground for aircraft from various countries. American aircraft with the adventages of quick delivery, interchangeability, low cost due to mass production, and steady spare parts service by resident agents, still take the lead so far as the number and value of the imports are concerned. The requirement for cash payment by the American agents, however, enables the agents of Italian and French aircraft manufacturers to sell to the Chinese Government more expensive equipment on a long term credit basis.

The succession of foreign aviation missions and advisers engaged by the National Government during the recent decade produced a fluctuating influence upon the purchasing policy of the government. The multiplicity of types of airplanes and engines used in the air force, with some types favored for some time by one mission, only to be severely condemned by another and consequently allowed to fall into desuetude, has been one of the most serious obstacles in the development of Chinese aviation. But efforts are made from time to time to standardize the types of engines and planes and it is hoped that the goal will shortly be reached.

Realizing the importance of having airplane factories in China while skeptical about the technical ability of Chinese engineers, the government has entered into agreements with different foreign aircraft manufacturers for the establishment of airplane factories in this country. Some of them are to be managed technically by the foreign concerns for a limited period under Chinese supervision and to be unconditionally handed over to the Chinese Government upon the expiration of the prescribed period, while others are to be operated as joint enterprises for a definite period with optional government purchase of the foreign shares of interest later.

The Central Government Aircraft Factory, Hangchow, has been completed and the work of erecting and reconditioning aircraft is now in progress there. The capacity of the factory is 60 airframes per annum. The factory becomes the property of the Central Government at the termination of the present five-year contract.

The experience of the Central Aircraft Manufacturing Company has shown that Chinese workmen are quite alert in learning the art of making airplanes, either of composite or of all metal construction. In many instances where attention to handicraft and finish is required, the patient Chinese workmen are definitely superior to the Western workmen in their products.

A Curtiss-Wright Aircraft Factory, similar to the one at Hangchow, has been constructed at Shaokwan, Kwangtung.

The Parachute Works under the Technical Division of the Commission on Aeronautical Affairs has passed through its third production year and is continuing the regular supply of Chinese-designed parachutes to the Air Force.

VI. SOCIETIES AND PUBLICATIONS

Many aviation societies founded and periodicals published in China during the past decade are now defunct but there are some exceptions. The Chinese Aviation League, which recently moved its national headquarters from Shanghai to Nanking, is a civil organization aiming at the promotion of aviation in China. Its activities

include the promotion of flying for sport, the raising of an endowment fund for aviation, and in general the arousing of "airmindness" among the public. In addition there is the China Aviation Construction Committee, with about 40 members appointed by the Executive Yuan from among government officials and industrial leaders, which is a liason organisation between the government and the public; its functions, chiefly advisory, are now mainly limited to devising measures for raising funds to develop aviation. Finally the Chinese Aeronautical Engineering Society, founded by the engineers in the Chinese Air Force, is keeping step with the development of aeronautical engineering and aircraft industry.

Weekly, monthly, quarterly periodicals are published by the Commission on Aeronautical Affairs, the Central Aviation School, the Chinese Aviation League, the Air Force Kuomintang and other institutions, mainly for the general reading of the public. The most popular are; "Aviation Magazine," "Air Force Weekly," "Revolutionary Air Force," "Aeronautical Engineering Semi-monthly.

VII. NAVAL AVIATION

Naval aviation began its career in 1916 when a seaplane school and experimental factory were established at Foochow by the Ministry of Navy. Managed entirely by Chinese engineers, the Naval Aircraft Factory filled governmental orders during the past year for the building of 12 Fleet Trainers in eight months. Owing to financial stringency naval aviation has been sadly neglected, but plans are being formulated for reorganization and improvement. There is a small seaplane unit with seven planes at Tsingtao, under the control of the Third Fleet (Yellow Sea Fleet).

PUBLIC FINANCE AND TAXATION

Y. DUNG (鄧賢)

The story of Chinese government finance since the advent to power of the National Government in Nanking has been one of rapid expansion and great progress. Compared with the general conditions prevailing during the Peking regime, there has undoubtedly been great achievement, notably in such directions as centralization of financial control, rehabilitation of government credit, improvement of the currency system, reform of the taxation system so as to provide for the growing needs of the government on the one hand without violating the basic principles of taxation on the other, and co-ordination of central and local finances.

Earlier issues of the *Chinese Year Book* have dealt at length with the different phases of China's government finance up to the end of 1935. Reviewing the chronicle of events given therein, the outstanding picture was mainly one of a series of struggles against great odds but also of the subjugation of these difficulties one after another through sheer force of will and great resourcefulness on the part of those responsible for administering the nation's finance. Indeed, the story of the growth of the country's financial machinery from very meager beginnings during the revolutionary days in Canton to its immense magnitude in 1937 reads like a fairy tale. Students of the matter cannot but recall the hectic first days in Canton when Chinese government finance was just the barest skeleton of what it is to-day. Even in the early days of the Nanking Government, when pay day drew near, government employees invariably were skeptical as to whether the money would actually arrive, and if so, whether they would receive pay in full. However with the passing of time these experiences have become memories of the past. Great and far-reaching changes, definitely for the better, have taken place in the finances of the government. For many years now the Government Treasury has acquired the habit of meeting all obligations promptly as they fall due, despite the fact that these obligations may run into tens of millions of dollars every month. In addition, money has not been found wanting for the readjustment of indebtedness in arrears.

Of course what is in store in the future can not be accurately foretold. The present setting of political and economic events in the Orient and in other parts of the world is such that the least complication may be cause enough for a crisis of the largest magnitude, and in such an eventuality China would find it quite impossible to proceed with the program of financial reform towards the implementation of which she has made such great headway up to the present moment. Barring such a possibility, and admitting that there are many defects in the present financial structure which can be removed in due course of time, it seems safe to predict that for China a bright future, financially speaking, is in the making.

In the following sections an attempt will be made to give a faithful presentation of the more salient features of Chinese public finance, and an endeavor will be made to bring up to date such materials as have been published in the last two issues of this YEAR BOOK. The topics dealt with will be the following:

I. Financial Administration.
II. Receipts and Expenditures.
III. National Budget.
IV. Customs Revenue Administration.
V. Salt Revenue Administration.

VI. Internal Revenue Administration.
VII. Direct Taxes.
VIII. Local Finance.
IX. Public Debt.

I. FINANCIAL ADMINISTRATION

The Ministry of Finance is the central administrative organ for all matters relating to government finance. According to Article 1 of the Organic Law of the Ministry of Finance, it is "in charge of all matters concerning public finance throughout China," and according to Article 2, it is vested with powers "to direct and supervise the provincial and local responsible officials in so far as matters under the jurisdiction of the Ministry are concerned."

The Organic Law of the Ministry of Finance was promulgated by the Government on July 14, 1936. In May, 1937, in conformity with these new requirements, the ministry was reorganized with slight changes in its several departments. As now constituted, it has the following departments proper:

1. Department of Customs Administration (*Kwan Wu Shu*).
2. Department of Internal Revenue Administration.
3. Department of General Affairs.
4. Department of Salt Affairs
5. Department of Taxation.
6. Department of Loans.
7. Treasury Department.
8. Department of Currency and Banking.
9. Bureau of Accounts (Office of Accountant General).

Article 5 of the Organic Law provides that the Ministry of Finance may establish separate commissions and committees to take charge of other financial matters, upon approval of the Executive and Legislative Yuans. According to this provision, it has now the following commissions in addition to the foregoing departments proper of the Ministry of Finance:

1. Commission for Financial Readjustment.
2. Commission for Readjustment of Local Taxation.
3. Central Mint Supervisory Commission.
4. Note-issue Reserve Commission.
5. Currency Research Commission.
6. Savings Deposit Reserve Commission.
7. National Tariff Commission.
8. Sugar Distribution Commission.
9. Commission for Regulation of Dumping.
10. Internal Revenue Civil List Commission.

Two outstanding changes were made during the reorganization in May, 1937, these being in connection with the organization of the Department of Salt Administration and of the Department of Accounts, both of which changes were made in conformity with the provisions of the Organic Law. The reorganization of the former department was also accompanied by changes in the organization of the Salt Gabelle, also known as the Salt Inspectorate. In the place of the Salt Inspectorate, a new bureau, known as the Directorate-General of Salt Administration, came into being. Neither of these changes, however, involved any shift in personnel, as all of the members of the old staff were taken over by the new units.

Article 9 of the Organic Law of the Ministry of Finance provides for the following functions of the new Department of Salt Affairs:

1. The planning and improvement of salt affairs.
2. The approval of the granting of permission for the manufacture of salt and the regulation of salt production.
3. The approval of the construction of and control over salt depots and storehouses, and other works of construction required in the administration of salt affairs.
4. The examination of the work done in connection with testing and improving the quality of salt.
5. The examination of the work done in connection with the production, storage and release of salt, and its wholesale price at the saltworks.
6. The examination of the duty rate on salt and the rules and regulations governing the administration of salf affairs; and the interpretation of such rules and regulations.
7. The examination of and deliberation over the passes, permits and other certificates used in connection with salt, saltpeter and sulphur.
8. The examination of and deliberation over questions regarding the exemption of salt and its by-products from duty payments, or any reduction in the rate thereof.
9. The examination and inspection of the salt revenue receipts and disposals.
10. The examination of and deliberation over the system of organization of the Revenue Guards.
11. The formulation of plans for the reclamation of saline land and for the surveying of salt producing areas.

12. The research work to be made on the subject of improving the method of production and marketing of saltpeter and sulphur; and the framing of regulations governing the taxation and imposition of fees on such products.
13. The supervision over the appointment, dismissal, transfer and training of the employees of the Salt Administration, and also over the examination of their service records.
14. All other matters related to the administration of salt affairs.

The organization of the Directorate-General of Salt Administration, formerly the Salt Inspectorate, was provided for in a separate organic law, which was specially enacted to be applicable to this administrative unit. It was promulgated and became effective as from July 14, 1936. The provisions of this organic law are reproduced in full in the section on Salt Revenue Administration.[1]

Bureau of Accounts.—The reorganization of the Department of Accounts followed the lines indicated by the new government statutes governing budgets, accounts, and statistics. In this connection it may be noted that as early as 1930, when the Kemmerer Commission concluded its stay in China and submitted to the Chinese Government a series of reports and recommendations pertaining to Chinese finance, one of which dealt with financial planning, budget preparation and enforcement, accounting and fiscal control, the government had already conceived the idea of instituting a new administrative unit to take charge of these important functions. Plans had been under way for the institution of a new office, to be known as the Directorate-General of Budgets, Accounts and Statistics. On April 1, 1931, the organic law of this new directorate became effective and soon afterwards this office came into existence.

The most salient provision in the organic law of this new directorate was one which vested it with the power to station chief accountants and statisticians in the different ministries and departments of the government, partly as liaison officers between the newly formed directorate and the respective departments of the government but generally to take care of matters concerning accounts, budgets and statistics in these respective ministries and departments. In conformity with this provision, the directorate, soon after its creation, proceeded to install accountants and statisticians one after another in the different branches of the government. In May, 1937, came the turn of the Ministry of Finance, when the whole of the staff of the former Department of Accounts of the ministry were taken over by the directorate to be installed again in the ministry. though this time as appointees of the directorate. This step completed the first phase of an important piece of work in installing liaison officers of the directorate in the different branches of the Central Government. The next stage apparently will be to push this work in the provincial governments.

This new system of accounting and fiscal control is generally known in Chinese academic circles as the "independent system of financial control," or to use a literal translation, the "isolatory system of financial control." As conceived by its originators, it is to embody three important branches of work of the government, namely, accounts, budgets and statistics, and the organization entrusted with these branches of work, that is, the Directorate-General of Budgets, Accounts and Statistics, is to be an independent unit directly subordinate to the National Government, but isolated from and above the jurisdiction of the five yuans. To enable this system to operate smoothly, a series of laws was later enacted by the government, one for budgets, accounts and statistics respectively. Of the first one more will be said later.[2]

As to the duties of the new Bureau of Accounts instituted in the Finance Ministry, Article 14 of the organic law of the ministry prescribes the following:

1. The general accounting of the receipts of the Central Government.
2. The framing of rules and regulations governing the accounting system of the ministry and its subordinate offices.

[1] *Infra*, pp. 413–414.
[2] *Infra*, pp. 366–367.

3. The planning and compilation of the budgets and annual reports of the ministry.
4. The assembling, examination and revision of the budgets and annual reports of the subordinate offices of the ministry.
5. The determination of the administrative budgets of the ministry and its subordinate offices.
6. The examination and recording of the current expense funds of the ministry and its subordinate offices.
7. The examination to be made in connection with the requisition for funds, the taking of delivery of funds, the transfer of funds, and the remittance of funds, by the ministry and its subordinate offices.
8. The examination of the monthly reports of receipts and expenditures of the ministry and its subordinate offices.
9. The examination and registration of the accounts of the ministry and its subordinate offices; and the compilation of reports in connection with such accounts.
10. The examination of accounts in connection with the handing over of the administration of subordinate offices of the ministry.
11. The appointment, dismissal, transfer and training of the accountants of the ministry and its subordinate offices, and the examination of their service records.
12. The compilation of statistics of the ministry and its subordinate offices, For this purpose a special office shall be established in the Accounts Bureau.

Civil Service System.—No description of the financial administrative system of the country could be complete without making mention of the two important branches of civil service attached to the Finance Ministry. These are the customs civil service under the Inspectorate-General of Customs, and the salt civil service formerly under the Salt Inspectorate but now incorporated in the new Directorate-General of Salt Administration. In both of these services, particularly in the former, incumbents of offices are generally admitted on merits of examination. They enjoy regularity of promotion, receive on the average a salary from 100% to 200% higher than their fellow employees of the same or superor rank in other branches of the ministry, and upon retirement after a stated term of office become recipients of allowances or pensions sufficient to give them a comfortable living for the rest of their lives. In the case of the customs service in particular, a special school, known as the Customs College, trains candidates for posts in the customs service. Past records have shown that as a body graduates of the Customs College, though more or less stereotyped by virtue of their special training, have shown high efficiency in their line of work and are undoubtedly going to be future administrators of the service.

The operation of these two special civil service systems naturally calls for larger outlay than that required for other branches of the government, and this proves to be an effective deterrent to the introduction of such systems elsewhere. It has been stoutly maintained, however, that the results of these service systems have justified their existence, since the customs and salt revenues constitute now respectively the first and second pillars of Chinese government finance, and that, considering the large revenue returns from these sources, the operating expense ratio is relatively low. It is difficult of course wholly to believe that the relative success of these two administrations is attributable entirely to the existence therein of a civil service system, because there are other elements to consider, chief among which is the natural and inherent productivity of these two branches of revenue, while other branches of revenue, such as, for instance, those coming under the Internal Revenue Administration, are just as prosperous and successful without the blessings of a civil service system. However, the merits of such a system have long been recognized by prominent financial administrators. In an early financial report of the government, that for the 17th fiscal year (July, 1928–June, 1929), mention was made of the efficiency of the customs and salt services, and even at that time it was indicated that a similar line of work would be pushed to other departments of the government. Unfortunately, for obvious financial reasons, this phase of work has not progressed to any appreciable extent since then.

II. RECEIPTS AND EXPENDITURES

Reports of Ministry of Finance.—Beginning with the 17th fiscal year, that is, July 1, 1928 to June 30, 1929, the Ministry of Finance has followed

the custom of making public annually, sometimes bi-annually, its reports to the Central Political Council bearing on the receipts and expenditures of the government during the particular period concerned, reviewing the general financial and economic conditions of the country and setting forth the financial program of the administration. No such reports had been available during the Peking regime.

The first of these reports that for the 17th fiscal year ending June, 1929 was made public by Dr. T. V. Soong on March 1, 1930. The second report, that for the 18th fiscal year, followed in regular order and appeared on March 1, 1931. After that there came the hostilities with Japan in the Shanghai area, and with the removal of the seat of the government to Loyang and the consequent dislocation in governmental machinery, the next financial report did not appear until December 15, 1932, when a combined report was issued covering the 19th–20th fiscal years, ending June 30, 1931, and June 30, 1932, respectively. The change of administration in the autumn of 1933, when Dr. T. V. Soong was succeeded by Dr. H. H. Kung as finance minister, again delayed the publication of the report, which appeared in February, 1935 and was a combined report for the 21st and 22nd fiscal years. The last and latest report was that for the 23rd fiscal year ending June, 1935, appearing in October, 1936.

The texts of all these reports were reproduced in full in the 1935–1936 and 1936–1937 issues of this year book. For more details about them, reference must be made to these editions. The following pages will only present a composite picture of the receipts and payments made during the period covered by these several reports, together with an evaluation of the more salient features indicated by them.

Nature of Financial Statements.—Each of the reports contains a statement of accounts for the particular period concerned. This statement gives the public a comprehensive view of the state of finances during the period under review and constitutes the outstanding feature of all of these reports. For the convenience of readers the receipts and payments of these several years are herewith arranged in tabular form under Table 1 (pp. 360, 361).

As regards the use of these figures for comparative purposes, attention must first be drawn to the different set of conditions covered by each of these statements. Politically speaking, the period under review saw China emerging from a partly unified country in the 17th fiscal year when, to quote from an early report,[1] "for the purpose of national finance, Szechwan, Yunnan, Kweichow, Shansi, Jehol, Suiyuan, Chahar, Shensi, Kansu, Sinkiang and the Three Eastern Provinces were, with the exception of the customs revenue, outside of the actual control of the Ministry of Finance," to a strongly unified nation at the end of the 23rd fiscal year when practically all of the national revenues of the outlying districts, though unfortunately still with minor exceptions, were within the jurisdiction of the Ministry. During this period the world passed through one of the worst economic crises, if not actually indeed the worst in its history. China proved no exception but, on the contrary, was hindered by many troublous problems of her own.

From the standpoint of accounting technique, although all of these statements emanated from the Department of Accounts, there have been various changes in classification as well as in other matters, due, unavoidably, to changing requirements.

The following quotations from the several reports explain in greater detail the nature of these statements. Thus, 17th fiscal year report[2] states:

> "In presenting the statement of accounts for the year, the Ministry of Finance is thus not recording the national receipts and expenditures of the entire country, nor does it give a summary for only those areas of the country where financial control was effective during the entire year; rather is it offering a composite picture embracing

[1] Annual Report for 17th Fiscal Year July, 1928, to June, 1929, Ministry of Finance, p. 1.
[2] *Ibid.*

the various areas where national financial control became effective at one time or another during the year. The figures given therefore are of necessity incomplete; they contain the entire receipts and expenditures of the Central Government itself; they include, wherever possible, the receipts and expenditures, incomplete as they are, of more or less regional and independent authorities which came under the authority of the Central Government during the fiscal year; they omit the accounts of the areas where the Ministry of Finance did not administer the national receipts and expenditures."

The 18th fiscal year reports[1] says:

"The figures contained in the statement of the past fiscal year show the receipts and payments of the Ministry of Finance as recorded by the Department of Accounts. They include so far as possible the receipts and payments on account of more or less regional and independent authorities which came under the authority of the National Government during a part of the fiscal year, and are based upon fuller information than are available for the report of last year."

From an accounting standpoint, these statements were all prepared on a so-called "cash report" basis instead of on an "accrued" basis, since, to quote from some of these later reports,[2] "these figures include certain revenues collected and payments made prior to July 1 of each fiscal year, reports of which were not received until after that date, and correspondingly exclude revenues collected and payments made prior to June 30 of each year, reports of which were not received until later." By using this method, it becomes easier to compile reports at the close of a period, but because it does not require a strict differentiation between the accounts of the different years, a comparison of these figures with the budgetary estimates cannot be made.

It may also be mentioned that, following this precedent set by the Ministry of Finance, the Directorate-General of Budgets, Accounts and Statistics has also released several annual statements on government receipts and expenditures. As the other statements generally appeared earlier and emanated directly from the Ministry of Finance, reference will be made to them here.

Increasing Volume of Revenues.—Turning first to government receipts, the outstanding feature of the past years has been the growing volume of receipts as recorded in the financial statements. A considerable proportion of these receipts represent actual increases in government revenues. The following tabulation of the total receipts and revenues will show this very clearly:

Fiscal Year Ending June	*Total Receipts*	*Total Revenues*
1929	$432,623,796	$332,479,551
1930	584,643.246	483,700,535
1931	777,640,539	560,926,199
1932	762,659,375	632,644,906
1933	726,458,874	613,841,331
1934	896,541,068	689,488,337
1935	1,030,706,965	744,922,042

More will be said in the following sections concerning the different revenue collections. Suffice it to say in this connection that not only has the productivity of these tax revenues been considerably increased, but the number and varieties of taxes have also been greatly reduced, and the tax system greatly simplified. Unfortunately, the fact still remains that nearly all of the taxes shown in these statements belong to the category of indirect taxation, a situation which the government is evidently attempting seriously to remedy.[3]

Receipts from Loans.—Receipts from loans make up a large portion of the total receipts of the government. As this circumstance is related to the subject of deficits, it will not be treated separately but will be touched upon in the later paragraphs on deficits.

Growing Expenditures.—The steady growth of the total amounts of government expenditure from year to year indicates steadily growing government needs, and the ability of the government to meet these expenditures with-

[1] Annual Report for the 18th Fiscal Year July, 1929, to June, 1930, Ministry of Finance, p. 1.
[2] See, for instance, report for 21st and 22nd fiscal years, p. 3.
[3] *Infra.* pp. 374, 449.

TABLE 1. RECEIPTS AND PAYMENTS

		17th Fiscal Year July 1928–June 1929	*18th Fiscal Year July 1929–June 1930*
RECEIPTS	Total Receipts	$432,623,795.95	$584,643,245.53
	Revenue	332,479,550.85	483,700,534.85
	Customs Revenue	179,141,917.18	275,545,215.61
	Salt Revenue	29,542,421.46	122,146,170.67
	Consolidated Taxes	2,037,921.71	40,490,767.10
	Rolled Tobacco Tax	—	(36,566,506.41)
	Cotton Yarn Tax	—	—
	Flour Tax	(2,037,921.71)	(3,924,260.69)
	Match Tax	—	—
	Cement Tax	—	—
	Flue Cured Tobacco Tax	—	—
	Rolled Tobacco and Kerosene Tax	27,691,337.60	—
	Tobacco and Wine Tax	3,549,380.41	6,830,995.48
	Stamp Tax	3,034,342.96	5,426,844.40
	Parcel Post Tax	923,073.53	—
	Mining Tax	90,182.19	—
	Stock Exchange Tax	—	—
	Tax on Bank Notes Issue	—	—
	Revenue Collected by Provincial Government and Special Finance Commissioners	14,543,819.23	11,384,782.07
	Dividends on Government owned Bank Stocks	—	566,598.35
	Government Property Receipts	—	—
	Government Enterprise Receipts	—	—
	Railways	—	—
	Other Receipts	—	—
	Government Administrative Receipts	—	—
	Profit on Government Business Enterprises	—	—
	Miscellaneous	71,925,154.58	21,309,161.17
	Proceeds from Borrowing	100,144,245.10	100,942,710.42
	Domestic Bonds and Treasury Notes	68,554,600.99	90,510,656.13
	Bank Loans (Amount Indebted)	28,077,995.45	5,107,832.15
	Total Amouut Borrowed	—	(111,695,663.70)
	Less: Amount Liquidated	—	(-106,587,831.55)
	Bank Overdrafts	3,511,648.66	5,324,222.14
	Amount at end of period	—	(8,965,665.81)
	Plus: Cash Balance at begnining of period	—	—
	Less: Amount liquidated for last fiscal year	—	(-3,641,443.67)
	Cotton-wheat Loan	—	—
	Cash Balance at beginning of year	—	—
	Depositories	—	—
	Inspector-general of Customs and Subordinate Ports	—	—
	Chief Inspectorate of Salt Revenue and Subordinate Districts	—	—
PAYMENTS	*Total Payments*	$432,623,795.95	$584,643,245.53
	Party Expenses	4,040,000.00	4,617,000.00
	Civil Expenses	32,296,949.71	44,764,732.76
	Military Expenses	209,536,969.49	245,445,112.98
	Subsidies and Transfers to Local Governments	—	42,270,943.06
	Trasfers to Special Fund Acc't from the Salt Revenue Inspectorate	—	—
	Loans Services, Net Amount	121,318,007.57	158,995,288.54
	Indemnity, Net Amount	38,663,189.79	41,252,970.16
	Government Subscription of Bank Capital	20,000,000.00*	—
	Revenue Collection Expenses	—	45,637,326.02
	Refunds of Revenue	—	—
	NetPayments added to Reserve and Suspense items	6,768,679.39	1,659,872.01
	Cash Balance at the end of year	—	—

NOTE: For purposes of comparison, several minor changes in the items of this table have
*Central Bank. †Central Bank, Bank of China, and Bank of Communication.

(FISCAL YEARS 17TH-23RD INCLUSIVE)

19th Fiscal Year July 1930–June 1931	*20th Fiscal Year July 1931–June 1932*	*21st Fiscal Year July 1932–June 1933*	*22nd Fiscal Year July 1933–June 1934*	*23rd Fiscal Year July 1934–June 1935*
$777,640,539.47	$762,659,375.25	$726,458,873.59	$896,541,068.17	$1,030,706,964.58
560,926,198.66	632,644,905.56	613,841,331.37	689,488,337.15	744,922,042.20
312,986,653.50	369,742,637.30	325,534,850.63	352,398,559.32	353,175,774.95
150,484,086.72	144,222,716.24	158,073,565.54	177,375,273.57	167,437,077.40
53,330,705.46	88,681,798.38	79,596,909.40	104,977,964.74	104,566,384.64
(45,959,850.74)	(62,076,153.76)	(53,680,781.62)	(70,910,039.50)	(68,133,649.61)
(2,320,970.14)	(17,072,786.38)	(15,415,838.98)	(17,986,016.23)	(15,633,721.43)
(4,084,507.13)	(5,606,122.46)	(5,529,135.46)	(5,784,598.82)	(4,786,867.71)
(699,693.61)	(3,348,655.34)	(4,069,275.94)	(4,884,564.69)	(8,948,167.92)
(265,683.84)	(578,080.44)	(901,967.40)	(1,853,823.23)	(3,086,313.48)
—	—	—	(3,558,072.27)	(3,977,664.46
—	—	—	—	—
8,617,127.48	7,625,785.51	9,506,988.69	13,073,584.79	11,484,844.06
6,111,114.80	4,798,950.84	0,118,580.50	8,378,911.82	6,914,406.46
—	—	—	—	—
—	—	—	1,619,958.93	4,232,259.30
—	—	—	25,200.00	139,763.71
—	—	3,085,562.43	1,526,940.79	1,613,539.06
3,547,906.62	174,571.00	5,174,632.71	252,888.87	—
1,160,000.00	1,610,600.00	2,410,000.00	—	—
—	—	—	2,541,291.80	2,270,595.96
—	516,953.45	20,249,995.08	17,738,435.50	60,503,154.53
—	(516,953.45)	(20,249,995.08)	(16,781,162.17)	—
—	—	—	(957,273.33)	—
—	—	—	3,186,972.25	10,627,049.06
—	—	—	2,452,446.79	1,281,060.00
24,688,604.08	15,270,892.84	5,090,156.39	3,939,907.98	20,676,133.07
216,714,340.81	130,014,469.69	112,617,542.22	179,959,332.16	226,195,589.69
192,816,436.88	125,455,691.39	26,195,594.31	80,220,444.62	164,390,292.27
32,863,569.74	3,126,484.86	87,763,599.95	91,438,887.54	83,005,297.42
(185,458,199.27)	(108,111,322.52)	(225,820,036.56)	(395,099,185.51)	(228,442,804.82)
(-152,594,629.53)	(-104,984,887.66)	(-138,056,436.61)	(-303,606,297.97)	(-145,437,597.40)
-8,965,665.81	1,432,343.44	-1,341,652,04	—	55,400,000.00
—	(1,341,652.04)	—	—	—
—	(90,691.40)	—	—	—
(-8,965,665.81)	—	(-1,341,652.04)	—	(-102,000,000.00)
—	—	—	8,300,000.00	25,400,000.00
—	—	—	27,093,398.86	59,589,332.69
—	—	—	(1,505,689.95)	(19,307,154.80)
—	—	—	(21,997,659.40)	(33,880,544.44)
—	—	—	(3,590,049.51)	(6,401,633.45)
$777,640,539.47	$762,659,375.25	$726,458,873.59	$896,541,068.17	$1,030,706,964.58
5,070,800.00	3,922,894.75	4,756,172.31	5,589,584.93	6,420,863.57
40,377,401.31	33,052,681.57	47,117,711.34	66,892,162.78	106,826,983.75
311,646,128.02	303,777,062.78	320,672,116.88	372,895,202.52	387,855,936.22
67,103,880.96	71,148,314.95	68,108,115.64	55,005,061.59	55,488,072.42
—	787,517.03	574,459.06	942,222.58	—
241,027,679.99	238,754,171.73	169,541,348.64	202,601,983,65	205,779,748.63
48,500,899.32	31,089,750.07	40,507,533.19	41,676,254.99	31,718,606.94
—	—	—	—	73,500,000.00†
60,034,440.55	65,988,777.97	54,512,248.66	67,048,909.51	68,553,342.77
3,137,954.77	13,679,733.13	21,869.02	780,470.50	—
650,663.15	458,471.27	-6,446,100.01	23,519,882.43	4,784,901.81
90,691.40	—	27,093,398.86	59,589,332.69	89,778,508.47

been made; consequently some of the items do not correspond to those in the original statements.

out failure, though of necessity it has occasioned continuous borrowing, shows that the government has increasing resources at its disposal.

Military expenses and loan payments constitute the two major items of government expenditure. The two of them taken together occupy from 66 to 77 per cent of the total net payments of the government. While military expenses have increased both absolutely and relatively, due to increasing needs for national defense, during recent years payments for loans and indemnity services have been cut down to a certain extent, partly as a result of the avowed policy of the government during certain years to refrain from further borrowing, and partly due to the loan consolidation scheme of February 1, 1936, which made possible the reduction of debt charges as compared with former schedules by from $85,000,000 to $100,000,000 yearly for the first few years. The financial report for the 23rd fiscal year[1] gives the following tabulation of military and debt payments (in millions of dollars) for the past few fiscal years:

Year Ending June 30	*Net Total Payments**	*Military Expenditures*		*Loan and Indemnity Service*	
		Amount†	*% of Net Total Payments*	*Amount*	*% of Net Total Payments*
1931	$774	$312	40.2	$290	37.5
1932	749	304	40.6	270	36.1
1933	699	321	45.9	210	30.0
1934	836	373	44.6	244	29.2
1935	941	388	41.2	237	25.2

* Excluding cash balances at end of year. The figures shown in this table differ from those given in published reports of the Ministry of Finance in that the Department of Accounts has now adopted the practice heretofore followed by the Directorate-General of Budget, Accounts and Statistics in showing cost of revenue collection under payments to the Ministry of Finance instead of as a deduction from revenue. Hence the figures for 1931–1934 have been revised on this basis.

†Including payments made in prior years amounting to $49,000,000 in 1931–1932; $59,000,000 in 1932–1933; $46,000,000 in 1933–1934; and $58,000,000 in 1934–1935.

Civil Expenses.—Apart from military and debt payments, the rest of government expenditures may be conveniently lumped together under the heading of party and civil expenses. Thus classified, this category of government expenditures has shown marked increases from year to year. This development is a particularly healthy one, as heretofore nearly all of the revenues of the government were devoted to military and loan payments, leaving little for other branches of expenditure. The growth of civil expenditure, indicating a return to more normal conditions, has largely been made possible through increases in government revenue collections and reduction of debt payments as mentioned above. The total amounts of civil expenditures and their percentage of net total payments for the several fiscal years were as follows:

Year Ending June 30	*Net Total Payments*	*Civil Expenses*	*% of Net Total Payments*
1931	$774	$123	15.9
1932	749	136	18.2
1933	699	133	19.0
1934	836	167	20.0
1935	941	231	24.5

Included in the above category of civil expenditures were large sums spent for educational and reconstruction purposes, including road building, railway construction, water conservancy, public health, rural rehabilitation, industrial promotion and general

[1]p. 17.

economic development. The amounts allotted for reconstruction purposes, in particular, have shown a marked increase each year. As it is known that the government is embarking seriously upon an extensive economic development program, the probability is that in future years even larger sums will be spent in this direction. More detailed figures of educational expenses of the Central Government, apart from those spent directly by local authorities and not separately shown in the financial statements, are as follows:

Year Ending June 30	*1933*	*1934*	*1935*
1. National Colleges and Universities	$10,535,526	$13,321,169	$15,330,581
2. Administrative Expenses of Cultural Institutions	3,697,361	3,268,196	3,330,210
3. Subsidies to Local Educational Funds	4,274,485	5,493,690	8,473,800
4. Subsidies to Private Colleges, Universities and Cultural Institutions	2,613,085	3,262,197	3,448,102
Total	$21,120,457	$25,345,252	$30,582,293

A second outstanding item of civil expenditures is found in the annual grants and subsidies to local authorities, indicating the increasing hold of the Central Government on local authorities and their finances. These grants were made largely for the purposes of assisting the local authorities in educational development, economic rehabilitation, and abolition of so-called exorbitant taxes. A portion of such grants was made from collections of salt revenue and of other national taxes in the provinces concerned—which taxes had been formerly retained by these provincial governments but now nominally returned to the Central Treasury though still earmarked for local uses; a considerable portion, however, represented direct payments from the Government Treasury. The amounts of these subsidies for the several years were as follows:[1]

Year Ending June 30	*Transfer from Salt Collections*	*Payments from Treasury*	*Total*
1931	$47,525,170	$19,232,193	$66,757,363
1932	47,794,626	22,983,974	70,778,600
1933	37,254,869	29,230,321	66,485,190
1934	23,003,729	26,038,122	49,041,851
1935	30,646,667	24,841,405*	55,488,072

* Including certain payments made to organizations other than local governments, detailed analysis of which is not available.

Revenue Collection Expenses.—The cost of collection presents an interesting problem. Looking at Chinese finance from this angle, it seems to be the consensus of opinion that the cost of collection in China has been unduly high, with much waste, leakage, and indeed corruption attendant in Chinese collection channels. To what extent this situation still holds true it is, of course, difficult to determine. It is possible that with respect to certain

[1] These figures differ slightly from those shown in Table 1, *Supra.* p. 360, as subsidies to organizations other than governmental bodies have been excluded herein.

local revenues in connection with which the methods of collection remain clumsy, cumbersome and indeed wasteful, the cost of collection is still unduly high. With respect to national revenues more intense centralization and stricter control over collecting offices have undoubtedly been instrumental in eliminating such evils and keeping down the relative cost of collection.

In this connection, it seems only fair to note that in revenue collection, as in running a business establishment, there are of necessity certain definite overhead expenses which must be borne. Larger revenue returns, though to a certain extent bringing up the cost of collection in absolute amounts, generally reduce it when expressed in terms of percentages. Consequently the relative cost of collection in China cannot be put on an equitable comparative basis with that in foreign countries where the amount of yield from revenues is much larger.

The following is a comparison of the amounts of financial expenses and their relation to total revenue collections for the respective fiscal years:

Year Ending June 30	*Revenue Collections*	*Financial Expenses*	*Percentage*
1931	$557,788,000	$65,656,000	11.8
1932	618,965,000	69,064,000	11.1
1933	613,819,000	61,258,000	10.0
1934	688,708,000	71,966,000	10.5
1935	744,922,000	68,553,000	9.2
1936	—	—	8.5*

* Preliminary.

The Deficit.—Except for a brief interval of several months' duration, when, by sheer force of will and drastically limiting expenditure to the minimum needed to maintain bare existence, the budget was balanced without resort to borrowing, China has shouldered yearly a deficit in her budget amounting to one or two hundred million dollars. In this respect she is no exception in the family of nations, since most other countries also generally wind up their financial operations in the red. In China's case, the phenomenon has been a fairly continuous one as the deficit has remained unabated since the 17th fiscal year. The need for remedying this situation has long been seen by responsible authorities and present indications seem to show that every effort is being made to reach a budget equilibrium of some kind.[1]

The causes which have brought about a persistent annual deficit were enumerated in the last official report of the Finance Minister[2] as follows:

> "Disturbed economic conditions and currency fluctuations, together with uncertainties in the external situation have seriously curtailed foreign trade, with consequent impairment of Customs revenue. No part of the Customs and Salt revenue collected in the four Northeastern Provinces has been made available for service of the nation's obligations. Finally, an aggravated smuggling situation has developed in North China, commencing in the fall of 1935.
>
> "The strain on the budget has been increased by heavy expenditures due to emergency requirements for national relief and rehabilitation; for aids to banks and industrial enterprises and to provincial and local authorities; and for putting down communist-bandit activities. Notwithstanding the financial distress, however, the Government has felt it essential to increase materially the expenditure for education and reconstruction, both directly and by aid to provincial authorities for rural rehabilitation. The National Economic Council continues to receive financial support for its manifold useful work of reconstruction, and has been placed in charge of water conservancy activities.

[1] See later section on National Budget for year ending June, 1938.
[2] Report for the 23rd fiscal year, pp. 1–2.

"The government has been aiding in the reorganization of provincial finance, most notably in Szechwan . . . ."

On top of the above factors, a growing military budget made necessary by sheer needs of national defense, a continuous outlay each year of large sums of money for loan payments, and increasing civil expenditures coincident with an expanding governmental machine, have been largely responsible for the strain on the budget.

On the other hand, it is only fair to say that the effects of these annual deficits need not necessarily be disconcerting. Payments for educational reconstructions purposes as well as those for emergency relief, though all contributing to the deficit, are decidedly beneficial in results. A well-prepared military machine, necessitating huge expense as it does, has its own merits, since the economic well-being of a people, not to mention their sovereignty, hinges on their country's borders being well protected. The governments policy of unfailingly meeting all obligations falling due and, in addition, of judiciously making equitable adjustments of indebtedness in arrears should prove instrumental in augmenting China's credit. To quote the Finance Minister's own words, "the attainment of budget equilibrium, though much to be desired, is not an adequate objective in itself. Under conditions existing in China should government finance must go a step further: it must provide for concrete measures to develop the economic resources of the country and to improve the livelihood of the people."[1]

With the foregoing considerations, in mind, the following calculations of the annual budget deficits are illuminating:

Year Ending June 30	*Net Total Payments** (*000,000 omitted*)	*Net Total Revenue†* (*000,000 omitted*)	*Deficit*	*% Deficit to Payments*
1931	774	557	217	28.0
1932	749	619	130	17.4
1933	699	613	86	12.2
1934	836	689	147	17.6
1935	941	745	196†	20.8

* Excluding cash balances at end of year.
† Excluding net proceeds from borrowings.
‡ The gross deficit of the fiscal year was $196 million which included $73.5 million of capital items. The net operating deficit was thus about $122.5 million.

Preliminary Report for 24th Fiscal Year, 1935–1936.—Up to the present time, due in part to Minister Kung's absence in Europe as China's special ambassador and chief delegate to the British coronation ceremonies, the final report for the 24th fiscal year has not yet been released to the public. However, a preliminary report was rendered by him to the second plenary session of the Fifth Central Executive Committee under date of July 10, 1936, a summary of which was released on July 17, 1936.[2] A good deal of this preliminary report covers ground already dealt with in the ministry's financial report for the 23rd fiscal year. A summary of this preliminary report appears in the 1936–1937 edition of this Year Book.[3]

III. NATIONAL BUDGET

Early Budget Regulations.—Upon the establishment of the National Government in Nanking, as the requisite statutes were still lacking, a decree was issued proclaiming that all such laws, rules and regulations of the Peking regime as were otherwise contrary to the then existing political structure of the nation or to its pre-

[1] Report for the 23rd fiscal year, p. 20.
[2] Through the Central News Agency, Nanking.
[3] *Chinese Year Book*, 1936–1937, pp. 579–580 inclusive.

vailing statutes, should continue to remain temporarily in force pending subsequent revisions and/or, new enactments. On the basis of this decree the Ministry of Finance, in planning and compiling the budgets for the first few years of the National Government, followed more or less the procedure prescribed in the many accounting and budget statutes and regulations bequeathed by the Peking Government. Recourse was had in particular to the Accounting and Budget Law of the 3rd Year of the Republic. Later, however, to facilitate the preparation of the budget for the 19th fiscal year, the Ministry of Finance formulated a set of budget regulations, known as the Regulations Governing the Trial Budget for the 19th Fiscal Year ending June 30, 1931. These were accompanied by a set of rules prescribing standards for the demarcation of national and local revenues and expenditures.

When the Directorate-General of Budget, Accounts and Statistics came into existence in April, 1931, it at once assumed charge of the duties of compilation of the national budget. Nevertheless, in compiling the budget for the 20th fiscal year (ending June 30, 1932), the procedure prescribed in the Regulations Governing the Trial Budget for the 19th Fiscal Year, formerly formulated by the Ministry of Finance, was still adhered to, although some minor revisions were found necessary. By the close of 1931, however, the directorate had completed the work of drafting a new set of budget regulations, as well as a set of rules governing the demarcation of national and local revenues and expenditures. Both of these were submitted to and approved by the Central Political Council in October and promulgated by the National Government in November of the same year. Since then minor revisions have been made from time to time. In the main these revisions consisted of changes in budget routine or in the classification of items but had no bearing on the basic principles involved.

With these regulations in force, the making of the national budget for the fiscal years beginning with the 21st year, that is, from July, 1932 to June, 1933, and including the 26th year, that is, July, 1937, to June, 1938, has followed strictly the provisions prescribed therein, and has proceeded in a fairly smooth manner. As the important features of these budget regulations and of the rules governing the demarcation of national and local revenues and expenditures have been described in the earlier issues of this Year Book, they will not be duplicated here.

New Budget Law.—Following the promulgation of the budget regulations mentioned above, the Legislative Yuan proceeded to formulate a new budget law, much more comprehensive in scope and designed to replace the regulations at a later date. After prolonged discussion, the Legislative Yuan passed the text of the new law at its 197th meeting in August, 1932, and the measure was promulgated by the government in September of the same year. No date was set, for its coming into operation, however its promulgation at this early date being intended primarily to invite criticism and academic discussion, which appears to have been a matter of routine with the Legislative Yuan concerning the more important statutes. Subsequently, when the necessary groundwork had been thoroughly prepared, a new text of the Budget Law was drafted. This was promulgated by the National Government on April 27, 1937. A second mandate issued on the same day decreed that this revised Budget Law should come into operation on January 1, 1938.

In many respects the revised Budget Law corresponds substantially to that promulgated earlier. It contains eight chapters with a number of appendices. The headings of the respective chapters are: (1) general principles and definitions; (2) planning and initial vise of Central Government estimates; (3) preparation of the Central Government draft budget; (4) examination and approval of the Central Government draft budget; (5) execution of the Central Government legal budget when promulgated; (6) Central Gov-

ernment supplementary and emergency budgets; (7) local government budgets; (8) by-laws.

According to this new Budget Law, the Directorate-General of Budgets, Accounts and Statistics is placed in charge of budget making activities. This organization is to have ready before October 10[1] of each fiscal year the general draft budget of the Central Government for the ensuing fiscal year, which draft budget, together with the "budget message" (i.e. general explanatory introduction to the budget) and related documents and explanatory statistical tables, it is to be sent on or before that date, through the Executive Yuan, to the Legislative Yuan for examination and determination.

The entire budget bill for the ensuing year, after due examination and determination by the Legislative Yuan, is to be promulgated by the Central Government before December 1 of each year. Those parts of the budget which must be kept confidential may be withheld from promulgation at the discretion of the Government (Art. 45). In case one or more than one sub-votes in a budget bill, when examined, cannot be passed, thus rendering it impossible for the entire budget to be decided upon within the set time limit, a provisional budget (i.e. "vote of credit") shall be submitted to the National Government by the Legislative Yuan before December 5 of the same year (Art. 46). Forthwith, the Executive Yuan shall make due revisions of such portions as have not been passed, which it shall forward, within one month after the promulgation of the provisional budget, to the Legislative Yuan for further examination and determination and to complete the procedure of making the entire legal budget (Art. 47).

New Law Governing Demarcation and Allocation of National and Local Finances.—In conjunction with the new Budget Law, the National Government promulgated as early as July 24, 1935, the text of a new law governing the demarcation and allocation of national and local finances. Just as the new Budget Law is to be substituted the existing budget regulations, this new law will replace the present rules prescribing the standards for demarcation of national and local revenues and expenditures. A subsequent government mandate decreed that this new law should come into force as from January 1, 1938,[2] simultaneously with the operation of the new Budget Law.

This new law provided standards for the demarcation, allocation and correlation of the finances of the different grades of the government, namely, those of the Central Government, provincial governments, municipalities and hsien governments. It prescribes the sources of income of these governments as well as the expenditures to be borne by them. According to this law, the major classifications of revenues and expenditures of the different grades of government are as follows:

1. *National Revenues:*
   - (*a*) Tax Receipts.
   - (*b*) Fiscal Monopolies.
   - (*c*) Special Assessments.
   - (*d*) Punitive Receipts.
   - (*e*) Confiscated Commodities and Immovable Property.
   - (*f*) Fees.
   - (*g*) Receipts from Administration of Trusts.
   - (*h*) Receipts from Collections on Others' Accounts.
   - (*i*) Sales Prices.
   - (*j*) Rentals, Royalties and Franchises.
   - (*k*) Interest Yields.
   - (*l*) Profits from State Enterprises.
   - (*m*) Receipts from Local Government Contributions.
   - (*n*) Gifts.
   - (*o*) Receipts from Selling Rights and Permanent Property (other than those indicated in item 9).
   - (*p*) Receipts from Cancelling or Reducing Invested Capital.
   - (*q*) Receipts from Bond Issues.
   - (*r*) Receipts from Loans other than Bond Issues.
   - (*s*) Other Receipts.

2. *National Expenditures:*
   - (*a*) Party Expenses, or Expenses of National Assembly and Peoples' Representatives.

[1] See later paragraphs on change of fiscal year, *Infra*, p. 369.
[2] *Ibid.*

(b) National Government Expenses.
(c) Executive Expenses.
(d) Legislative Expenses.
(e) Expenses for Judicial Administration.
(f) Expenses for Administration of Examination Affairs.
(g) Control Yuan Administration Expenses.
(h) Expenses for Education and Culture.
(i) Expenses for Economic Construction.
(j) Expenses for Public Health Administration.
(k) Relief Expenses.
(l) Capital Investments.
(m) National Defense Expenses.
(n) Diplomatic Expenses.
(o) Expenses for Overseas Affairs.
(p) Reclamation and Interior Settlement Expenses.
(q) Expenses of Financial Administration.
(r) Debt Charges.
(s) Pensions and Retirement Funds.
(t) Losses (from exchange or otherwise).
(u) Expenses on account of Administration of Trusts.
(v) Subsidies to Local Governments.
(w) Other Expenses.

3. *Local Revenues:*[1]
(a) Tax Receipts.
(b) Special Assessments.
(c) Punitive Receipts.
(d) Fees.
(e) Receipts from Administration of Trusts.
(f) Receipts from Collection on Others' Account.
(g) Sales Prices.
(h) Rentals, Royalties and Franchises.
(i) Interest Yields.
(j) Profits from Local Government Business Enterprises.
(k) Grants, Subsidies and Contributions.
(l) Gifts.
(m) Receipts from Selling of Non-movable Property and Rights (other than those indicated in item 7).
(n) Receipts from Cancelling or Reducing Invested Capital.
(o) Receipts from Local Bond Issues.
(p) Other Loan Receipts.
(q) Other Receipts.

4. *Local Expenditures:*[2]
(a) Local Party Expenses or Expenses for Civilian Assembly and Representatives.
(b) Local Government Expenses.
(c) Legislative Expenses.
(d) Educational and Cultural Expenses.
(e) Economic Construction Expenses.
(f) Public Health Expenses.
(g) Relief Expenses.
(h) Capital Investments.
(i) Public Safety Expenses.
(j) Reclamation and Settlement Expenses.
(k) Financial Expenses.
(l) Debt Charges.
(m) Pensions and Retirement Allowance.
(n) Losses (from exchange or otherwise).
(o) Expenses for Administration of Trusts.
(p) Contribution and Subsidies.
(q) Other Expenses.

The sub-items which constitute "tax receipts" of the several grades of government are as follows:

1. *Tax Receipts (National):*
(a) Customs Duty:
(1) Import Duty.
(2) Export Duty.
(3) Tonnage Dues.
(b) Production Excise:
(1) Salt.
(2) Mining.
(3) Other Production Excises.
(c) Ex-Factory Excise:
(1) Rolled Tobacco.
(2) Matches.
(3) Cement.
(4) Cotton Yarn.
(5) Wheat Flour.
(6) Other Ex-factory Excises.
(d) Special Consumption Excise:
(1) Wine.
(2) Tobacco.
(3) Other Consumption Excises on Luxurious and Injurious Articles.
(e) Stamp Tax.
(f) Special Business Operation Taxes:
(1) On Dealings in Exchanges.
(2) Banknote Issue.
(3) Other Business Operation Taxes.
(g) Special Business Profit Taxes:
(1) Stock and Produce Exchanges.
(2) Bank and Banking Houses.
(3) Other Special Profit Taxes.
(h) Income Tax.
(i) Inheritance Tax.
(j) Contributed Portions of Business Taxes Collected by Special Municipalities.
(k) Contributed Portions of Land Taxes Collected by Municipalities and Hsiens.

2. *Tax Receipts (provincial governments):*
(a) Business Tax.
(b) Portion of Land Tax Collected by Municipal and Hsien Governments.
(c) Portion of House Property Tax Collected by Municipal and Hsien governments.
(d) Portion of Income Tax.
(e) Portion of Inheritance Tax.

3. *Tax Receipts (municipalities directly subordinate to Executive Yuan):*

[1] The list given here applies equally to all three grades of local government, i.e., provincial, municipal and hsien governments, which, however, administer their finances separately.
[2] With the exception of item (j) "Reclamation and Settlement Expenses," which is not a municipal or hsien expenditure, the other items of the list given here apply equally to all three grades of local governments, i.e., provincial, municipal and hsien governments, which administer their finances separately.

(a) Land Tax.
(b) House Property Tax.
(c) Business Tax.
(d) Business Licenses.
(e) Special Operation Licenses.
(f) Special Prohibitive Taxes.
(g) Portion of Income Tax.
(h) Portion of Inheritance Tax.

4. *Tax Receipts (hsien governments and municipalities subordinate to provincial governments):*
(a) Land Tax.
(b) House Property Tax.
(c) Business Licenses.
(d) Operation Licenses.
(e) Special Prohibitive Taxes.
(f) Portion of Income Tax.
(g) Portion of Inheritance Tax.
(h) Portion of Business Tax Collected by Provincial Governments.

Change of the Fiscal Year.—As seen from the statistical tables in the preceeding sections, the existing Chinese fiscal year runs from July 1 of each year to June 30 of the following year. This practice was handed down from the Peking Government, which had adopted a fiscal year on this basis as early as in the 3rd Year of the Republic, as a result of the provisions of the Accounting Law enacted that year, and following the examples of other countries, many of which had, and still have, fiscal years running differently from the regular calendar years, though not necessarily from July to June. Concerning this practice, it has been pointed out by various writers[1] that while other countries may possess perfectly good reasons for fixing the fiscal year differently from the calendar year, in the case of China there are no apparent advantages. Speaking generally, the recognition of a fiscal year alongside of a calendar year causes inconvenience, is contrary to the general conception of the populace, and renders difficult the comparison of economic and financial statistical data. As a matter of fact, even as early as the 4th Year of the Republic, the Ministry of Finance of the Peking Government had already petitioned the Central authorities to return to the calendar year basis, but this was voted down by the Legislative Assembly.

In 1936 this question of changing the fiscal year back to a calendar year basis once more received popular attention and was again brought up for the consideration of the Government. In November, 1936, the Central Political Council, acting on the recommendations of the Executive Yuan, voted in favor of such a change, and further ruled that the change should go into effect as from January 1, 1939. This decision was subsequently made known in an official mandate of the National Government under date of November 26, 1936.

This change accounts for the fixing in the new Budget Law of such dates as October 10, as the "deadline" date upon which the Directorate-General of Budget, Accounts and Statistics should have ready the General Draft Budget for the ensuing year, and of December 1, as the last date for the Government to promulgate the Budget Bill, whereas those dates were previously set for March 15 and June 15 respectively.

National Budgets, 1931–1937 Inclusive.—A separate analysis of the national budgets for the five fiscal years, beginning from July, 1931, to June, 1937 inclusive, together with a description of the salient points in connection with their preparation, has already appeared in the last two issues of this Year Book.[2] For the convenience of readers, the figures of the budget estimates for these several fiscal years are compiled together under Table 2 reproduced herewith. It should be noted, however, that the figures therein represent budget estimates at the beginning of the fiscal year, and do not include additional or emergency budgets adopted in the course of the year.

National Budget, 1937–1938.—The budgetary estimates for the 26th fiscal year, July 1, 1937, to June 30, 1938, were adopted at the 109th meeting of the Legislative Yuan, on June 25, 1937. On July 1, 1937, the opening day of the 26th fiscal year, these same

[1] See for instance article by Dr. T. S. Wei, of the Legislative Yuan, on "Changing the Fiscal Year" (in Chinese), No. 13, Vol. 32, *Eastern Miscellany Review*.
[2] *Vide* 1935–1936 and 1936–1937 issues of *Chinese Year Book*, sections on "National Budget."

TABLE 2. NATIONAL BUDGETARY ESTIMATERS 20TH TO 25TH FISCAL YEARS INCLUSIVE (JULY, 1931–JUNE 1937)

	20th Fiscal Year (1931-1932)	*21st Fiscal Year (1932-1933)*	*22nd Fiscal Year (1933-1934)*	*23rd Fiscal Year (1934-1935)*	*24th Fiscal Year (1935-1936)*	*25th Fiscal Year (1936-1937)*
I REVENUES:	$893,335,073	$798,268,898	$828,921,964	$918,111,034	$957,154,000	$990,658,450
1. Salt	163,247,417	164,615,204	146,748,148	190,353,851	184,219,044	189,187,225
2. Customs	374,682,000	359,725,741	354,656,880	382,814,241	341,361,400	317,973,514
3. Tobacco and Wine Taxes	33,232,703	33,216,335	23,545,055	23,104,873	22,349,186	16,987,395
4. Stamp Tax	15,623,634	15,896,912	12,939,853	12,884,286	12,000,000	11,300,000
5. Consolidated Taxes	75,777,228	86,712,775	92,975,091	116,959,679	113,298,177	132,796,117
6. Mining Tax	1,071,288	2,144,460	2,683,160	2,724,979	3,873,124	3,631,862
7. Stock and Produce Exchange Tax	101,008	120,000	140,068	100,000	1,950,000	1,350,000
8. Income Tax	—	—	—	—	5,000,000	5,000,000
9. Tax on Bank-note Issue	—	—	1,600,000	1,600,000	1,600,000	1,600,000
10. Receipts from State Properties	5,071,048	6,000,656	3,617,158	5,544,878	8,846,850	5,791,767
11. Receipts from State Enterprises	6,126,184	1,475,206	1,674,262	21,304,060	20,855,022	21,201,531
12. Gov't Administrative Receipts	3,996,047	11,379,554	12,151,167	12,517,086	10,931,989	10,901,232
13. Ptofits from State Business Enterprises	—	—	1,138,338	8,349,567	40,268,851	41,397,583
14. Remittances from Provinces	—	—	1,836,000	6,688,000	3,768,000	3,198,000
15. Receipts from Loans	180,000,000	107,159,252	148,506,375	50,000,000	70,000,000	125,000,000
16. Miscellaneous	34,406,516	9,824,803	24,710,409	83,265,534	116,832,363	103,342,224
II EXPENDITURES:	$893,335,073	$798,268,898	$828,921,964	$918,111,034	$957,154,006	$990,658,450
1. Party Expenses	6,240,000	6,240,000	5,489,100	5,720,700	5,870,800	5,419,080
2. Expenses of the National Gov't Council and Organs Directly Subordinate to it	12,235,062	13,642,051	9,713,200	12,788,280	12,578,672	15,535,130
3. Military Expenses	296,569,439	335,110,161	415,600,000	332,990,910	321,000,000	322,019,200
4. Interior Affairs Expenses	7,047,277	6,207,422	4,069,042	4,535,869	4,371,308	8,836,520
5. Foreign Affairs Expenses	10,062,950	11,060,166	10,662,989	8,826,886	9,401,295	9,690,234
6. Financial Affairs Expenses	78,745,623	76,688,180	64,969,175	68,192,814	66,011,343	64,515,566
7. Education and Cultural Affairs Expenses	18,658,536	19,036,470	16,618,184	33,819,365	37,211,621	44,339,962
8. Judicial Affairs Expenses	1,511,130	2,493,228	2,676,359	2,963,910	2,834,805	3,240,898
9. Industrial Affairs Expenses	7,434,362	6,167,323	4,234,922	4,134,390	4,389,780	4,226,247
10. Communication Affairs Expenses	3,998,243	5,895,514	5,083,738	5,199,752	4,929,122	4,835,734
11. Mongolian and Tibetan Affairs Expenses	—	1,815,639	1,340,192	1,435,520	1,722,844	2,320,766
12. Reconstruction Affairs Expenses	2,197,614	7,086,195	715,000	35,989,036	36,374,890	53,110,221
13. Subsidies	78,875,615	72,943,041	29,578,449	82,559,935	101,980,089	105,816,000
14. Compensation and Awards	—	—	6,029,810	3,761,665	4,936,699	5,664,704
15. Loan Service	343,404,644	223,961,247	241,841,804	257,530,231	274,803,279	239,037,908
16. Capital Fund of Gov't Business Enterprises	—	—	—	50,318,716	60,971,166	96,337,720
17. General Reserve	26,354,578	9,922,261	10,000,000	7,343,055	7,766,293	5,712,360

estimates were promulgated by the National Government to constitute the Legal Budget for the current fiscal year. While both of these steps were a little behind schedule as regards budgetary procedure, nevertheless they were taken either preceding, or at the beginning of the fiscal year, and for practical purposes caused no inconvenience to the actual working of the budget. The detailed figures as to receipts and expenditure in respect of the 26th fiscal year national budget are as follow:

TABLE 3. NATIONAL BUDGET, 26TH FISCAL YEAR

Revenues	*Ordinary*	*Extraordinary*	*Total*
1. Customs	$338,222,816	$ 31.044,706	$ 369,267,522
2. Salt	228,495,653	129,900	228,625,553
3. Tobacco and Wine Taxes	20,964,381	82,261	21,046,642
4. Stamp Tax	11,300,000	—	11,300,000
5. Consolidated Tax	175,617,650	—	175,617,650
6. Mining Tax	4,751,638	—	4,751,638
7. Stock and Produce Exchange Tax	170,000	—	170,000
8. Income Tax	25,000,000	—	25,000,000
9. Inheritance Tax	2,000,000	—	2,000,000
10. Tax on Bank-note Issue	1,600,000	—	1,600,000
11. Receipts from State Properties	3,985,479	158,434	4,143,913
12. Receipts from State Enterprises	23,423,015	711,292	24,134,307
13. Government Administration Receipts	13,838,159	8,935	13,847,094
14. Receipts from State Business Enterprises	16,073;787	—	16,073,787
15. Remittances from Provinces	3,366,040	314,000	3,680,040
16. Miscellaneous	10,950,740	88,440,614	99,391,350
Total	$879,759,358	$120,890,138	$1.000,649,496
Expenditures	*Ordinary*	*Extraordinary*	*Total*
1. Party Expenses	$ 6,922,800	$ 388,640	$ 7,311,440
2. Expenses of the National Gov't Council and organs directly subordinate to it	17,380,238	582,308	17,962,546
3. Military Expenses	362,499.952	30,000,000	392,499,952
4. Interior Affairs Expenses	5,606,939	582,000	6,188,932
5. Foreign Affairs Expenses	8,938,083	497,733	9,435,816
6. Financial Affairs Expenses	68,867,826	364,264	69,232,090
7. Educational and Cultural Affairs Expenses	42,878,717	55,651	42,934,368
8. Judicial Affairs Expenses	2,354,837	1,961,012	4,315,849
9. Industrial Affairs Expenses	3,006,890	65,422	3,072,312
10. Communication Affairs Expenses	4,915,725	140,870	5,056,595
11. Mongolian and Tibetan Affairs Expenses	2,276,362	224,000	2,500,362
12. Subsidies	15,659,023	15,356,053	31,015,076
13. Compensation and Awards	6,678,497	—	6,678,497

14. Loan Service	324,693,754	—	324,693,754
15. Reconstruction Enterprises Siuking Fund	70,000,000	—	70,000,000
16. Reserve Fund for Relief	3,000,000	—	3,000,000
17. General Reserve	4,751,907	—	4,751,907
Total	$950,431,543	$50,217,953	$1,000,649,496

Separate 1937-1938 Budget for Reconstruction.—It is learned that in addition to the foregoing budgetary estimates, which constitute the "regular" budget for the fiscal year 1937–1938, a separate and additional budget is planned for the same year to cover expenses incurred on account of national reconstruction. As reported by the Central News Agency,[1] this emergency budget is for the amount of $390,000,000. However, the details concerning this separate budget and its projected sources of revenue have not been disclosed. It is probable that the amount of $70,000,000 designated to constitute the reconstruction enterprise sinking fund as shown in the regular budget will take care of part of the expenses to be included in the emergency budget. It may also be noted that the enterprises foreshadowed in this emergency budget constitute part of the five-year reconstruction program recently announced by the National Government.

Comparison of Current Budget with 1936-1937 Budget.—Although the budget for the current fiscal year is constructed on a somewhat different basis from that of the previous year and possesses certain peculiar features of its own, as will be noted later, a comparison of the major items of revenue and expenditure contained in the two budgets will disclose in a way the general improvement of the Government's financial position from year to year. The following table shows the amounts of increases or decreases of the different items in the budget for the current fiscal year as compared with those in the budget for the last fiscal year, and also shows the percentage composition of the two budgets:

TABLE 4. COMPARISON OF 25TH AND 26TH FISEAL YEARS NATIONAL BUDGETS

(Showing Increases or Decreases of 26th Year Budget)

	Increase (Dollar)	*Decrease (Dollar)*	*Percentage Composition 1936–1937 Budget %*	*Percentage Composition 1937–1938 Budget %*
I. REVENUES:				
1. Customs	51,294,008.00	—	32.09	36.90
2. Salt	39,438,328.00	—	19.10	22.85
3. Tobacco and Wine Taxes	4,059,247.00	—	1.72	2.10
4. Stamp Tax	—	—	1.14	1.13
5. Consolidated Taxes	42,821,533.00	—	13.40	17.55
6. Mining Tax	1,119,776.00	—	.37	.48
7. Stock and Produce Exchange Tax	—	1,180,000.00	.14	.02
8. Income Tax	20,000,000.00	—	.50	2.50
9. Inheritance Tax	2,000,000.00	—	—	.20
10. Tax on Bank-note Issue	—	—	.16	.16
11. Receipts from State Properties	—	1,647,854.00	.59	.41
12. Receipts from State Enterprises	2,932,776.00	—	2.14	2.41

[1]*The China Press*, June 26, 1937.

13. Government Administrative Receipts	2,945,862.00	—	1.10	1.38
14. Profits from State Business Enterprises	—	25,323,796.00	4.18	1.61
15. Remittances from Provinces	482,040.00	—	.32	.37
16. Receipts from Loans	—	125,000,000.00	12.62	—
17. Miscellaneous	—	3,950,874.00	10.43	9.93
TOTAL	167,093,570.00	157,102,524.00	100.00	100.00
NET INCREASE	9,991,046.00	—	—	—
II. EXPENDITURES:				
1. Party Expenses	1,892,360.00	—	.55	.73
2. Expenses of the National Government Council and Organs Directly Subordinate to it	2,427,416.00	—	1.57	1.80
3. Military Expenses	70,480,752.00	—	32.50	39.22
4. Interior Affairs Expenses	—	2,647,588.00	.89	.62
5. Foreign Affairs Expenses	—	254,418.00	.98	.94
6. Financial Affairs Expenses	4,716,524.00	—	6.51	6.92
7. Education and Cultural Affairs Expenses	—	1,405,594.00	4.47	4.29
8. Judicial Affairs Expenses	1,074,951.00	—	.33	.43
9. Industrial Affairs Expenses	—	1,154,135.00	.43	.31
10. Communication Affairs Expenses	220,861.00	—	.50	.50
11. Mongolian Affairs Expenses	179,596.00	—	.23	.25
12. Reconstruction Affairs Expenses	16,889,779.00	—	5.36	7.00
13. Subsidies	—	74,800,924.00	10.68	3.10
14. Capital Fund of Government Business Enterprises	—	96,337,720.00	9.72	—
15. Compensation and Awards	1,013,793.00	—	.57	.67
16. Loan Service	85,655,846.00	—	24.13	32.45
17. Reserve Fund for Relief	3,000,000.00	—	—	.30
18. General Reserve	—	960,453.00	.58	.47
TOTAL	187,551,878.00	177,560,832.00	100.00	100.00
NET INCREASE	9,991,046.00	—	—	—

Salient Features of 1937–1938 Regular Budget.—On the basis of the promulgated regular budget for the 26th fiscal year, the following salient features of this budget are clearly discernible.

1. *Budget Equilibrium.*—The outstanding feature of the budget for the current fiscal year is that receipts and expenditures are balanced at $1,000,649,496 each, with the item "receipts from loans," which has run into such enormous figures in the budgets for former years, conspicuously missing. In other words, so far as the regular revenues and expenditures of the government indicated in this budget are concerned, the long hoped for state of budget equilibrium has been achieved. This is indeed an enviable accomplishment of the government and in this respect it has outdone many other nations which are still struggling with huge budget deficits.

Although it may be contested that as at present composed the current budget leaves out a portion of expenditures, such as those in the special budget, yet it must be noted that this portion is comprised mainly of projected items of reconstruction, for which due provision is made in the separate budget. Reconstruction expenses, including generally capital outlay, should not be merged with the regular expenses of the government, as, if so merged, they tend to distort the true financial position. Reconstruction enterprises are in their own nature self-sustaining and capable, if

not immediately at least in the years to come, of yielding interest and dividend returns. Even if they should occasion temporary borrowing on the part of the government for their financing, this is not expected materially to effect the general position of the budget.

Viewed from all angles, politically, industrially and financially, the prospects of actually attaining a balanced budget for the current fiscal year are very bright. Politically the country has entered into a stage of consolidation never before attained. The chance of a ravaging civil war, which has upset so many a budget in the past, it has now been definitely eliminated. Industrially, the country is on the upturn of the business cycle. Current economic statistics indicate that production everywhere is on the increase. Farming conditions are generally satisfactory, and with the average farmer's purchasing power enhanced as a result of better crops and the return of normal conditions, business is picking up for the rest of the population. Foreign trade, in particular, has improved to a considerable extent. In the realm of finance, the success of the new currency system has begotten general confidence with consequent easing off of the money market and reduction of interest rates. Domestic bond prices have risen to unprecedentedly high levels, so that current financing is much less expensive. All of these factors should continue to help in the balancing of the budget.

2. *Increase in Expected Receipts.*—Another important feature of the current budget is the forecast of an all-round increase in expected receipts from the customs, salt, consolidated, income, mining and tobacco and wine taxes as compared with the previous budget. These increases range from the moderate sum of $1,119,776 for mining tax to the sum of $51,294,008 for customs revenue. Coincident with these increases, the budgetary total has gone up to the large sum of $1,000,649,496—the largest on record. From the standpoint of current economic conditions, it is generally believed that such anticipated increases are by no means unduly optimistic. As a matter of fact, in the case of the customs revenue the estimate is placed at $317,973,514, but calculations on the basis of current monthly receipts would place the estimate at from $400,000,000 to $450,000,000 for the current fiscal year.[8] Current estimates for other sources of revenue are also considered to be very conservative. In general, if no unforeseen circumstances of a serious nature should happen to upset these calculations, the actual amount of revenues collected may be expected to come up to, if not to exceed the anticipations of the budget.

3. *Institution of a New Tax.*—The institution of one new tax, the Inheritance Tax, is indicated in the current fiscal year's budget. The estimated receipts from this new source of revenue amounts only to the moderate sum of $2,000,000; but the institution of the tax is highly significant in that it shows the desire of the government gradually to reform its taxation system, which thus far has been one of direct taxes. On the subject of the Inheritance Tax more will be said later.[9]

[8] *Vide* Minister Kung's observations in interview given to Berlin journalists, *China Press*, June 14, 1937.
[9] *Infra*, p. 449.

TABLE 5. DETAILAD BUDGET OF THE 26th FISCAL YEAR JULY 1, 1937–JUNE 30, 1938[1]

Receipts

ORDINARY RECEIPTS:		
A. Customs Revenue		$ 338,222,816
1. Import Duty	$296,675,331	
2. Export Duty	23,769,730	
3. Interport Duty	13,617,956	
4. Tonnage Dues	4,159,799	
B. Salt Revenue		228,495,653
1. Crude Salt Tax	213,562,706	
2. Refined Salt Tax	13,316,523	
3. Other Salt Tax	1,616,424	
C. Wine and Tobacco Taxes		20,964,281
1. Tax on Sale of Wine and Tobacco	6,681,601	
2. Tax on Wine and Tobacco	14,282,780	
D. Stamp Duty		11,300,000
E. Consolidated Taxes		175,617,650
1. Rolled Tobacco Tax	113,602,663	
2. Cotton Tax	29,787,395	
3. Flour Tax	5,743,597	
4. Match Tax	15,585,580	
5. Cement Tax	4,893,560	
6. Flue-Cured-Tobacco Tax	4,656,120	
7. Alcohol Tax	283,100	
8. Beer And Foreign Wine Tax	727,000	
9. Aerated Water Tax	178,875	
10. Firecrackers Materials Special Tax (Kwangtung)	159,760	
F. Mining Tax		4,751,638
1. Production Tax	4,239,439	
2. District Tax	512,199	
G. Tax on Exchanges		170,000
H. Income Tax		25,000,000
1. Class I	4,060,000	
2. Class II	5,880,000	
3. Class III	15,060,000	
I. Inheritance Tax		2,000,000
J. Tax on Bank Note Issue		1,600,000
K. Receipts from Gov't Property		3,985,479
1. Under care of the National Gov't	9,138	
2. Under care of Ministry of War	49,145	
3. Under care of Ministry of Interior	9,040	
4. Under care of Ministry of Foreign Affairs	13,342	
5. Under care of Ministry of Finance	3,827,608	
6. Under care of Ministry of Education	51,768	
7. Under care of Ministry of Justice	3,428	
8. Under care of Ministry of Industry	10,500	
9. Under care of Ministry of Railways	8,790	
10. Under care of Reconstruction Commission	2,720	
L. Government Enterprise		23,423,015
1. Under care of the National Gov't	36,500	
2. Under care of Ministry of Interior	747,400	
3. Under care of Ministry of Finance	1,400	

[1]Chinese version Promulgated by the National Government and Published in its *Official Gazette* under date of July 3, 1937.

4. Under care of Ministry of Education ..	453,850	
5. Under care of Ministry of Justice	184,248	
6. Under care of Ministry of Industry ..	17,820	
7. Under care of Ministry of Communication	4,504,768	
8. Under care of Ministry of Railways ..	17,152,149	
9. Under care of Reconstruction Commission	324,880	
M. Administrative Receipts		13,838,159
1. Under care of the National Gov't ..	208,380	
2. Under care of Ministry of Interior ..	216,959	
3. Under care of Ministry of Foreign Affairs	1,752,200	
4. Under care of Ministry of Finance ..	1,127,669	
5. Under care of Ministry of Education ..	5,190	
6. Under care of Ministry of Justice	8,464,748	
7. Under care of Ministry of Industry.. ..	1,501,173	
8. Under care of Ministry of Communcations	556,800	
9. Under care of Reconstruction Commission	5,040	
N. Net Profit from Gov't Business Enterprise..		16,073,787
1. Under care of the Ministry of Finance..	5,082,921	
2. Under care of Ministry of Railways ..	10,990,866	
O. Provincial Remittance		3,366,040
1. Under care of the Ministry of Finance..	3,366,040	
P. Miscellaneous		10,950,740
1. Under care of the National Gov't	26,520	
2. Under care of Ministry of Interior	169,667	
3. Under care of Ministry of Foreign Affairs	1,680	
4. Under care of Ministry of Finance	6,312,818	
5. Under care of Ministry of Education ..	2,255,342	
6. Under care of Ministry of Justice	657,981	
7. Under care of Ministry of Industry ..	95,368	
8. Under care of Ministry of Communications	163,080	
9. Under care of Ministry of Railways ..	1,254,044	
10. Under care of Reconstruction Commission	14,240	
TOTAL		879,795,358
EXTRAORDINARY RECEIPTS:		
A. Customs Revenue		31,044,706
1. Customs Surtaxes	31,044,706	
B. Salt Revenue		129,900
1. Salt Surtaxes	129,900	
C. Wine and Tobacco Taxes		82,261
1. Wine and Tobacco Surtax	82,261	
D. Receipts from Gov't Property		158,434
1. Under care of the Ministry of Finance	92,274	
2. Under care of the National Economic Council	66,160	
E. Government Enterprise		711,292
1. Under care of the Ministry of Interior ..	148,356	
2. Under care of Ministry of Communications..	6,000	
3. Under care of Ministry of Railways ..	358,000	
4. Under care of Reconstruction Commission	12,720	
5. Under care of National Economic Council	186,216	

F. Administrative Receipts		8,935
1. Under care of Ministry of Finance	6,950	
2. Under care of National Economic Council	1,985	
G. Provincial Remittance		314,000
1. Under care of the Ministry of Finance	314,000	
H. Miscellaneous..		88,440,610
1. Under care of Ministry of Interior	360	
2. Under care of Ministry of Foreign Affairs	29,661	
3. Under care of Ministry of Finance.. ..	80,001,000	
4. Under care of Ministry of Education ..	80,260	
5. Under care of Ministry of Justice	710,697	
6. Under care of Reconstruction Commission	2,000	
7. Under care of National Economic Council	1,616,632	
TOTAL ..		120,890,138
GRAND TOTAL OF ORDINARY RECEIPTS AND EXTRAORDINARY RECEIPTS		$1,000,649,496
ORDINARY EXPENDITURE:		
A. Party Expenses		$ 6,922,800
1. Central Executive Committee	4,769,040	
2. Central Political Council	378,240	
3. Special Expenses	346,920	
4. Special Subsidies	700,000	
5. Expenses for army party units	660,000	
6. First Reserve Fund	68,600	
B. National Gov't Expenses		17,380,238
1. National Gov't	2,804,000	
2. Five Yuans	4,148,880	
3. Other Organizations	10,255,358	
4. First Reserve Fund	172,000	
C. Military Expenses		362,499,952
D. Ministry of Interior		5,606,932
1. Ministry of Interior and its subordinate offices	3,711,360	
2. Public Health Administration and its subordinate offices	1,740,800	
3. Relief Commission	99,672	
4. First Reserve Fund	55,100	
E. Ministry of Foreign Affairs		8,938,083
1. Ministry of Foreign Affairs and its subordinate offices in China	1,566,792	
2. Diplomatic Representatives abroad ..	5,869,855	
3. League of Nations Quota	1,163,936	
4. Representatives to the League of Nations	240,000	
5. International Court at the Hague	9,000	
6. First Reserve Fund	88,500	
F. Ministry of Finance		68,867,826
1. General Financial Administration	1,654,287	
2. Administration of the Customs	31,763,644	
3. Administration of the Salt Revenue ..	20,777,433	
4. Administration of Internal Revenues ..	10,791,426	
5. Administration of the Income Tax ..	2,093,795	
6. Other Expenses	970,641	
7. First Reserve Fund	816,600	
G. Education and Culture	2,109,032	42,878,712

1. Ministry of Education and its subordinate offices		2,109,032	
(a) Ministry of Education	578,000		
(b) Bureau of Educational Relief of the Youths of the Northeastern Provinces	342,000		
(c) National Peiping Library	355,432		
(d) National Institute of Compilation and Translation	132,000		
(e) Preparatory Office of National Central Library	68,000		
(f) Preparatory Office of the National Museum	96,000		
(g) Office of Supervisor of Chinese Students in Japan	21,600		
(h) National Boy Scouts' Association	84,000		
(i) Peiping Palace Museum	360,000		
(j) Kwangtung and Kwangsi Geological Research Institutes	48,000		
(k) National Technical Employment Information Bureau	24,000		
2. National Educational Institutions ..		16,912,249	
(a) National Central University	1,720,000		
(b) Central Political Institute	1,139,112		
(c) Shanghai College of Commerce (of National Central University) ..	115,692		
(d) Shanghai College of Medicine (of National Central University) ..	328,000		
(e) National Chinan University	630,664		
(f) National Tung Chi University ..	754,000		
(g) National Chekiang University ..	789,095		
(h) National Wuhan University	997,100		
(i) Chung-Tseng College of Medicine ..	180,000		
(j) National Hunan University	536,000		
(k) National Shantung University ..	552,782		
(l) National Amoy University	290,000		
(m) National Chungshan University ..	1,936,000		
(n) Hangchow College of Fine Arts ..	132,000		
(o) National Conservatory of Music ..	112,000		
(p) National Peking University	940,000		
(q) National Peiping University	1,437,108		
(r) National Peiping Normal College ..	897,712		
(s) National Peiyang Engineering College	341,000		
(t) Peiping College of Fine Arts	124,000		
(u) Peiping Mongolian and Tibetan College	72,000		
(v) National Tsinghua University	1,200,000		
(w) National Szechwan University ..	703,976		
(x) Dental Institute	84,000		
(y) National Institute for Dramatic Arts	72,000		
(z) National North-Western Agriculture and Afforestation College	600,000		
(ai) National College of Pharmacy	66,000		
(bi) National Mid-wifery Training Institute	52,000		
(ci) National Nurse Training Institute ..	30,000		
(di) Peiping First Mid-wifery Training Institute	60,008		
(ei) Wuchang Branch of Peiping Mid-wifery Institute	20,000		
3. National Research Institutes ..		1,660,000	
(a) Academia Sinica	1,300,000		
(b) Peiping Academy	360,000		
4. Scholarship for Chinese Students Abroad		752,016	
(a) Scholarship for Students of Tsinghua University	733,456		
(b) Scholarship for Descendants of Revolutionary Martyrs	18,560		
5. Special Educational Fund (for promotion of Free Education)		19,800,000	

6. Other Items		1,218,820	
(a) For Promotion of Journalistic Enterprise	939,120		
(b) For Promotion of Native-made Laboratory Scientific Apparatus ..	50,000		
(c) Canton Chung-san Daily News	36,000		
(d) Canton Branch of Central News Agency	120,000		
(e) International Cultural Publicity Expenses	50,000		
(f) Expenses for Extending Education in Border Districts	23,700		
7. First Reserve Fund ..		426,600	
H. Ministry of Justice			2,354,837
1. Ministry of Justice and its subordinate offices		2,331,537	
2. First Reserve Fund		23,300	
I. Ministry of Industry			3,006,890
1. Ministry of Industry ..		1,005,000	
2. Agricultural Affairs ..		13,800	
3. Mining Affairs		88,200	
4. Industrial Affairs		209,612	
5. Commercial Affairs		1,605,078	
6. Other Expenses		55,400	
7. First Reserve Fund ..		29,800	
J. Communications Administration ..			4,915,725
1. That controlled by the Ministry of Communications		1,990,338	
2. That by the Ministry of Railways ..		2,876,687	
3. First Reserve Fund		48,700	
K. Mongolian and Tibetan Affairs			2,276,362
1. Commission for Mongolian and Tibetan Affairs and its subordinate offices ..		677,696	
2. Organs and Activities in Mongolia		980,986	
3. Organs and Activities in Tibet		583,680	
4. Other Expenses		11,400	
5. First Reserve Fund		22,600	
L. Subsidies			15,659,023
1. Subsidies to Local Gov't		7,047,700	
(a) To Kiangsi	100,000		
(b) To Hunan	307,200		
(c) To Fukien	600,000		
(d) To Shansi	900,000		
(e) To Kansu	800,000		
(f) To Ninghsia	840,000		
(g) To Kweichow	240,000		
(h) Sikang Province Organization Committee	180,000		
(i) To Peiping Municipality	84,000		
(j) Weihaiwei Administration District	90,000		
(k) Chung-san District, Kwangtung ..	144,000		
(l) To Provinces and Districts from Stamp Duty	2,762,500		
2. Educational Subsidies		2,949,728	
(a) To Sino-French University, Peiping	240,000		
(b) To Same, Shanghai Department ..	210,000		
(c) To Nankai University, Tientsin.. ..	240,000		
(d) To Northeastern University	300,000		
(e) To Chemai Middle School	30,000		
(f) To Peiping China University	120,000		

(*g*) To Minkuo College, Peiping	120,000		
(*h*) To Dr. Sun Yat-sen's Medical College	100,000		
(*i*) To Sino-French Industrial College ..	72,000		
(*j*) To Chinese University, Germany ..	5,000		
(*k*) To Dr. Sun Yat-sen's Memorial School, Chungshan	60,000		
(*l*) To School for Descendants of Revolutionary Heroes	194,760		
(*m*) To Girl Schools for Descendants of Revolutionary Heroes	117,600		
(*n*) To Hunan Mingteh School	24,000		
(*o*) To North-west Public School	28,800		
(*p*) To Peiping Arts Middle School ..	12,000		
(*q*) To Peiping Tachung Middle School	9,600		
(*r*) To Shanghai Tsaoho Middle School	20,000		
(*s*) To North-east Middle School	96,000		
(*t*) To Man-yue Middle School	43,200		
(*u*) To Child Welfare School, Haiangshan	120,000		
(*v*) China Child Welfare Society	80,000		
(*w*) To Nanking School for Poor Children	22,800		
(*x*) To Physical Training School of the National Physical Culture Institute	56,160		
(*y*) Institute for Deaf and Blind, Nanking	2,400		
(*z*) To Supplementary School attached to Panshen Lama's Office, Nanking ..	17,808		
(*ai*) To Lhasa Ching-tsen Primary School	2,000		
(*bi*) To Chinese Vocational Educational Institute	7,400		
(*ci*) To Chungshan Cultural and Educational Institute..	760,000		
(*di*) To Chinese Library, Geneva	48,000		
(*ei*) To China Association for International Cultural Co-operation	72,000		
(*fi*) To Institute for Study of Tropical Diseases	4,200		
(*gi*) To Scientific and Cultural Organization	18,000		
(*hi*) To Li-La Institute, Shanghai	30,000		
(*ii*) Wusih Chinese Classics Institute ..	24,000		
(*ji*) Luen Hwa Books and Newspapers Society	30,000		
(*ki*) Expenses for Suiyuan Roadside Moving Libraries	12,000		
3. Judicial Subsidies		5,141,807	
4. Others		519,788	
M. Awards and Pensions			6,678,497
1. To Party Members		600,000	
2. To Civil Servants		240,770	
3. To Military Officers		5,800,785	
4. To Teachers of National School		36,942	
N. Loans and Indemnity Service ..			324,693,754
1. Sinking Fund for Domestic Loans.. ..		142,207,410	
2. Sinking Fund for Foreign Loans		65,849,524	
3. Boxer Indemnity		39,604,736	
4. Other Loans		65,225,790	
5. Commission to Banks Serving Various Loans		304,794	
6. Special Sinking Fund for Readjustment of Domestic and Foreign Loans ..		5,000,000	
7. First Reserve Fund		6,501,500	
O. Special Sinking Fund for Reconstruction			70,000,000
P. Reserve Fund for Flood Relief ..			3,000,000
Q. Second Reserve Fund ..			4,751,907
TOTAL ..			950,431,543

EXTRAORDINARY EXPENDITURE:			
A. Party Expenses			388,640
B. National Gov't Expenses			582,308
C. Military Expenses			30,000,000
D. Ministry of Interior			582,000
1. Ministry of Interior and its subordinate offices		130,000	
2. Public Health Administration and its subordinate offices		334,000	
3. Relief Commission		18,000	
4. Expenses for Repairs of Ancestry Tomb of Emperor Huang-ti		100,000	
E. Ministry of Foreign Affairs			497,733
F. Ministry of Finance			364,264
1. General Financial Administration ..		200,000	
2. Customs Administration		22,268	
3. Salt Administration		39,448	
4. Internal Revenue Administration		3,948	
5. Income Tax Administration		80,000	
6. Other Expenses		6,000	
7. Adjustment of Gov't Properties		12,600	
G. Education and Culture			55,651
1. National Educational Institutions.. ..		55,651	
(*a*) Scholarship for Chinese Students Abroad, (Central Political Institute)	26,336		
(*b*) Opening Expenses for Central Political Institute, Leekian Branch	14,315		
(*c*) Expenses for Practical Training, Central Political Institute	15,000		
			1,961,012
H. Ministry of Justice			
1. Subordinate Offices of Ministry of Justice		554,879	
2. Judicial Reconstruction in the Provinces		1,406,133	
I. Ministry of Industry			65,422
1. Ministry of Industry		27,422	
2. Industrial Affairs		2,000	
3. Commercial Affairs		36,000	
J. Communications Administration			140,870
1. Ministry of Communication		40,874	
2. Ministry of Railways		100,000	
K. Mongolian and Tibetan Affairs			224,000
L. Subsidies			15,356,053
1. Subsidies to Local Gov't		15,343,553	
(*a*) Fukien Salt Police		240,000	
(*b*) Honan		600,000	
(*c*) Chahar		243,553	
(*d*) Sikang		960,000	
(*e*) Border Provinces		13,300,000	
2. Other Subsidies			12,500
(*a*) International Chamber of Commerce		12,500	
TOTAL			50,217,953
GRAND TOTAL OF ORDINARY EXPENDITURES AND EXTRAORDINARY EXPENDITURES.. ..			$1,000,649,496

IV. CUSTOMS REVENUE ADMINISTRATION

As the Chinese tax system is now constituted, there are three financial pillars of the Chinese Government, these being the Customs revenue, the Salt revenue and the consolidated taxes. In the matter of seniority, the Customs revenue is second only to the Salt, but in point of actual revenue collections it surpasses both of the others, and in this respect its supreme position will in all probability remain undisputed for some time to come. Its importance can be readily gauged when it is recalled that it serves now as security for the Boxer Indemnity, for several of China's most important foreign loans, and for outstanding amount of some $3,182,000,000 in respect of principal and interest in connection with domestic loan obligations. In addition to providing adequately, and without failure, for the service of these indemnity and loan commitments, not to mention the provision it makes for a large but thoroughly efficient Customs staff of foreign and Chinese nationals who are to-day the best paid civil servants in all China, it yields annually a handsome surplus to the Central Treasury.

Because of the foreign loans and the Boxer Indemnity secured thereon, the administration of the Customs revenue has figured prominently in the international relations of the Chinese nation. The matter of tariff rates, in particular, was once a bone of contention between China and other powers. Fortunately this was settled once and for all with the formal restoration of full tariff autonomy to China, following the conclusion of the agreement of May 10, 1930, with Japan, the last country in the family of nations to accede to China's autonomy wishes. Later developments again brought China's Customs administration to the forefront of the world's attention, however, the seizure of the Customs revenue of the North-Eastern Provinces, now known as the puppet state of "Manchukuo," and later the rampant smuggling situation in North China were matters of international concern the significance of which was not confined within China's own borders. Thus, happily or unhappily, China's Customs revenue and the administration thereof are of national as well as world-wide interest.

Restoration of Tariff Autonomy and Later Tariffs.—Pre-eminent among the changes in the collection and administration of the Customs revenue since the establishment of the National Government has been the recovery of the right of tariff autonomy. The story of the struggle for tariff autonomy, and the episodes leading to its final achievement in 1930, constitute an interesting part of the diplomatic annals of the Chinese Republic. The recovery of this sovereign right, although the successful culmination of the movement must be directly attributed to the untiring efforts of the then Minister of Finance, Dr. T. V. Soong, was not brought about overnight, but rather was the outcome of many years of patient endeavor on the part of Chinese Government officials and diplomats, and the product of numerous tiring, and, in fact, almost painful negotiations between them and the representatives of other nations. A chronicle of these events has already appeared in the 1935–1936 issue of this year book.

The first tariff schedule which signified tariff autonomy for the country, though only as a first step in that direction, came into operation on February 1, 1929—a year and four months before the completion of the agreement with Japan. This new tariff superseded the 5% conventional tariff and the 2½% surtaxes, are rates, which ranged from 7.5% to 27.5%, being substantially the same as the graduated interim schedule which had been provisionally agreed upon in the 1926 Tariff Conference.

On January 1, 1931, the first tariff promulgated after the completion of the series of tariff autonomy treaties, including that with Japan, was put into operation. This was in connection with the import tariff. On June 1, 1931, collection was begun under a revised export tariff applicable to goods shipped to foreign ports, as the then existing export tariff had been

based on valuations of the year 1858. Thus the revised export tariff conceded slight increases in many items.

In May, 1933, a revised tariff was again placed in operation. This embodied increases in a number of rates, chiefly on textile, paper and fishery products. In the latter part of 1933, partly as a revenue measure and partly for protection of agricultural interests, certain new duties were levied, such as those on rice and wheat, while the duty on wheat flour was increased. During the first half of 1934 minor alterations were made, notably an increase in the rates in respect of kerosene and gasoline.

Existing Tariffs.—The last general revision of the import tariff was promulgated on June 30 and became operative as from July 3, 1934. This new tariff, while granting reductions of duty on certain classes of piece goods and on a number of other articles of import, provided general all round increases on metals, machinery, chemicals, etc., considered to be capable of bearing higher taxation without seriously affecting the demand for them.

A little prior to the operation of the import tariff, the last revision of the export tariff was promulgated on June 3, and enforced as of June 21, 1934. Many of the items of this export tariff were revised on a downward basis.

Since then, although there have been minor changes in a few instances, no general revision of either the import tariff or the export tariff has been effected. Consequently the schedules now ruling are substantially the same as those last promulgated. In the case of the export tariff, a more recent revision, in which no less than 138 out of 270 items were either reduced or totally exempted from duty, was promulgated on June 25, 1935, but no date for its enforcement has been set thus far. It is generally understood that for obvious reasons, pending formulation of measures to offset the losses in revenue as a result of these reductions and of the intended abolition of the interport duty, this revision will not be put into force at an early date.

Composition of the Customs Revenue.—The Customs revenue, as now collected, consists of the following branches:

Import Duty
Export Duty
Interport Duty
Revenue Surtax
Flood Relief Surtax
Tonnage Dues

Import and export duties are each collected according to the promulgated tariff rates.

In the case of the interport duty, it constitutes the only survival of a number of charges on domestic trade which were in operation before 1931. The so-called native customs revenues, comprising duties on junk-borne trade in respect of points more than 50 *li* from treaty ports, those in respect of points less than 50 *li* from treaty ports, the coast-trade duties, and transit dues, were abolished in rapid succession either in conjunction with the abolition of *likin* or upon the revision of the tariff in 1931. Because of revenue needs, interport duty is still leviable on goods carried from one treaty port to another by steamer, although native goods conveyed by junks between open ports are exempted from such charges.

Collection of the flood relief surtax began as from December 1, 1931, when it was levied at the rate of 10% on import and export duties. As from August 1, 1932, it was reduced to 5%, while from that date a revenue surtax of 5% on import and export duties was imposed. This was intended originally to be in force for a period of only one year, but, due to urgent revenue needs, it has been extended for periods of one year each, the last extension placing it in operation up to June 30, 1938, pending further orders. While the revenue surtax is for general treasury purposes, the flood relief surtax has been applied mainly towards the liquidation of the American Wheat Loan of 1931, and of the American Wheat and Cotton Loan of 1933, both of which were later consolidated into one loan.[1]

[1]*Infra.*, p. 469.

Tonnage dues are leviable on foreign-style shipping owned by foreigners or by Chinese. They were originally imposed by virtue of treaty articles, but since the signing of the Tariff Relations treaties with the Powers concerned in 1928–29 China has been at liberty to alter the tonnage dues arrangements based on these early treaty stipulations. The proceeds of these tonnage dues are now drawn upon in their entirety to provide for the maintenance of lighthouses and other aids to navigation along China's coasts and waterways.

As from March 1, 1932, the distinction formerly made in Customs circles between the so-called "5% duties" and "additional duties," originally applicable respectively to the portion of revenue receipts from the conventional 5% tariff and that from the new duties additional to the 5%, was declared abolished as a measure towards simplification of Customs procedure.

Sundry Dues.—In connection with the subject of the composition of the Customs revenue described above, mention must be made of certain other charges on trade and shipping which are intrusted by the Government to the Customs for collection, but which are allocated to specific purposes quite apart from loans and the Boxer Indemnity, and the figures for which accordingly are not included in the Customs revenue returns. Prominent among such charges are (1) the duties collected on behalf of the Internal Revenue Administration as part of the several consolidated taxes; and (2) various wharfage, conservancy, river, and dike dues collected, with the sanction of the Government, on behalf of various local and municipal authorities. With reference to the first, they constitute a part of the internal revenue system, and will be dealt with later. The following is a list of such dues pertaining to the second group at present in force at the various ports:[1]

Tientsin—(1) *River Dues.*
(2) *Bridge Tax.*
(3) *Haiho Improvement Surtax.*
Chefoo—*Breakwater Dues.*
Ichang, Shasi, Hankow, Yochow, Changsha—*Dike Dues.*
Changsha—*Wharfage Dues.*
Yochow—*Wharfage Dues.*
Nanking—*Wharfage Dues.*
Shanghai—(1) *Wharfage Dues.*
(2) *Conservancy Dues.*
Ningpo—*Wharfage Dues.*
Santuao—*Wharfage Dues.*
Foochow—*Conservancy Dues.*
Amoy—*Bund Dues.*
Tengyueh—*Mule Tax.*

Customs Administration.—Up to the summer of 1928 the Customs Administration, under the nominal control of the *Shui Wu Chu* at Peking, was a thoroughly denationalized administration. At that time, the head of this administration, known as the Inspector-General, although in name an appointee of the Chinese Government, assumed in fact a dual rôle, "jockeying," to use the words of 17th fiscal year Finance Report, "between the Legations and the Government for instructions and opinions." However, with the abolition of the *Shui Wu Chu,* and the establishment in its stead, in June, 1928, of the *Kuan Wu Shu,* which is an integral part of the Ministry of Finance, the I.-G. of Customs was made immediately responsible to the Director-General of the Customs Administration Department (*Kuan Wu Shu*). The administrative integrity of the Customs with its civil service traditions was maintained, but it was divested of all political and extraneous functions and associations, and was made to concern itself solely with the collection of revenue in implicit obedience to the orders of the Government. This measure removed to a large degree the hitherto highly "imperialist tincture" of the Customs administration, and in effect increased its usefulness.

Following this measure came a series of orders and mandates from the Government, all of which aimed at the subsequent restoration of the Customs administration to proper

[1]For rates collected on each of these dues and surtaxes, *vide Code of Customs Regulations and Procedure,* Chapter XVI.

Chinese control. Pre-eminent among these were the following: a ministerial order in November, 1928, requiring the amortization funds appropriated from the Customs revenue for the redemption of domestic loans to be deposited with the Central Bank of China, instead of in foreign-owned banks as before; an order issued in February, 1929, instructing, among other things, first, that, except in the case of experts not available from the Chinese Staff, the Customs Administration should not thereafter engage foreign staff members, and secondly, that thenceafter Chinese staff members might be appointed to the office of Commissioner of Customs; an order issued in April, 1929, requiring Chinese to be used as the official language of the Customs service; and a ministerial order requiring the concentration of all remitted revenues in the Central Bank of China.

The present incumbent of the office of Inspector-General of Customs is Sir Frederick W. Maze, who most capably succeeded Mr. A. H. F. Edwards, following the latter's resignation from office as "Officiating Inspector-General" on December 31, 1928. To Sir Frederick, and to the several directors-general of the Department of Customs Administration, the present incumbent of which is Mr. Loy Chang, formerly Director of Loans of the Finance Ministry, must be given the credit of having guided the Customs administration through one of the most turbulent, though undoubtedly eventful, periods of China's long history, and of having maintained as well as increased the usefulness of the administration.

According to the latest available data,[1] the present personnel of the Customs administration has a total of 3,717 service-listed employees, consisting of one inspector-general, 3,439 individuals in the revenue department, 274 in the marine department, three on the retired list whose services are retained and not counting a force of non-service listed miscellaneous workers totaling 5,742 individuals. There is still a preponderance of foreign nationals in the upper strata of the Customs ranks, mainly due to the fact that most of them have stayed in that capacity for some considerable time. However, the latest issue of Customs Service List, corrected up to June, 1936, gives the following number of Chinese now serving as commissioners, or deputy commissioners[2] as against a score of *nil* some 10 years ago:

Full commissioners	5
Acting Commissioners	5
Deputy Commissioners	6
Acting Deputy Commissioners ..	17

Customs Gold Units.—In connection with the unit of collection of Customs revenue, two outstanding changes have taken place, both of which have had vital and far-reaching effects. These were the introduction of the Customs Gold Unit on February 1, 1930, as the currency in which import duties should be assessed and the abolition on March 10, 1933, of the Haikwan tael, with the concommitant enforcement of the standard as the currency in which export and interport duties should be paid. To take first the abolition of the Haikwan Tael—it was part and parcel of the comprehensive program aiming at the abolition of the taels of various weight and fineness in the different localities and the substitution of the new standard dollar in their steadt This is now an accomplished fact and needs no further comment.

The introduction of the Customs Gold Unit brought with it a new element in the currency system of the country. At the time of its inception, the prediction was freely made that it would foreshadow the eventual changing over of the country's currency system from the then existing standard (silver) to a gold standard of some kind, as the Customs Gold Unit is identical in its important aspects with the unit of value recommended by the "Kemmerer Commission," in their "Project of Law for the Gradual Introduction of a Gold Standard Currency System in China," submitted

[1]December 30, 1936.
[2]Not counting four assistants in charge in several ports.

to the Chinese Government. What further measures were intended at first to follow the adoption of the Customs Gold Unit concerns another phase of Chinese finance to which reference will not be made here, but it was evident that at that time the foremost consideration, if not indeed the motivating one was directly concerned with revenue collection, namely, the safeguarding of the Treasury against losses due to appreciation, in terms of silver equivalents, of the cost of payments of Indemnity and foreign loan charges, which were made in gold. It may be recalled that towards the close of 1929 there was an unprecedented fall in the price of silver which caused the Treasury heavy losses as the receipts of the Customs revenue in silver were not sufficient to meet the payments of obligations in gold. To make up for these losses the very simple idea, but undoubtedly a very valuable one, of collecting duties on a gold basis to meet the service of obligations in gold was adopted. In effect this was tantamount to increasing the tariff rates in a declining silver market.

The value of the Customs Gold Unit was fixed by the Government at 60.1866 centigrams of pure gold, which at the time of its inception was the equivalent of the following foreign currencies:[1]

Pence	19.7265
U. S. Dollar	0.40
Gold Yen	0.8025
French Francs	10.20977
Reichmarks	1.679
Guilder	0.995
Italian Lire	7.600
Swiss Francs	2.073
Belgas	2.877
Swedish, Danish, and Norwegian Krone	1.492
Austrian Shillings	2.843
Singapore Dollar	0.705
Rupees	1.096
Zloty	3.5656

To facilitate the payment of duties in Customs Gold Units, beginning with May 1, 1931, the Central Bank of China issued notes with denominations expressed in Customs Gold Units. This measure, in conjunction with an earlier decision to initiate and accept Gold Unit accounts, made the practice of paying Customs duties in gold, instead of in its silver equivalents, a popular one among importers. The result was a large influx of revenue in the form of gold, the exchange value of which greatly exceeded the requirements of the foreign loan and indemnity services payable in foreign currencies. As a consequence, it has devolved upon the Inspectorate-General monthly to sell gold on the Shanghai market, and it is estimated that an average of at least 5,000,000 Customs Gold Units has to be thrown monthly on the market. This practically marks a reversal of the former procedure, when gold had to be bought on the market.

Although Customs Gold Unit notes have been available for many years for the purpose of making duty payments, they do not circulate in the open market. The policy of the Central Bank has been to keep within certain fairly constant limits the total amount of these notes, and there have been no great increases in the issue. The notes are secured with 100% cash reserve, the total amounts issued during the last few years being as follows:

December 31,	1931	C. G. U. 250,000.00
,,	1932	425,000.00
,,	1933	416,715.40
,,	1934	373,324.70
,,	1935	373,324.70
,,	1936	409,630.70
March 31,	1937	409,630.70

Developments Concerning Customs Revenue During and Since 1936.—The foregoing paragraphs are meant to give a general idea concerning the Customs revenue and its administration. The account is by no means a complete one, but it will serve to give the basic information needed. The following sections will review the major developments of and concerning Customs revenue during and since 1936.

[1]These, however, are the fixed equivalents. As nearly all of the currencies have depreciated in varying degrees, the values shown are contingent on the actual exchange outrun in gold currencies.

Customs Report on Trade in 1936.[1]—The Customs trade statistics for 1936 are summarized and analyzed in the chapter on "Foreign Trade" appearing elsewhere in this issue. Consequently duplication will not be risked here except with reference to such relevant facts concerning China's trade as have a bearing on China's public finance; no doubt the volume and nature of a nation's foreign trade affect in direct proportions its government finance as well as its position in regard to balances of international payments.

The net value of the trade of China for 1936, import and export, expressed in terms of standard dollars was $1,647 million, as compared with $1,495 million during 1935. Imports rose from $919 million to $941 million, an increase of 2.4%, while exports improved from $576 million to $706 million, or by 22.6%. Expressed in Customs Gold Units, the total value of the direct import trade in 1936 as compared with that in 1935, registered a total decline amounting to G. U. 86,553,872. This was due mainly to a higher valuation, in terms of silver dollars, of the Customs Gold Unit in 1936, subsequent to the Government's monetary reforms of November, 1935. As to the decline of the import trade registered in Gold Units at Tientsin and the Northern ports, an important factor was the large-scale smuggling of artificial silk yarn, sugar, kerosene, piece goods, and other articles, in that region.

The increase of exports in 1936 over the figure for the preceeding year by more than $130 million was a particularly satisfactory accomplishment, not only from the standpoint of revenue collection, but also from that of the economic welfare of the entire nation. It registered a turning point in China's export trade which during the few years immediately preceeding had remained fairly static, if not in fact showing a somewhat downward trend. The improvement must be attributed to the Government's new monetary policy, and is a direct outcome for depressing the Chinese dollar.

For 1936 there was still an adverse balance in total trade amounting to some $235 million. This, however, showed a substantial reduction as compared with former years, since in 1931 the total adverse balance, excluding Manchurian trade, was as high as $1,087 million, while for 1935 it was $343 million. To be sure, in 1936 the smuggling situation was particularly bad, and the adverse balance would have presented a higher figure had the smuggled goods (imports) been recorded, but the figure of $235 million may, on the other hand, be reduced by $24.5 million of export duty which should be added to the outward statistics to obtain the true f. o. b. value of the export trade, and by $40 million net of gold shipped abroad as a commodity. All things considered, therefore, the situation seems to present a fairly optimistic picture as regards the future.

The following is a tabulation of China's adverse balances since 1927; it shows the balances under two columns, those including Manchurian trade and those excluding Manchurian trade, and serves to illustrate in a way the importance which Manchuria, now temporarily lost to China, bears in relation to China's foreign trade:

TABLE 6. CHINA'S ADVERSE TRADE BALANCES SINCE 1927

(in millions of dollars)

Year	*Including Manchurian Trade (Up to June, 1932)*	*Excluding Manchurian Trade*
1927	147	318
1928	319	483
1929	390	550
1930	647	779
1931	816	1,087
1932	868	955
1933	733	733
1934	495	495
1935	343	343
1936	235	235

[1] *The Trade of China, 1936*, an annual report of the Inspectorate-General of Customs.

China's Balances of Payments, 1936.—The persistence of an annual adverse trade balance naturally brings us to the question of how this balance is being met year by year. The 1936 trade records show a net outward movement of silver amounting to $249 million, not to mention the quantity of gold exported, but this cannot be taken to represent in its entirety China's payment for the adverse balance of the year. Obviously the situation is not such a simple one, as many factors must enter into consideration. For one thing, it is possible that this movement of silver abroad constituted part of the operation of the monetary authorities to create a reserve abroad in the form of foreign currencies and securities as a safeguard for China's new currency standard. Many items, both visible and invisible, prominent among which are the annual remittances to China from her hard-working emigrants abroad, also serve materially to offset the adverse trade balance, although, likewise, there are many factors on the other side of the balance sheet which operate in a different direction.

The true situation of China's balances of payments needs to be studied carefully. Under normal circumstances, an unfavorable balance generally means that so much precious metal, in the form of gold or silver, has to be exported abroad as payment. With the country's currency system constituted as it is to-day, and with its vast reserve of silver and gold already depreciated to a certain extent as a result of illegitimate smuggling engaged in by other nationals during the last two years, China obviously cannot afford a further drain on her metal reserves. Such a situation, if developed, must be remedied with all haste. It has a direct bearing on the new currency system, and indirectly effects the country's fiscal and tariff policies.

So far no really exhaustive data have been made available to the public concerning China's balances of payments, except in a few isolated instances[1] wherein the data, though fairly comprehensive, are not continuous. Such a study admittedly involves technical as well as international difficulties. It is difficult, for instance, to assess correctly the amount of smuggled imports in the Hopei area, not to mention the illegal entry of goods, without proper registration, at points along the Great Wall into such distant provinces of Suiyuan, Ninghsia and Sinkiang, or the amount of smuggling that has been going on in the vicinity of Fukien and Kwangtung. Similarly, the outward smuggling firstly of gold, then of silver, and more recently of copper—all basic metals of the Chinese currency system—has successfully defied Customs record and registration. The operation of foreign firms in China under the protection of extraterritoriality renders it difficult to obtain statements from them concerning either their capital or their earnings. Here, in short, is an example where the academic statistician meets with political and international realities.

Rough estimates of China's yearly balances of payments are made by various individuals and research bodies.[2] Thus, the annual report issued by the Bank of China to its share-holders generally contains yearly estimates of China's balances of payments. While these estimates may not be wholly accurate, they are, nevertheless, descriptive of the general situation. The figures for 1936 as contained in the Bank of China report for that year are as follows:

[1]Take for instance Professor C. F. Remer's study of China's balances of payments in his book *Foreign Investments in China.*

[2]In the annual publication on *International Balances of Payments*, issued by the Economic and Financial Section of the League of Nations, data concerning China's balances of payments are also available. These are substantially the same as those compiled by the Research Department of the Bank of China.

TABLE 7. CHINA'S BALANCE OF INTERNATIONAL PAYMENTS 1936

(In millions of dollars)

OUTPAYMENTS:		
Current Items:		
Merchandise Imports:		
Customs Report	941.5	
Smuggled and unrecorded	200.0	1,141.5
Service of Foreign Loans:*		
Customs	76.6	
U. S. Wheat and Cotton Loan	6.4	
Salt	14.3	
Railways	30.4	127.8
Chinese Expenditure Abroad; including travelers' and students' diplomatic and consular		12.0
Foreign business and other profits remitted		70.0
Capital Items:		1,351.3
Unaccounted for:		
Including movement of Banking funds and other Capital Items		425.5
TOTAL		1,776.8
INPAYMENTS:		
Current Items:		
Merchandise Exports:		
Customs Report	705.7	
Estimated undervaluation (15%)	105.9	811.6
Remittances of Chinese Abroad		320.0
Foreign Expenditure in China:		160.0
Including tourists' missions' and philanthropic, diplomatic and consular, military and naval shipping.		
Other Receipts:		90.0
Including profits on sales of bullion, agencies commissions, and allowances, receipts from Chinese investment abroad.*		
Capital Items:		1,381.6
Gold Exports:		
Customs Report	40.6	
Smuggled (net)	5.0	45.6
Silver Exports:		
Customs Report	249.6	
Smuggled	40.0	289.6
Foreign loans, investments and credits		60.0
TOTAL		1,776.8

*Service of foreign loans and receipts from Chinese investment abroad include amortization.

Customs Report on Revenue in 1936.—The total revenue collection for the year 1936, including tonnage dues and the surtaxes, expressed in terms of standard dollars, amounted to $324,633,291. This represents an increase

of $9,113,579, or 2.89%, over the 1935 total of $315,519,712, but falls short of the collection in 1934 when the total was $334,645,408, larger by approximately $10 million. The 1936 total was made up of the following items:

Import Duty	$254,538,970
Export Duty	24,474,126
Interport Duty and Interport Surtax	13,684,810
Tonnage Dues..	4,032,657
Revenue Surtax	13,937,392
Flood Relief Surtax ..	13,965,336
TOTAL	$324,633,291

The collection of the import duty, expressed in terms of Customs Gold Units, in which currency this duty is assessed, totaled C. G. U. 112,835,-168, of which 59% was collected in actual gold unit drafts or notes and the balance in local currency according to the exchange rate ruling of the data of payment of duty. When compared with the 1935 collection of C. G. U. 137,553,303, the collection for 1936 shows a decline of C. G. U. 24,-718,135 or 17.97 %, but, owing to the higher gold unit-dollar exchange rates which ruled throughout the year as a direct result of the Government's currency reform measures of November 1935, and the lower exchange value of the standard dollar since that time, the dollar outrun of the gold unit collection has been proportionately greater at $254,538,970, representing an increase of $4,373,614, or 1.75%, over the 1935 dollar outrun of $250,165,356.

While the lower dollar tended to restrict import trade to a certain extent, thus causing a decline in total import duty collection expressed in gold units, it gave an impetus to the export trade. As a result, the total collection of export duty for the year, amounting to $24,474,126, showed an increase of $3,742,602 as compared with 1935. The demand for many of China's staple export commodities was generally satisfactory, egg products, hides and skins, wood oil, etc., being shipped in large quantities. The export duty on silver fell from $238,005 to $9,731, and the equalization charge from $193,602 to $4,668.

Under the heading of interport duty and interport surtax there was an increase of $477,265 as compared with 1935. Likewise collections of the revenue surtax and the flood relief surtax showed an increase of $403,727 and $405,315 respectively. In sympathy with the decline in export trade, tonnage dues registered a decrease amounting to $287,944.

The increase in total revenue collection occurred in the latter part of the year, the month of October registering the largest collection, with November following next. The lowest amount collected was in June. The cumulative revenue collection (exclusive of tonnage dues, flood relief surtax and revenue surtax) for the first half of the year, i.e., January to June 1936, disclosed a deficit to the extent of some $39 million when compared with the figure for the first half of 1935, while the collection for the July —December period recorded an advance of some $48 million over the figure for the corresponding period of 1935. This may be attributed in part to the liquidation of the political situation in Kwangtung and Kwangsi, to the general progress made in the suppression of smuggling in the North and to the growing revival of trade during the closing months of the year. The monthly totals of revenue collections were as follows:

1936	January	$22,762,378
	February	22,221,374
	March	26,850,729
	April	26,668,109
	May	21,992,446
	June	21,661,282
	July	23,001,523
	August	23,909,906
	September	29,526,611
	October	36,531,660
	November	36,061,755
	December	33,445,510
	TOTAL ..	$324,633,283*

*Due to the method of removing the last decimal digits in compiling the monthly total figures, the total indicated here differs slightly from those shown elsewhere.

During past years, Shanghai has always been credited with the largest revenue collection. In 1936 it was no exception, as, with a collection of $148,869,137, it contributed 45.86% of the total Customs revenue in China. In this respect, however, it declined slightly in importance as compared with 1935, when its total collection amounted to $149,127,439, or 47.26%, and as compared with 1934 when the total collection was $175,363,474, or 52.40%. This gradual decline in the importance of Shanghai from the revenue standpoint and its displacement by other ports is a welcome sign as it indicates that trade is being developed elsewhere instead of being concentrated at one single place.

Of the other larger collecting ports, Tientsin, with a total collection of $35,518,116 (including $10,658 collected at stations along the Great Wall passes), showed a decline of $5,570,896 from 1935, while further decreases were recorded at Chinwangtao, of $192,340, at Chefoo (including Lungkow and Weihaiwei), of $799,322, at Tsingtao, of $2,007,318, and at Amoy, of $550,746. At all of these ports, particularly those in the North, unprecedented smuggling was rampant during the greater part of the year. Increases were recorded at Hankow, of $1,478,131, at Swatow, of $2,067,988, at Kowloon, of $1,774, 137, and at Canton, of $1,309,297. The total losses incurred at the Northern ports, and at Shanghai and Amoy, amounting to $9,378,924 were partially reduced by a gain of $6,629,553 at Hankow, Swatow, Kowloon and Canton, while minor individual increases at the majority of the remaining ports resulted in a total net increase of $9,113,579 in the revenue collection for all of China for 1936, as pointed out above. Tables 12 and 13 below give figures of the revenue collection of the different ports and the percentage attributable to each.

Customs Gold Unit/Standard Dollar Collecting Rates, 1936.—The nature of the Customs Gold Unit has already been explained in an earlier section. With the introduction of the Government's currency reforms in November, 1935, the C. G. U. / $ collecting rate has advanced and has consistently stayed at relatively high levels throughout 1936. As a result, the dollar outrun of the import duty collection in 1936, as indicated elsewhere, showed an increase of some $4 million over 1935, in spite of the decline in the actual amount of collection if expressed in Customs Gold Units. According to figures now available, during the first six months of 1937, the C. G. U. / $ collecting rate has continued to remain on a high level—$2,286 for January, $2.293 for February, $2.297 for March, $2.281 for April, $2.268 for May and $2.268 for June—so that, with the general improvement in trade during these few months, it was expected that the collection of Customs revenue would be enhanced considerably.

TABLE 8. CUSTOMS GOLD UNIT/STANDARD DOLLAR COLLECTING RATES 1930–1936

Month	*1930*	*1931*	*1932*	*1933*	*1934*	*1935*	*1936*
January	—	1.837	1.743	1.998	1.882	1.946	2.265
February	—	1.951	1.658	1.964	1.945	1.877	2.265
March	—	1.772	1.729	1.935	1.946	1.799	2.265
April	—	1.775	1.839	1.936	1.977	1.723	2.262
May	—	1.871	1.894	1.932	2.073	1.634	2.253
June	—	1.876	1.952	1.890	2.048	1.661	2.239
July	1.508	1.824	1.986	1.911	1.998	1.714	2.241
August	1.445	1.878	1.904	1.953	1.957	1.827	2.234
September	1.397	1.859	1.880	2.010	1.923	1.824	2.227
October	1.429	1.752	1.879	2.014	1.905	1.884	2.289
November	1.436	1.674	1.909	1.953	1.965	2.263	2.295
December	1.591	1.716	2.018	1.895	1.984	2.268	2.286

Year	T. T. on London (Per $1)	T. T. on New York (Per $100)	T. T. on Yokohama (Per $100)	Customs Gold Unit (Per unit)
	s. d.	U. S. $	Yen	St. $
1929	1 8 7/16	41.078	88.575	—
1930	1 2 9/16	29.525	59.050	—
1931	0 11 13/16	21.823	44.287	—
1932	1 2 15/16	21.823	77.022	—
1933	1 2 13/16	26.347	101.077	1.952
1934	1 4 1/8	33.787	113.226	1.967
1935	1 5 3/4	36.243	125.903	1.866
1936:				
January	1 2 3/8	29.500	102.292	2.265
February	1 2 3/8	29.880	102.535	2.265
March	1 2 3/8	29.868	102.659	2.265
April	1 2 3/8	29.785	102.397	2.265
May	1 2 3/8	29.750	102.063	2.253
June	1 2 3/8	29.750	101.770	2.239
July	1 2 3/8	29.760	102.160	2.241
August	1 2 3/8	29.875	102.230	2.234
September	1 2 5/16	29.915	101.650	2.227
October	1 2 3/8	29.500	102.298	2.289
November	1 2 15/32	29.500	103.068	2.295
December	1 2 13/32	29.430	103.015	2.286
WHOLE YEAR ..	1 2 3/8	29.712	102.342	2.260

The above table (Table 8) gives the average value in standard dollars of the Customs Gold Units from 1930 to 1936, together with the average opening rates in Shanghai on London, New York and Yokohama during the same period for comparison.

Customs Report on Smuggling and Preventive Work in 1936.[1] —During the last two years the orgy of organized smuggling in North China assumed such enormous proportions that it has become a matter of deep concern both to China and to other nations. Although on the surface this smuggling seemed to aim at nothing more than the evasion of the allegedly high tariff duties by moving goods into China Proper via routes over which the Customs preventive forces had no effective means of control—by reason of the fact that they were deprived of the right to carry arms—it had far more sinister political and economic motives. Economically, the illicit entry of these articles disturbed legitimate trade; if allowed to persist, it would stifle the few infant domestic industries which China has managed to build up for herself in the course of the last decade. Financially speaking, the smuggling situation at one time caused such a shrinkage of Customs revenue from the North China region that it was generally expected to affect the service of the indemnity and foreign loans secured on the Customs, and in turn to affect China's credit abroad, which she had tried so hard to rebuild. To ward off the evil effects of this unprecedented situation, the Chinese Government had to employ every means at its disposal, an account of which, and also of the general smuggling situation up to the close of 1935, has already appeared in the 1936–1937 issue of this year book.[2]

The year 1936 passed without any apparent improvement in the situa-

[1] *The Trade of China*, 1936, pp. 7–12.
[2] *Chinese Year Book*, 1936–1937, pp. 611–612.

tion. In fact, the Customs report on the subject detailed further unfortunate developments. Early in the year, Nanlichuang, some two miles from Chinwangtao, and other places on the coast not open to foreign trade but near to the railway stations of Nantasze, Peitaiho, Liushowying, and Changli became veritable hives of smuggling activity, vessels of all kinds, mostly from Dairen, arriving daily and discharging their illicit cargoes under the guard of numerous Koreans armed with iron bars, sticks, stones, and other instruments, and ready to attack any Customs officers who appeared in the vicinity. The position was further aggravated by the action of the so-called "autonomous regime in Eastern Hopei" which claims jurisdiction over the whole so-called demilitarized zone in enforcing their own taxation on the illicit goods at rates representing only a small percentage of those of the National Tariff, thus creating a false impression that the importations were regularly made—an argument which those concerned were not slow to use in defence of their illegal activities. Towards the middle of the year the situation became even more grave, and it was estimated that at its peak some $2,000,000 per week were escaping the duty account.

In May there was inaugurated a Customs Chief Inspection Bureau for the Prevention of Smuggling by Rail, while some 17 Customs inspection posts were established on the Tientsin-Pukow, Peiping-Hankow Nanking-Shanghai, and Shanghai-Hangchow lines. An exception was made in the case of the Peiping-Liaoning Railway, over which line the political situation in North China did not permit the Customs functioning effectively. The establishment of these posts, together with the exercise of armed force to eject smugglers in several instances, had the immediate effect of stopping all shipments of smuggled goods by rail southwards from Tientsin. However, towards the end of August, other attempts were made to break through the Customs cordon, this time by road. Once more this necessitated the putting up of Customs land barriers at points outside Tientsin, but in the face of armed threats these barriers, lacking the necessary force and adequate protection, were in many cases unable to function properly.

The approximate amounts of illicit goods arriving at Tientsin by rail from East Hopei during the year 1936 were as follows:

Artificial silk yarn: 3,994,200 kilograms.
Sugar: 897,070 quintals.
Cigarette paper: 378,600 kilograms.
Kerosene oil: 2,166,600 gallons.
Piece goods: 78,400 cases (particulars unknown).
Sundries: 220,800 cases (contents unknown).

The estimated amount of duty evaded on artificial silk yarn, sugar, cigarette paper and kerosene oil was in the neighborhood of $30,500,000, and, although particulars of the other smuggled items are unknown, a conservative estimate of $20,000,000 of duty evaded would bring the total amount of duty lost by the Government to the figure of over $50,000,000.

As against the ugly situation created in North China, the condition elsewhere was generally satisfactory. While difficulties were still experienced at Foochow and Amoy in connection with dutiable articles carried by runners traveling continuously on vessels from Formosan ports, the situation improved substantially in Kwangtung, where a change of administration led to the cessation of certain varieties of illicit cargo entering through channels which the Customs had formerly been unable to control.

As further measures to prevent smuggling, in the early summer there were introduced by the Government Provisional Regulations Governing the Inspection of Imported Goods when moved for sale in China. In June, 1936, a further blow was dealt to the smuggling community when a provisional code was promulgated governing punishments for evasions of Customs duty and prescribing severe penalties for offenses detailed in the code. An unofficial translation of the code appears elsewhere in this section.[1]

[1] *Infra.* p. 409.

The advent of 1937 saw substantially the same situation prevailing in the smuggling area. Around this particular zone, however, a strong cordon of preventive and military police is being steadily built up which, together with the adoption of severe penal codes against smugglers of Chinese nationality as well as against those dealing in smuggled goods, operates effectively to keep the illicit stock from moving southward. The accumulation of these stocks of smuggled goods at Tientsin and its vicinity naturally causes despair to the smuggling community. With the adoption of a more sympathetic attitude on the part of those concerned whose co-operation is essential to the removal of this menace, it is expected that a substantial improvement will result, but the evil will not be wholly eradicated unless and until the Chinese Customs preventive service in the so-called demilitarized area is able once more to function properly, and to clamp down, with force if necessary, upon those outlaws whose illicit activities deserve only the severest penalty.

Customs Report on Customs Loan Service in 1936.[1]—In spite of the non-payment during 1936 of the quota for loan service formerly provided by the Manchurian ports and Dairen, and of the impairment of revenue collection in the Northern ports due to the illegal smuggling activities in these localities, full provision was made during the year for the service of the foreign loans (including the Reorganization Loan of 1913) and the Boxer Indemnity secured on the Customs revenue. The total cost of this service amounted to G. U. 30,798,501 plus $7,256,599, or, if expressed in standard dollars, $76,728,396 as against $66,400,988 for 1935. Payments on account of individual items may be seen from Table 15 below. The continued depreciation of sterling and of U. S. dollars, as compared with the former gold parities of these currencies, during the year enabled the Government to effect considerable saving in the purchase with Customs Gold Units of pounds sterling and U. S. dollars for service of these obligations, which are on a sterling or U. S. dollar basis.

The service of the internal loans secured on the Customs revenue was also met in full during the year at a total cost of $129,173,686. This constituted mainly payments for services of the Consolidation Loan of $1,460,000,000 issued on February 1, 1936, and of the Recovery Loan of $340,000,000 issued on March 1, 1936.

On May 28th an agreement was signed between China and the Export-Import Bank of Washington for the consolidation and modification of the schedules of the American Wheat and Flour Loan of 1931 and the American Cotton and Wheat Loan of 1933. Under the terms of the new agreement, interest was to be payable at the rate of 5% from July 1, 1936, while redemption was to be spread over a longer period of years. It will be recalled that originally the American Wheat and Flour Loan was secured on the flood relief surtax, and the American Cotton and Wheat Loan on the consolidated taxes. The service of both obligations is now derived wholly from the proceeds of the flood relief surtax.[2]

Payments on account of principal and interest in respect of the two commodity loans mentioned above, which amounted to U. S. $2,160,334 for 1936, were met in full from the proceeds of the flood relief surtax at a total cost of $6,482,963.

Disposal of Customs Revenue.—Through the courtesy of the Director-General of the Department of Customs Administration, Table 15 pertaining to the collection and disposal of Customs revenue for the year 1936 is reproduced herewith. This is in succession to the tables for the previous years 1933–1934 appearing in the 1936–1937 issue of this Year Book.[3]

Customs Revenue Statistical Tables.—For purposes of comparison, the following statistical tables concerning

[1] *The Trade of China*, 1936, p. 52.
[2] For a revised schedule of payments on the commodity loans of 1931 and 1933, see section on Public Debt, p. 469.
[3] *Chinese Year Book*, 1936–1937, pp. 613–615.

customs revenue collections during 1936 and the years preceding are reproduced herewith:

Table 9. Net Maritime Customs Revenue, 1912–1936, (Including Import, Export, Interport and Coast Trade Duties and Transit and Tonnage Dues, but excluding Flood or Famine Relief and Revenue Surtaxes).

Table 10. Gross Maritime Customs Revenue, 1926–1936, (Including Surtaxes).

Table 11. Total Maritime Customs Revenue of Each Port, 1930–1936.

Table 12. Maritime Customs Revenue of Each Port, 1936.

Table 13. Percentage Distribution of Customs Revenue Collected by Principal Ports.

Table 14. Relation of Combined Maritime and Native Customs Revenue to Foreign Loans and Indemnities and Internal Loans Charged Thereon.

TABLE 9. NET MARITIME CUSTOMS REVENUE, 1912–1936

(Including Import, Export, Interport and Coast Trade† Duties and Transit† and Tonnage Dues, but excluding Flood or Famine Relief and Revenue Surtax)*

Calendar Year	*Approximate Amount in Standard Dollars*
1912	66,743,000
1917	65,381,000
1922	98,079,000
1926	128,733,000
1927	112,985,000
1932	287,888,000
1933	311,260,000
1934	306,186,000
1935	288,425,000
1936	296,730,563

* Introduced June 1, 1931.
† Abolished January 1, 1931.

TABLE 10. GROSS MARITIME CUSTOMS REVENUE, 1926–1936
(Including Surtaxes)

Year	*Import Duty*	*Export Duty*	*Coast Trade Duty**	*Interport Duty†*
	St. $	St. $	St. $	St. $
1926	66,768,132	40,918,980	4,352,071	—
1927	54,379,376	39,669,199	3,873,813	—
1932	236,291,686	26,776,952	—	20,551,871
1933	265,610,812	23,244,999	—	18,003,323
1934	260,215,093	24,700,810	—	16,968,189
1935	250,165,356	20,731,524	—	13,207,545
1936	254,538,970	24,474,126	—	13,684,810

Year	*Transit Dues**	*Tonnage Dues*	*Revenue Surtax*	*Famine or Flood Relief Surtax*	*Total*
	St. $	St. $	St. $	St. $	St. $
1926	5,159,291	4,516,034	—	3,604,721	125,319,229
1927	4,884,349	4,282,593	—	72,833	107,162,163
1932	—	4,267,973	5,065,544	19,022,184	311,976,210
1933	—	4,402,649	14,126,919	14,135,788	339,524,490
1934	—	4,302,032	14,216,784	14,242,500	334,645,408
1935	—	4,320,601	13,534,665	13,560,021	315,519,712
1936	—	4,032,657	13,937,392	13,965,336	324,633,291

*Abolished January 1, 1931.
†Introduced June 1, 1931, being the export duty on domestic trade formerly included in the Export Duty column.

TABLE 11. TOTAL MARITIME CUSTOMS REVENUE OF EACH PORT, 1930–1936

Port	*1930*	*1931*	*1932*	*1933*	*1934*	*1935*	*1936*
	St. $	St. $	St. $	St. $	St. $	St. $	St. $
Aigun	57,920.74	132,283.97	51,950.03	—	—	—	—
Harbin	6,356,320.40	8,240,259.73	3,081,533.80	9,222.71*	—	—	—
Hunchun	222,249.90	352,364.47	80,608.09	—	—	—	—
Lungchingtsun	652,321.24	899,113.28	439,027.53	—	—	—	—
Antung	6,440,864.01	5,760,591.43	2,831,658.86	—	—	—	—
Dairen	19,216,914.70	19,499,287.23	11,120,854.31	—	—	—	—
Newchwang	5,307,481.45	5,919,428.69	1,862,508.34	—	—	—	—
Chinwangtao	1,560,973.33	2,151,062.39	1,946,090.32	1,463,307.24	1,759,463.98	1,428,311.59	1,235,971.79
Tientsin	20,605,558.74†	36,504,352.58	39,100,174.78	41,804,156.86	41,154,742.04	41,089,011.55	35,518,115.75
Lungkow	272,681.14	342,814.05	586,484.86	1,264,233.91	1,322,991.11	1,462,720.68	1,069,672.76
Chefoo	1,151,789.83	2,488,994.14	1,531,028.09	2,388,061.53	3,574,932.83	3,356,194.49	3,023,237.87
Weihaiwei	69,554.00	401,170.88	359,018.94	499,655.93	516,287.82	588,505.20	515,187.81
Tsingtao (Kiaochow)	14,304,107.99	17,875,334.11	24,246,538.93	22,589,983.42	20,148,684.25	22,313,254.54	20,305,936.41
Chungking	1,934,931.52	2,386,155.25	1,969,271.60	2,091,091.73	1,943,807.46	2,311,285.90	3,172,405.44
Wanhsien	442,432.79	562,050.90	961,652.25	1,110,390.12	905,646.93	1,092,948.01	1,048,079.51
Ichang	376,283.87	341,742.33	366,491.50	438,371.79	406,761.81	386,160.22	557.058.67
Shasi	576,041.74	391,188.24	354,504.03	325,299.41	478,914.21	364,747.34	689,769.00
Changsha	1,165,045.99	1,660,347.08	2,101,164.50	3,609,483.11	3,744,847.76	4,518,671.23	5,405,047.46
Yochow	925,681.56	555,298.62	328,329.63	473,280.49	581,974.04	576,365.18	653,004.79
Hankow	11,679,623.33	14,912,445.05	12,776,910.67	20,417,969.62	19,365,550.34	22,396,228.46	23,874,359.04
Kiukiang	1,747,084.27	2,800,411.32	1,418,268.26	2,692,495.39	3,742,853.94	3,451,150.79	4,848,593.59
Wuhu	1,742,976.47	2,243,728.61	1,866,390.77	2,421,586.88	2,472,421.49	2,677,919.96	3,532,638.07
Nanking	1,082,095.43	1,465,955.92	1,746,148.47	2,744,222.61	3,703,121.32	3,125,622.31	3,775,346.27
Chinkiang	2,666,429.67	3,049,427.76	2,292,307.88	4,908,717.58	5,275,465.08	6,164,320.85	8,018,779.08
Shanghai	134,990,547.32	195,013,171.13	143,617,423.00	176,197,170.19	175,363,474.13	149,127,439.27	148,869,136.96
Soochow	358,344.25	153,987.19	83,858.01	1,756,294.34	3,028,553,90	3,507,909.52	5,750,866.14

Hangchow	519,979.76	422,882.02	305,537.45	2,575,704.90	3,219,048.42	3,391,392.51	5,223,696.35
Ningpo	1,246,137.38	1,774,757.59	2,134,717.02	2,591,023.16	3,571,633.47	3,470,053.99	1,910,813.41
Wenchow	326,798.84	361,319.54	346,758.19	286,887.73	396,962.49	325,962.21	704,806.56
Santuao	228,764.49	266,419.67	279,970.14	229,712.78	232,426.30	92,984.94	205,978.97
Foochow..	2,379,168.56	3,069,061.14	2,953,982.41	2,901,412.21	2,858,055.09	2,785,975.45	3,185,023.26
Amoy	5,385,996.50	6,610,851.19	6,557,734.94	5,111,452.30	5,507,456.45	6,005,910.53	5,455,164.77
Swatow	7,662,034.85	8,449,535.63	8,920,064.05	7,977,031.13	5,793,706.13	4,760,905.79	6,828,894.11
Canton..	15,180,467.34	17,415,651.59	14,460,217.49	10,986,528.52	8,013,102,50	9,616,502.69	10,925,799.45
Kowloon	2,020,645.13	8,395,260.38	8,704,168.79	8,304,574.41	7,462,841.50	7,346,729.82	9,120,867.31
Lappa	1,714,902.26	2,088,452.82	1,863,912.93	1,417,775.06	864,202.10	948,250.07	917,483.18
Kongmoon	1,861,533.15	2,135,169.90	1,705,868.77	1,451,713.75	1,193,881.17	917,902.72	967,184.16
Samshui	666,037.33	679,654.17	503,422.88	381,269.90	348,619.24	319,581.77	262,216.99
Wuchow..	1,946,878.43	2,181,277.18	1,799,616.39	1,601,899.97	1,654,103.51	1,381,706.02	1,844,121.77
Nanning..	48,258.09	114,891.79	133,103.30	180,526.40	183,892,88	101,194.13	121,494.47
Luichow..	—	—	—	—	—	—	348,146.84
Kiungchow	878,351.38	1,508,007.75	1,525,973.25	1,017,607.45	847,346.86	987,638.07	1,226,357.08
Pakhoi	485,996.86	500,186.94	590,203.27	840,307.84	592,752.88	492,049.72	370,870.39
Lungchow	11,920.70	20,543.18	18,961.06	16,715.48	11,238,33	9,785.18	19,124.56
Mengtsz..	2,592,446.20	2,486,164.53	1,643,565.75	2,058,115.25	1,938,363.06	2,163,827.29	2,657,843.51
Szemao	11,711.59	34,275.86	43,067.47	65,413.14	102,242.02	155,856.20	165,123.39
Tengyueh	331,303.94	385,342.72	365,077.34	323,874.25	363,039.71	306,735.84	309,074.31
TOTAL‡ St. $	281,405,583.46	385,002,671.94	311,976,210.34	339,524,490.49	334,645,408.55	315,519,712.03	324,633,291.25

* Collected during June 1932 in the Harbin District Customs and during September, October, and December 1932 at the "Suifenho Chung Kuo Hai Kuan respectively, but not included in the revenue return for the year.

† Not including the sum of St. $7,507,281.75 said to have been collected during the period 17th June to 2nd October 1930, when the Tientsin Customs was closed by order of the Government. Of this collection, the sum of St. $2,597,042.04, said to represent the net 5 per cent revenue collection for the period 17th June to 20th September 1930, was remitted to Shanghai.

‡ Including Flood Relief Surtax: 1931, St. $1,598,457.39; 1932, St. $19,022,184.95; 1933, St. $14,135,788.39; 1934, St. $14,242,500.25; 1935, St. $13,560,021.21; and Revenue Surtax: 1932, St. $5,065,543.49; 1933, St. $14,126,919.04; 1934, St. $14,216,783.75; 1935, St. $13,534,664.92; 1936, St. $13.937,391.60.

TABLE 12. MARITIME CUSTOMS REVENUE OF EACH PORT, 1936

Port	Import Duty	Export Duty	Interport Duty	Tonnage Dues	Revenue Surtax	Flood Relief Surtax	Grand Total
	St. $	St. $	St. $	St. $	St. $	St. $	St. $
Aigun	—	—	—	—	—	—	—
Harbin	—	—	—	—	—	—	—
Hunchun	—	—	—	—	—	—	—
Lungchingtsun	—	—	—	—	—	—	—
Antung	—	—	—	—	—	—	—
Dairen	—	—	—	—	—	—	—
Newchwang	—	—	—	—	—	—	—
Chinwangtao	367,119.78	481,024.48	220,825.74	85,278.00	40,215.85	41,507,94	1,235,971.79
Tientsin	25,068,046.48	6,316,019.96	850,869.21	163,451.62	1,559,788.35	1,559,940.13	35,518,115.75
Lungkow	726,975.42	133,297.84	109,854.99	14,868.43	42,311.39	42,364.69	1,069,672.76
Chefoo	2,265,422.76	124,935.14	363,778.53	34,470.47	117,094.39	117,536.58	3,023,237.87
Weihaiwei	371,217.34	47,216.43	38,655.01	16,569.03	20,765.00	20,765.00	515,187.81
Tsingtao (Kiaochow)	16,247,033.53	1,919,093.52	304,656.39	24,087.12	905,441.90	905,623.95	20,305,936.41
Chungking	1,212,623.84	738,421.87	1,019,945.29	6,488.38	97,427.65	97,498.41	3,172,405.44
Wanhsien	22,526.74	731,138.09	218,397.95	652.35	37,682.19	37,682.19	1,048,079.51
Ichang	294,186.59	98,771.84	104,321.35	20,090.95	19,786.07	19,901.87	557,058.67
Shasi	258,063.07	—	403,978.05	1,929.20	12,899.34	12,899.34	689,769.00
Changsha	4,318,930.32	455,752.69	149,952.42	3,655.60	238,378.82	238,377.61	5,405,047.46
Yochow	400,393.03	—	212,648.47	—	19,981.72	19,981.57	653,004.79
Hankow	16,323,742.99	3,684,546.32	1,781,131.98	38,245.90	1,023,347.13	1,023,344.72	23,874,359.04
Kiukiang	4,002,396.38	195,583.16	224,610.72	6,930.60	209,474.54	209,598.19	4,848,593.59
Wuhu	2,810,049.79	272,130.71	123,991.30	17,410.25	154,457.17	154,598.85	3,532,638.07
Nanking	3,349,844.87	68,130.59	27,963.83	9,654.85	157,102.64	162,649.49	3,775,346.27
Chinkiang	7,246,282.09	13,597.81	32,766.90	2,107.95	361,991.26	362,033.07	8,018,779.08
Shanghai	123,893,531.71	4,980,404.58	3,943,528.05	3,093,867.01	6,470,737.67	6,487,067.99	148,869,136.96
Soochow	5,220,018.45	165.16	9,613.14	142.50	260,462.79	260,464.10	5,750,866.14
Hangchow	4,678,518.92	10,901.36	66,495.81	78.90	233,851.02	233,850.34	5,223,696.35
Ningpo	1,622,758.61	17,492.05	84,072.60	23,464.50	81,512.94	81,512.71	1,910,813.41
Wenchow	488,103.21	30,974.99	127,569.76	7,304.37	25,425.60	25,428.63	704,806.56
Santuao	27,011.54	632.54	174,749.39	795.20	1,395.15	1,395.15	205,978.97

Foochow	2,144,314.71	77,482.78	708,873.32	34,454.00	109,755.83	110,142.62	3,185,023.26
Amoy	4,524,105.34	174,459.53	127,479.38	170,226.91	228,645.70	230,247.91	5,455,164.77
Swatow	4,994,792.37	346,876.83	863,555.39	98,644.45	262,483.03	262,542.04	6,828,894.11
Canton	7,902,864.97	966,160.47	1,082,544.51	89,284.75	442,197.79	442,746.96	10,925,799.45
Kowloon	7,961,820.66	338,255.20	—	—	410,338.44	410,453.01	9,120,867.31
Lappa	729,121.39	116,429.90	—	—	35,821.42	36,110.47	917,483.18
Kongmoon	734,450.53	130,535.23	7,397.49	10,328.95	42,091.12	42,380.84	967,184.16
Samshui	208,944.78	16,831.24	803.06	12,951.55	11,343.18	11,343.18	262,216.99
Wuchow	784,400.65	853,408.50	33,529.76	8,837.65	81,972.62	81,972.59	1,844,121.77
Nanning	4,407.81	64,364.38	45,141.68	702.00	3,439.30	3,439.30	121,494.47
Luichow	245,930.13	74,464.55	—	—	13,839.80	13,912.36	348,146.84
Kiungchow	806,181.42	207,595.87	80,792.56	34,050.55	48,824.20	48,912.48	1,226,357.08
Pakhoi	192,281.08	103,010.03	44,934.80	1,632.85	14,504.97	14,506.66	370,870.39
Lungchow	6,947.83	10,428.56	10.68	—	868.70	868.79	19,124.56
Mengtsz	1,678,038.62	648,094.93	95,360.36	—	118,174.80	118,174.80	2,657,843.51
Szemao	142,283.76	7,819.33	—	—	7,510.15	7,510.15	165,123.39
Tengyueh	263,286.44	17,677.81	10.10	—	14,049.97	14,049.99	309,074.31
TOTAL	254,538,969.95*	24,474,126.22	13,684,809.97	4,032,656.84	13,937,391.60†	13,965,336.67	324,633,291.25
PERCENTAGE	78.41	7.54	4.22	1.24	4.29	4.30	100.00

* Equivalent to G.U. 112,835,168.07.

† Including Revenue Surtax on Import Duty, G.U. 5,608,552.22 St. $12,634,412.71, and on Export Duty, St. $1,302,978.89.

TABLE 13. PERCENTAGE DISTRIBUTION OF CUSTOMS REVENUE COLLECTED BY PRINCIPAL PORTS, 1932–1936

Port	*1932*	*1933*	*1934*	*1935*	*1936*
Shanghai ..	46.1%	51.9%	52.4%	47.3%	45.9%
Tientsin	12.5%	12.3%	12.3%	12.9%	10.9%
Kiaochow	7.8%	6.6%	6.0%	7.1%	6.3%
Hankow	4.1%	6.0%	5.8%	7.1%	7.3%
Canton ..	4.6%	3.2%	2.4%	3.0%	3.4%
Kowloon ..	2.8%	2.5%	2.2%	2.3%	2.8%
Swatow..	2.8%	2.4%	1.7%	1.5%	2.1%
Amoy	2.1%	1.5%	1.7%	1.9%	1.7%
Other Ports	17.2%	13.6%	15.5%	16.9%	19.6%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

TABLE 14. RELATION OF COMBINED MARITIME AND NATIVE CUSTOMS REVENUE TO FOREIGN LOANS AND INDEMNITIES AND INTERNAL LOANS CHARGED THEREON

Years	*Average Exchange*	*Combined Maritime and Native Customs Gross Revenue*		*Combined Maritime and Native Customs Net Revenue*		*Total Amounts Paid from Combined Maritime and Native Customs Revenue Towards Foreign Loans and Indemnities Charged Thereon*		*Total Amounts Paid from Combined Maritime and Native Customs Revenue Surplus Towards Internal Loans Service*
	s. d. Hk. Tls. 1. =	Hk. Tls.	£ Sterling	Hk. Tls.	£ Sterling	Kk. Tls.	£ Sterling	Hk. Tls.
1912	3 0 5/8	42,839,856	6,537,541	37,497,547	5,722,282	27,957,509	4,245,610	—
1913	3 0 1/4	46,899,265	7,083,743	38,726,230	5,849,274	46,831,098	7,073,447	—
1914	2 8 3/4	42,306,527	5,773,078	34,443,413	4,700,091	35,923,399	4,902,047	—
1915	2 7 1/8	40,532,277	5,256,530	32,972,244	4,276,088	31,349,956	4,065,697	—
1916	3 3 13/16	41,510,957	6,886,062	33,814,068	5,609,261	29,518,962	4,896,764	—
1917	4 3 13/16	41,965,161	9,059,666	33,512,120	7,234,778	28,974,406	6,255,152	—
1918	5 3 7/16	40,319,080	10,657,257	31,633,295	8,361,405	26,891,893	7,108,144	—
1919	6 4	50,502,869	15,992,575	39,124,371	12,389,384	23,074,846	7,307,035	4,795,991
1920	6 9 1/2	54,205,420	18,407,257	43,148,361	14,652,464	20,611,967	6,999,480	5,758,313
1921	3 11 7/16	59,333,937	11,727,723	46,552,958	9,201,483	36,199,970	7,155,150	12,597,326
1922	3 9	62,996,701	11,811,881	50,590,109	9,485,646	36,680,381	6,877,571	10,881,264
1923	3 5 3/4	67,994,381	11,828,189	56,429,690	9,816,415	43,220,884	7,518,633	9,431,610
1924	3 7 15/16	73,846,460	13,519,287	59,991,596	10,982,836	42,844,689	7,843,702	14,662,309
1925	3 5 7/8	74,598,159	13,015,825	59,367,310	10,358,359	43,000,935	7,502,767	18,014,670
1926	3 1 3/8	82,626,877	12,867,415	64,948,022	10,114,301	47,741,391	7,434,727	15,318,179
1927	2 9 13/16	72,519,489	10,216,938	54,922,120	7,737,726	54,408,617	7,665,381	1,346,499
1928	2 11 1/16	85,969,058	12,559,542	68,537,586	10,012,913	51,515,911	7,526,151	14,631,957
1929	2 7 13/16	157,391,314	20,862,547	137,241,864	18,191,695	58,650,012	7,774,180	42,755,714
1930	1 10 11/16	187,225,299	17,698,640	164,275,797	15,529,200	82,113,419	7,762,280	54,969,224
1931	1 6 7/16	248,339,048	19,078,130	209,087,780	16,062,730	107,552,073	8,262,460	75,827,183
1932	1 11 1/4	182,041,405	17,652,422	159,407,899	15,457,668	63,368,499	6,144,797	74,847,797
	St. $1 =	St. $		St. $		St. $		St. $
1933	1 2 13/16	306,859,134	18,938,962	263,532,186	16,264,877	85,742,482	5,291,919	122,408,602
1934	1 4 1/3	301,884,092	20,282,837	262,950,659	17,666,997	75,414,348	5,066,901	147,150,234
1935	1 5 3/4	284,104,425	21,011,890	255,714,753	18,912,237	66,400,988	4,910,906	158,071,333
1936	1 2 1/2 (nom.)	292,697,906	17,683,832	253,673,932	15,326,133	76,728,396	4,635,674	129,173,686

TABLE 15. COLLECTION AND DISPOSAL OF CUSTOMS REVENUE 1936[1]

RECEIPTS:	$
Balances from 1935	8,598,298.90
Total Maritime Customs Revenue Collection (not including tonnage dues, flood relief surtax, and revenues surtax)	292,697,906.14
Interest, gain by exchange, and miscellaneous receipts	911,874.96
Grant from Ministry of Finance	7,126,877.30
TOTAL	$309,334,957.30
PAYMENTS:	**$**
Customs expenditure*	25,662,822.31
Temporary advances	223,583.95
Payments to "Financial Organizations," as allowances	1,012,494.18
Payments to other Organizations as allowances	348,144.00
Payment of subsidies	93,480.00
Foreign loans and indemnity charges:	
4% Franco-Russian Loan of 1895†	40,050.15
4½% Anglo-German Loan of 1898	13,958,816.86
5% Reorganization Loan of 1913	25,021,224.10
Boxer Indemnity	38,277,928.45
National Loans and Treasury Note Issues, service of	132,819,906.37
Appropriation for consolidation of unsecured foreign and domestic loans	5,000,000.00
Equalization charges on export abroad of silver	4,423.51
Revenue lost, written off	5,154.18
Repayment of the grant from Ministry of Finance**	13,996,949.95
Remitted to Ministry of Finance‡	36,090,659.35
	292,555,637.36
Balances carried forward to 1937:	16,779,319.94
TOTAL	$309,334,957.30

* This heading includes expenditure in connection with annual contribution to the Bureau International pour la Publication des Tarifs Douaniers, opium destruction expenses, Superintendent of Tengyueh Customs' forms printing fee, refund to Inspectorate Official Account of pay, etc., of Customs staff detailed for duty in the Customs College, grants to the Tariff Board of Enquiry and Appeal, 2/10ths informants' fee for duty short-collected and subsequently recovered, Chefoo quarantine expenses, bankers' commission, remittance charges, and loss by exchange, etc.

†Representing the legal expenses and partial make-up of loss by exchange incurred in connection with the service of this loan.

**Including $6,870,072.65, for repayment of obligation outstanding on 31st December 1935.

‡This heading includes releases in connection with grants to various organizations through *Kuan Wu Shu*, grants to Shanghai Harbor Quarantine Administration, Peiping and Tientsin educational expenses, 4/5ths of import duty on rolled tobacco, import duty, etc. on certain articles specially instructed by the Ts'ai-cheng Pu to be recorded by the various Customs establishments as collected and treated as remitted to the National Treasury, principal and interest payments on account of the $44,000,000 Loan of 1934 treated as remittances to the National Treasury, 3/20ths of net proceeds of fines and confiscations due to the Waichiaopu, and revenue surplus remitted to the Ministry of Finance.

[1] Table supplied by courtesy of Director-General of Customs Administration.

Customs Notifications Concerning the More Important Changes in Customs Rules and Regulations, July 15, 1936 to June 30, 1937 Inclusive.—The Customs Notifications issued at Shanghai between January 1935 and July 1936 inclusive, were reprinted in full in the last issue of this Year Book. For further reference, similar notifications issued during the subsequent period from July 15, 1936 to June 30, 1937 inclusive, are reproduced herewith. These notifications record the more important changes enforced during the period in the various rules and regulations concerning the administration of the Customs and the Customs revenue. They are arranged below in chronological order.

Additional duty on liquid fuel, No. 1530 (20 July 1936). With reference to Customs Notification No. 1351: notifying, *inter alia*, that the duty rate of G. U. 33.60 under Import Tariff No. 529 (*b*) represents the duty leviable on Liquid Fuel, others, containing 60 per cent. of Kerosene Oil and that additional duty would be levied on Fuel Oil containing over 60% Kerosene at *pro rata* rates according to the actual Kerosene content, up to a maximum duty calculated on the basis of 80% Kerosene content; the public is hereby notified that, in accordance with Government instructions, the limitation of the additional duty leviable on Liquid Fuel containing over 60% of Kerosene to the *pro rata* rate for oil containing 80% of Kerosene is removed, and that from 1st July, 1936, Liquid Fuel containing from over 60 to 99% of Kerosene is to be subject to additional duty *pro rata* in accordance with actual Kerosene content.

Customs stations and barriers in coast districts, No. 1531, (20 July 1936). A revised list of Maritime Customs stations and barriers in the various coastal districts is appended hereto for the information of the public.

List of Stations and Barriers in the Various Coast Districts

1. *Chinwangtao Customs District:*
   Stations (2):
   Shanhaikwan, Yanghok'ou

2. *Tientsin Customs District:*
   Stations (9):
   Tangshan Railway Station, Huangyakuan[2], Hsifengk'ou[2], Peitang, Lengk'ou[2], Tangku, Chichlingk'ou[2], Kupeik'ou[2], Yiyuank'ou[2]
   Barrier (1):
   Panchiak'ou[2]

3. *Chefoo Customs District:*
   Stations (20):
   Yangchiokou[3], Liuchiawang[3], Hsiayingk'ou[3], Pingchangho[3], Yehk'ou[3], Pachiok'ou[3], Haimiaohou[3], Hsishank'ou, Heichiangk'ou[3], Ch'üko[5], Shihnutsui[3], Lunghsutao[5], Huanghoying[3], Litao[5], Luanchiak'ou[3], Pahochiang[5], Tienchiaok'ou[3], Shihtao[4,5], Miaotao[3,4], Shawotao[5]
   Barrier (1):
   Chefoo Bluff[6]

4. *Tsingtao Customs District:*
   Stations (7):
   Jushank'ou, Tapu, Chink'ou, Lienyünchiang, Small Harbor, Yenweichiang, Shihchiuso
   Barrier (1):
   Chihwang[6]

5. *Chinkiang Customs District:*
   Station (1):
   Kiangyin

6. *Shanghai Customs District:*
   Stations (2):
   Hsinyangchiang, Woosung

7. *Ningpo Customs District:*
   Station (1):
   Chinhai

8. *Wenchow Customs District:*
   Stations (2):
   Haimen, Kuaot'ou

9. *Santuao Customs District (and Tungchung Sub-port):*
   Stations and barriers (nil).

10. *Foochow Customs District (and Kuant'ou Sub-port):*
    Stations (5):
    Shacheng, Hanchiang, Sansha, Hsiuhsü[7], Haik'ou
    Barriers (2):
    T'ant'ou, Sanchiangk'ou

11. *Amoy Customs District:*
    Stations (5):
    Dwarf Anchorage[4], Shihma, Hsiutu, Tungshan[4], Chuanchow

12. *Swatow Customs District:*
    Barriers (3):
    Masu, Haimen, Tahaupu

13. *Canton Customs District:*
    Stations (5):
    Taiping, Yungki, Yanchow, Chents'un, Szekiu
    Barriers (2):
    Sheklung Railway Barrier[8], Suntong

14. *Kowloon Customs District:*
    Stations (16):
    Swabue — Shumchun Railway Station[1]
    Samun — Shumchun River
    Namo — Shatau
    Tipfuk — Kwaimiao
    Shaüchung — Taishan
    Kaichung — Liutin
    Yimtin — Kowloon Railway Station[1]
    Shatowkok
    Lofong[1]
15. *Lappa Customs District:*
    Stations (6):
    Shekki — Nine Islands
    Kwanchak — Shekok
    Chienshan — Malowchow
16. *Kongmoon Customs District:*
    Stations (5):
    Kongmoon — Kwonghoikow
    Gaemoon — Paktsunhou
    Samgaphoi
    Barriers (3):
    Tofuk — Chappo
    Yeungkong
17. *Kiungchow Customs District:*
    Stations (5):
    Malomoon — Chinglan
    Pochin — Hiongpo[9]
    Sunchun[9]
18. *Pakhoi Customs District:*
    Stations (1):
    Tunghing
    Barriers (2):
    Kongping — Chukshan
19. *Luichow Customs District:*
    Stations (12):
    Shuitung — Fookhin[10]
    Muiluk — Macheung[10]
    Chiliu — Shingyueh[10]
    Wongpo — Shentong[10]
    Saichungmei[10] — Luichow
    Taifou — Onpo
    Barriers (3):
    Tinpak — Shuangchi
    Pokho

NOTES:

1. Land Station.
2. Establishments along the Great Wall.
3. Under the administration of the Lungkow office.
4. Control Stations.
5. Under the administration of the Weihaiwei office.
6. These barriers have been established for preventive purposes only, and junks registered for foreign trade are not allowed to call at them unless they have previously reported at a Maritime Customs station where duty has been levied on their cargo.
7. Temporarily closed.
8. Land barrier on the Canton-Kowloon Railway.
9. Not yet opened; in process of establishment.
10. Land Stations on the Kwangchowwan frontier.

Exemption from conservancy dues, No. 1532 (27 July 1936).

With reference to Customs Notification No. 1458, the public is hereby notified that, in accordance with Government instructions, native duty-free goods exported and native goods re-exported from Shanghai will be exempted from Conservancy Dues for a further period of one year from the 1st August, 1936.

Conveyance certificates for native goods, No. 1533, (27 July 1936).

The public is hereby notified that, in accordance with Government instructions, Native Goods Conveyance Certificates will be issued on application to cover, on transportation inland, *bona fide* native goods which are similar to and therefore likely to be mistaken for the foreign goods specified in Customs Notification No. 1521.

Export duty exempted on straw bags, 1534 (30 July 1936).

The public is hereby notified that in accordance with Government instructions all kinds of straw bags will be exempt from export duty on shipment abroad as from the 24th July, 1936.

Procedure for inspection of native piece goods containing artificial silk yarn and checking of stocks, No. 1535, (30 July 1936).

With reference to Customs Notifications No. 1521 and 1533, the public is hereby notified that in accordance with Government instructions the appended Rules of Procedure covering the inspection of Native Piece Goods made from, or containing a Mixture of, Artificial Silk Yarn and the checking of Stocks Held will be enforced forthwith.

The time limit within which factories must report their stocks to the Customs, as laid down in Article 3, has been fixed at two weeks from the date of this Notification.

Procedure Governing the Inspection of Native Piece goods made from, or containing a Mixture of, Artificial Silk Yarn, and the Checking of Stocks Held.

1. Native piece goods made from, or containing a mixture of, artificial silk yarn, are also to be subject to inspection in accordance with the Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale Within China.

The above-mentioned piece goods, when transported for sale without a covering Conveyance Certificate (or Sub-Conveyance Certificate), shall be dealt with in accordance with Article No. 8 of the Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale Within China.

2. The Customs are to fix a time limit for the checking of stocks held by all (artificial silk) factories.

3. Factories are to submit to the Customs, within the above-mentioned time limit, a report duly certified by the guild of the same trade, stating the quantity of goods in stock, and the Customs are to depute an officer to proceed to the stocks held.

4. Conveyance Certificates to cover existing stocks of piece goods which have been registered may be issued without production of the relative duty receipt.

5. Factories are to produce proof of duty payment in respect of all their registered stocks of artificial silk yarn, and if such evidence is not forthcoming the factory

concerned is to be required to obtain for inspection, within the time limit to be fixed by the Customs, documentary proof of duty payment from the Customs at the port of original importation, the artificial silk yarn being in the meantime detained by the Customs under seal. If, after expiry of the time limit, no documentary evidence of duty payment has been obtained from the Customs, the factory concerned is forthwith to make good the import duty leviable, but no fine shall be imposed nor shall the goods be confiscated.

6. Factories using artificial silk yarn as a raw material are to obtain from the firm from whom the yarn was purchased, for purposes of subsequent verification, the documents issued by the Customs showing that import duty has been paid, and the Customs, on the strength of such evidence, are to issue Conveyance Certificates to cover the Transportation of piece goods manufactured from artificial silk yarn by the factories in question.

7. Factories are to keep a detailed register of artificial silk yarn purchased and used, and of artificial silk piece goods removed from the factory, in accordance with the Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale within China, and are to submit a monthly report, duly certified by the guild of the same trade, to the nearest Custom House, who will depute an officer to carry out inspection from time to time.

8. Piece goods containing a mixture of artificial silk are to be dealt with in accordance with the present procedure.

9. In places where factories are numerous the checking of stocks is to be performed by the Customs, but in places where factories are scarce and remote from a Custom House it is primarily to be performed by the guild of the same trade (or, if there is no guild, by the chamber of commerce), who are to report the quantities of stocks held to the nearest Custom House so that the latter can depute an officer to conduct investigations.

When stocks are checked by the Customs in accordance with the present procedure, the Commissioner and the Superintendent are to request the guild of the same trade, or the chamber of commerce, to render the necessary co-operation.

Export of cotton waste prohibited, No. 1536, (4 August 1936).

The public is hereby notified that in accordance with Government instructions the export abroad of cotton waste is prohibited.

Restriction on importation of cotton seeds, No. 1539, (13 August 1936).

The public is hereby notified that in accordance with Government instructions the importation of cotton seeds from abroad will henceforth be allowed only at Shanghai and that such shipments must be covered by a Certificate issued by the Bureau for Inspection and Testing of Commercial Commodities.

Explanatory ruling for regulations governing inspection of imported goods, No. 1541, (20 August 1936).

With reference to Customs Notification No. 1521, covering a set of Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale within China, the public is now notified that the Government have issued the following explanatory ruling in connection with Articles 2, 3 and 6 of the Regulations:

When duty-paid goods (liable to inspection) shipped by river or coastal steamers from the port of importation to another open port, for which no Conveyance Certificate has been obtained, are to be transported from the second port to other places for sale, the shipper must apply for a Conveyance Certificate from the Customs (at the second port) in accordance with Article 2 of the Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale within China. The procedure laid down in Article 6 of the regulations shall still be followed when goods transported from the port of original importation by train, inland waters steamer, junk, or motor vehicle under cover of a Conveyance Certificate are reshipped from the second port to other places for sale.

Revised lis of goods requiring conveyance certificate, No. 1542, (28 August 1936).

With reference to Customs Notification No. 1521, the public is informed that, in accordance with Government instructions, a revised list of goods for which Conveyance Certificates or Sub-Conveyance Certificates and, if moved by rail, Customs Import Duty Proofs also are required will be applied as from the 1st September, 1936.

The revised list is appended hereto.

List of Foreign Goods for which Conveyance Certificates, and if Conveyed by Rail, Import Duty Proofs Also, are Required.

Artificial silk yarn
Alcohol
Alcoholic liquors and beverages, *i.e.*
- Beer
- Whisky
- Brandy
- Champagne
- Gin
- Sake
- All liqueurs

Aniline dyes
Bicycles (*i.e.* pedal bicycles) and parts thereof
Boots and shoes, wholly or principally of rubber
Canned foodstuffs
Medicines
Needles
Oil, fuel
Oil, kerosene
Oil, gasolene
Paper (including cigarette paper) of all kinds
Piece goods of all kinds (N.B. Piece goods produced by factories in the interior, made from, or containing a mixture of, imported artificial silk yarn, are also subject to inspection)
Sea products, dried, of all descriptions (including compoy)
Soda, caustic
Sugar
Tyres and tubes, rubber
Toilet preparations (including soaps, powders, cosmetics and perfumery) of all kinds

Export of old used cotton wadding prohibited, No. 1544, (31 August, 1936).

With reference to Customs Notification No. 1536 the public is now notified that, in accordance with Government instructions, the restriction on exportation abroad referred to therein is confined to old used cotton wadding only and not to cotton waste.

Privileges temporarily withheld from output of Manchurian factories, No. 1545, (29 September 1936).

With reference to Customs Notification No. 1241, the public is hereby notified that in accordance with Government instructions the factory product privileges accorded, prior to the closure of the Manchurian Customs offices, to the output of factories in Manchuria are all to be withheld temporarily in order to avoid the possibility of non-privileged products being substituted for privileged goods and thus evading payment of duty.

Import duty rate on red, white and yellow lead, No. 1547, (7 October 1936).

The public is hereby notified that Import Tariff heading No. 503 has been amended as follows by the Government:

"Lead, Red, White, and Yellow (Mixed with Oil or not): G. U. 6.70 per 100 kg."

Export duty rate on frozen ducks, No. 1549 (19 October 1936).

With reference to Notification No. 1470, the public is hereby notified that in accordance with Government instructions export duty on frozen ducks will be levied at the reduced rate of 5 per cent. *ad valorem* from the 1st October 1936, until the 31st March, 1937, inclusive.

Import duty on Teakwood, No. 1550, (24 October 1936).

The public is hereby notified that in accordance with Government instructions the application of Import Tariff heading No. 589 is limited as from the 16th October, 1936, to "Teak-wood (Beams, Planks, and Logs) over G. U. 30.00 in value per cubic metre," and that teakwood beams, planks or logs of inferior value are classified as "Timber, n. o. p. f.", under heading No. 590, dutiable at 20 per cent. *ad valorem.*

Import duty rate on buttons, No. 1551, (28 October 1936).

The public is hereby notified that in accordance with Government instructions, the following rider is to be added to Import Tariff heading No. 632 (*d*) and will take effect from the 1st November 1936:

"The duty on buttons plated with precious metals classsified under sub-heading (*d*) shall not be less than that charged on buttons classified under sub-heading (*a*)."

Value of goods requiring consular invoice No. 1554, (3 December 1936).

With reference to previous Notifications concerning Consular invoices, the public is hereby notified that, in accordance with Government instructions, the decision whether goods imported into China should or should not be covered by a Consular Invoice will in future depend upon whether their value exceeds G.U. 90 or otherwise, no Consular invoice being required for goods valued at or below this figure.

The question whether or not the value of articles imported exceeds $200 Chinese currency will therefore be disregarded, and henceforth a separate Consular invoice will be required for each bill of lading covering goods imported into China the f. o. b. value of which exceeds G. U. 90, converted from the respective foreign currencies at exchange rates issued quarterly by the Government and displayed at the Custom House.

Mononitro- and dinitro-organic compounds classed as explosive materials, No. 1555, (9 December 1936).

The public is hereby notified that in accordance with Government instructions mononitro- and dinitro-organic compounds will be added to the List of Contraband, Prohibited and Restricted Articles, under the heading "Explosive Materials."

Restrictions on movement of old or scrap copper or lead, No. 1557, (18 December 1936).

With reference to Notifications No. 1315 and 1517, concerning the movement of old or scrap metals, the public is hereby notified that the Government have now laid down a set of regulations providing as follows:

(*a*) Every consignment of old or scrap copper or lead amounting to 1 metric ton or over, and of old or scrap iron or steel amounting to 5 metric tons or over, on movement within the country must henceforth invariably be covered by a permit issued by the Chün-cheng Pu before shipment is permitted;

(*b*) shipments of the above nature which are not covered by the requisite permit, or which are covered by a time-expired permit, or which disagree with the particulars quoted in the permit, wil be detained;

(*c*) the present permits do not authorize exemption from duty or other charges, all of which will be collected in accordance with standing practice.

These regulations will be enforced forthwith.

Conveyance certificates temporarily not required for medicines, No. 1559, (31 December 1936).

The public is hereby notified that, in accordance with Government instructions, medicines are temporarily withdrawn from the list of goods for which, when moved inland, Conveyance Certificates or Sub-Conveyance Certificates and, if moved by rail, Customs Import Duty Proofs also are required (Customs Notification No. 1542).

Wine tax on native-made foreign-style wine, No. 1560, (5 January 1937).

The public is hereby notified that in accordance with Government instructions all native-made foreign-style wine on which tax is not collected at the factory will henceforth be subject to the payment of wine tax and will require to bear tax stamps on the bottles and to be covered by tax-

paid certificates when shipped from the place of production.

When such wine is passed through the Customs on exportation, importation, re-exportation, re-importation, or transhipment, a yellow application duly chopped by the Shui-wu Shu or the local wine and tobacco tax office, together with a covering Yuntan, must be handed in at the same time as the Customs Application.

Such wine will still be subject to interport duty, even though covered by tax-paid documents.

Re-importations from abroad of native-made foreign-style wine are not affected by the above provisions, but are liable to import duty in the normal manner.

Regulations for marking weights of heavy steamer-borne packages or articles, No. 1561, (12 January 1937).

With reference to Customs Notifications No. 1427 and 1448, the public is now informed that the Government has approved a revised set of regulations for the marking of weights of heavy steamer-borne packages or articles, a copy of which is appended hereto.

These regulations will be enforced forthwith.

Revised Regulations Governing Marking of Weights of Steamer Borne Parcels and Packages

Article 1.—When parcels or articles, the weight of which exceeds 1,000 kilogrammes per piece, are shipped by sea-going or inland waters vessels, their weight shall be clearly marked on them by the consignor before loading. For bulky or heavy articles, such as timber, iron, and stone, etc., the weight of which for special reasons cannot be definitely ascertained, the consignor shall mark the approximate weight on such articles in accordance with the above ruling. The marking may be in the form of a label, the size of which must not be less than 40 centimetres in width and 60 centimetres in length, and it must be durable, clearly marked, and securely affixed on the parcel or article.

Article 2.—The marking shall be done in Chinese characters, but for parcels or articles for exportation abroad, Arabic figures and the symbols for kilogrammes may be used instead.

Article 3.—When parcels or articles, whose weight has not been marked in accordance with Article 1, are discharged, the captain of the steamer or other responsible person shall report the approximate weight of such parcels or articles to the stevedores.

When parcels or articles, whose weight exceeds 1,000 kilogrammes per piece, are imported from abroad without their weight being marked on them, the Customs shall report the number of packages, weight, and port of shipment to the Ts'ai-cheng Pu, for transmission to the Shih-yeh Pu.

Article 4.—Should the consignor be an organization having the legal status of an individual, or should he be unable to act, the responsibility defined in these regulations shall be assumed by his representative or his legal agent.

Article 5.—These regulations shall be put into effect on the date of promulgation.

Import tariff definition of terms "bottle" and "half-bottle," No. 1562, (28 January 1937).

The public is hereby notified that the Government have approved the definition of the terms "bottle" and "half-bottle" as used in Import Tariff Headings Nos. 403 to 408 in accordance with the following three notes:

1.—The term "half-bottle" in Tariff headings Nos. 403, 404, 405, 406, 407, 408, and 418 includes any capacity up to but not exceeding ½ litre, with the exception of "splits" and *bona fide* sample-size bottles. The term "bottle" in the same Tariff headings includes any capacity exceeding ½ litre up to but not exceeding 1 litre.

2.—So-called "half-bottles" containing less than the maximum quantity prescribed in the respective Tariff headings or in these notes, with the exception of "splits" and *bona fide* sample-size bottles, shall be dutiable at the full duty rate for "half-bottles." So-called "bottles" containing more than the prescribed "half-bottle" maximum capacity up to but not exceeding the prescribed "bottle" maximum capacity shall be dutiable at the full duty rate for "bottles." So-called "bottles" containing more than the prescribed "bottle" maximum capacity shall be dutiable at the duty rate for "bottles" increased *pro rata* according to actual capacity.

3.—"Splits" if not exceeding one-half of the maximum capacity for "half-bottles" as prescribed in the respective Tariff headings or in these notes shall be subject to duty at half the rate for "half-bottles."

Export and interport tariff provisional rules amended, No. 1564, (18 February 1937).

In accordance with Government instructions the public is hereby notified that the following alterations in the Export (and Interport) Tariff Provisional Rules, which were published in Customs Notification No. 1249 of 24th October 1932, have been approved.

RULE 3. The first sentence has been changed to read—"The exporter if dissatisfied with the decision of the Customs as to the value or classification of the goods to be exported, may, within 14 days from the date of issue by the Customs of the relative Duty memo., file a protest in writing with the Commissioner of Customs, setting forth specifically his objections thereto."

RULE 4. The last sentence has been changed to read—"The final finding of the majority of the Board, which must be ratified by the *Kuan-wu Shu*, shall be binding."

Duty exempted on certain goods imported by dockyards, No. 1565, (22 February 1937).

The public is hereby notified that the Government have approved the granting of import duty exemption to all nautical

instruments classified under Import Tariff heading No. 630 and to all shipbuilding materials classified under Import Tariff heading No. 255 (*b*) when imported by dockyards in China, but that all shipbuilding materials or accessories classified under other Tariff headings will remain dutiable as heretofore.

As vessels which are imported by dockyards in China to be broken up are classified under Import Tariff Heading No. 255 (*b*), they will in future be exempt from duty.

Restrictions on movement of old or scrap enamelled ironware, No. 1566, (24 February 1937).

With reference to Notifications No. 1315, 1517 and 1557, concerning the movement of old or scrap metals, the public is hereby notified that in accordance with Government instruction old or scrap enamelled ironware is henceforth to be treated in the same way as old or scrap iron and be subject to the restrictions laid down in the abovementioned Notifications.

Import of lottery and sweepstake tickets prohibited, No. 1568, (18 March 1937).

The public is hereby notified that the Government have approved the following revised wording of the note attached to Import Tariff heading No. 256 (*c*) (2):

"In the case of Front Wheels, Rear Wheels, Front Springs, Rear Springs, Front Axles, Rear Axles, Frames, Radiators, Propelling Shafts, Motive Power, and Unassembled Parts of Bodies, this rate is applicable only when they are packed separately; otherwise they shall be subject to a duty of 30 per cent."

Export duty exempted on petty straw articles, No. 1573, (29 April 1937).

The public is hereby notified that in accordance with Government instruction straw slippers, cup-mats and shoes and other petty articles made of straw will be exempted from export duty on shipment abroad, as in the case of straw bags and mats, as from the 23rd April 1937.

Restriction of importation of telescopes and binoculars, No. 1574, (31 May 1937).

The public is hereby notified that in accordance with Government instructions, effective as from 1st May 1937, telescopes and binoculars of magnifying power 12 and under, provided they do not contain either internal or external fittings for military purposes, may be imported without restriction and passed as ordinary articles of commerce.

The import, however, of telescopes and binoculars of magnifying power greater than 12, and all those (regardless of manifying power) which show graduations or stadia lines in the field of view, or which contain either internal or external fittings for military purposes, remains prohibited unless they are covered by National Government Huchao. Movements of these articles within China are to be treated in the same way as importations.

Exemption from conservancy dues, No. 1575, (2 June 1937).

With reference to Customs Notification No. 1532, the public is hereby notified that, in accordance with Government instructions, native duty-free goods exported and native goods re-exported from Shanghai will be exempted from Conservancy Dues for a further period of one year from the 1st August 1937.

Consolidated tax on cotton yarn, No. 1576, (2 June 1937).

The public is hereby notified that, in accordance with Government instructions, Consolidated Tax on Cotton Yarn will be collected at the following revised rates as from the 1st June 1937:

(A) Counts 17 and under $5.00 per 100 kg.
(B) Counts over 17 up to 23 $5.75 per 100 kg.
(C) Counts over 23 up to 35 $7.50 per 100 kg.
(D) Counts over 35 $10.00 per 100 kg.

Revenue Surtax on import and export duty, No. 1577, (2 June 1937).

The public is hereby notified that, in accordance with Government instructions, the collection by the Customs of the 5% revenue surtax on import duty and export duty will be continued for a further period of one year from 1st July 1937.

Import duty rate on confectionery, No. 1578, (17 June 1937).

The public is hereby notified that, in accordance with Government instructions, the following note will be added to Import Tariff Heading No. 312 with effect from the 16th June 1937:

"The amount of duty leviable under this heading shall not be less than C. G. U. 9.60 per quintal, i.e., the maximum duty rate for sugar classified under Tariff Heading No. 397."

Import duty rate on cigarettes, No. 1579, (19 June 1937).

The public is hereby notified that in accordance with Government instructions the following revised rates will be enforced forthwith under import tariff Heading No. 420:

(*a*) Value over Gold Units 10 per 1,000 and all cigarettes not bearing a distinctive brand or name on each cigarette .. 80% *ad valorem*
(*b*) Value over Gold Units 6.4, but not over Gold Units 10, per 1,000 .. .. G.U. 7.60 per 1,000
(*c*) Value over Gold Units 4.8, but not over Gold Units 6.4, per 1,000 .. G.U. 5.80 per 1,000
(*d*) Value over Gold Units 3.2, but not over Gold Units 4.8, per 1,000 .. G.U. 4.00 per 1,000
(*e*) Value over Gold Units 1.6, but not over Gold Units 3.2, per 1,000 .. G.U. 2.50 per 1,000
(*f*) Value Gold Units 1.6 or less per 1,000 .. .. .. G.U. 1.40 per 1,000

Consolidated tax on refuse cotton yarn and native cotton piece goods, No. 1580, (19 June 1937).

In continuation of Notification No. 1576, the public is hereby notified that, in accordance with Government instructions, the following revised rates for the levy of Consolidated Tax will be effective as from the 1st June 1937:

Refuse cotton yarn .. $1.24 per 100 kg.
Native cotton piece goods, (i.e. direct products of cotton yarn) .. .. 5% *ad valorem*

Import duty rate on doupions from which chrysalises have been removed, No. 1581, (19 June 1937).

The public is hereby informed that, in order to protect the revenue against fraud through unscrupulous merchants removing the chrysalises from Doupions (Double Cocoons), the Government have ruled that the following addition is to be made to Export Duty Tariff heading No. 170:

Doupions originally fit for reeling from which the chrysalises have been removed are to pay duty at double the rate specified under Tariff heading No. 170.

Regulations Governing Punishment for Evasion of Customs Duties.—The provincial Regulations Governing Punishment for Evasion of Customs Duties were revised and adopted at the 265th meeting of the Executive Yuan in June, 1936. A subsequent Government mandate made it operative as from June, 1936, to June, 1937, when it was again extended for another year, to be in force until June 1938. The following is a free and unofficial translation of the regulations:

Article 1.—Any person who evades the Customs duty shall be sentenced to imprisonment of from three to seven years. In case the evaded amount is over $1,000, the smuggler shall be sentenced to an imprisonment of from seven to ten years, over $5,000, the imprisonment shall be ten years or more, and over $10,000, the smuggler shall receive the death penalty or life imprisonment.

Article 2.—Smugglers who commit any of the following offences shall receive life imprisonment:

(1) To resist the intervention of preventive agents with arms resulting in the injury of not serious nature;

(2) To participate in open resistance against the execution of duties of the preventive agents; and

(3) To participate in open threat to the preventive agents when executing their duties.

Article 3.—Smugglers who commit any of the following offences shall receive the death penalty:

(1) To resist the intervention of preventive agents with arms or commit murder or severely wound others resulting in death or grave injury;

(2) To lead a smuggling gang to openly resist the preventive agents with arms;

(3) To lead a smuggling gang to openly threaten the life and safety of the preventive agents;

(4) To act in conspiracy with foreign nationals or rebels; and

(5) To organize secret organs.

Article 4.—Those who deliberately assist in the transportation, sale or concealing of smuggled goods shall be sentenced to imprisonment of from three to seven years.

Article 5.—Customs officers or employees of railways, highways, steamships and airways who deliberately let pass, or assist in the transportation, sale, or concealing of smuggled goods shall be punished as follows:

(1) Five to ten years imprisonment for evasion of duty under $1,000;

(2) Imprisonment for ten years or more for evasion of duty over $1,000; and

(3) Death penalty or life imprisonment for evasion of duty over $5,000.

Any employee who lets pass or assists in the transportation of smuggled goods on accepting bribes or other illegal income shall receive the death penalty or life imprisonment; any employee who lets pass or assists in the transportation of smuggled goods as a result of dereliction shall be subject to imprisonment for a term of not more than five years or a fine of not over $3,000.

Article 6.—Employees of railways, highways, steamships and airways who discover smuggled goods and fail to notify the Customs officers or police forces shall be sentenced to imprisonment of from three to seven years. Those employees who assist in the transportation of smuggled goods as a result of violent threat and fail to notify the Customs officers or military or police forces although the circumstances so permit shall receive the same punishment as prescribed above.

Article 7.—An attempt to commit any of the offences as mentioned in Articles 1 to 4, and items 1 to 2 of Article 5 of the present Regulations is punishable.

Article 8.—Other acts of smuggling which are not provided for in these regulations shall be dealt with in accordance with the provisions of the Criminal Code, the Customs Anti-Smuggling Act, and other regulations relating to the punishment of smuggling.

Article 9.—The term "smuggled goods" mentioned in the present Regulations denotes those imported goods which fail to pay the import duty or to apply for transport permit required by the Ministry of Finance.

Article 10.—Violators of the present regulations shall be court-martialled by the highest military authority in the place where martial law has been declared, and tried by the local court or by local authorities vested concurrently with judicial power in other places.

Article 11.—The present Regulations shall be effective for one year.

Article 12.—The present Regulations shall come into force from the date of promulgation.

V. SALT REVENUE ADMINISTRATION

Next in importance to the Customs revenue from the standpoint of Government finance, is the Salt revenue. Up to 1923 the Salt tax used to yield an even greater income than the Customs duties, and for some time past, with the Customs revenue already pledged for designated purposes and thus depleted, it had served as the backbone of Chinese national, as well as local finance, the Government falling back on it as the only source of income for general purposes. To-day it is still the second "financial pillar" of the Central Government. On the basis of the Finance Minister's report on cash receipts and payments for 1934-1935, collections from salt revenue constituted about 25.8% of total revenue receipts during the year. The budget for the current year, 1937-1938, anticipates a total collection of $228,625,553 from Salt revenue, equivalent to 22.85% of the total budgeted receipts.

During recent years, due partly to increased rates of taxation but mainly to improvement in administration methods, the growth of this revenue has been particularly impressive; it has indicated what scientific management, coupled with honest administration, could do to regularize a tax once fraught with the malpractices and trickeries of the tax agent. Indeed since 1929, which marks an important dividing line in the history of the administration of the tax as it was coincident with the rehabilitation of the Inspectorate following a period of gradual impairment of suspension of its functions, it has grown at a more rapid and persistent pace than Customs revenue, which has been suffering seriously since 1931 from trade depression and from increased smuggling activities in the North China region, has been able to maintain its status only after repeated tariff revisions. Thus, reducing the gross annual collections into index numbers (using 1930 as 100),[1] the salt revenue shows progressive increases, reaching the peak of 208 in 1936, while the customs revenue, after reaching the zenith of 142 in 1931, has shown a decline. Judging from these figures, the Salt Tax seems to have expanding possibilities: before long, indeed, it may yet match the Customs in point of revenue collection.

Nature and Composition of Salt Tax.—In the last analysis the Salt Tax may be described as a tax on the use and consumption of salt. Viewed from this angle, it is a tax leviable on the rich and poor alike, irrespective of their ability to pay. It thus runs contrary to one of the canons of taxation, that of equity, although it fulfils to a nicety many other requirements of a good tax. It is a dependable source of revenue however, and, unlike the Customs revenue, is not subject to the vicissitudes of foreign trade. Its burden is spread among the masses, and, if properly administered and levied at reasonably low rates, it cannot become an obnoxious tax.

The Salt Tax, as collected to-day, is constituted in general of the following items and sub-divisions:

I. Alimentary Crude Salt Revenue:
1. Duty Proper.
2. National Surtaxes.
3. Foreign Loan Surtaxes.

II. Alimentary Refined Salt Revenue:
1. Duty Proper.
2. National Surtaxes.
3. Foreign Loan Surtaxes.

III. Other Salt Revenue:
1. Taxes on Fishery and Meat Curing Salt.
2. Taxes on Salt for Export.
3. Taxes on Industrial Salt.
4. Taxes on By-Products of Salt.
5. Other Miscellaneous Taxes.

Local surtaxes, that is, surtaxes collected for account of local authorities, used to form a conspicuous item in the collection of Salt revenue, and are still being collected in a number of localities. The policy of the Government has been to eliminate such surcharges wherever possible however.

Rates of Salt Tax.—For centuries the duty rate on salt has varied not only in different districts but also in different sections of the same district. The range of variations was from 20 cents to $12.00 per picul, with duty

[1] *Vide* Table 17 on p. 418.

free in localities situated near a few of the producing centers. As early as 1918 an attempt was made to enforce a uniform rate of $3 per picul in all districts, but the attempt was never successful, for, while it would have been easy to reduce higher rates to that figure, it was found quite impossible to raise rates without meeting serious opposition.

The problem of surcharges has also been a baffling one. While lately there has been material improvement in this situation, it was not uncommon during periods of internecine warfare in the past for local governments and military chieftains to levy, in addition to the duty proper, various surtaxes and extra charges on salt, such charges in many cases aggregating more than the regular duty. In 1931, partly to pave the way for a general readjustment of duty rates, the Central Government ordered that all surtaxes should be collected by the Inspectorate. A canvass of the situation conducted as late as 1932 revealed that, even though some simplification of rate structure had been achieved, there were at least 22 different rates of initial duty, half as many different central surtax rates, several different consumption rates and more than 10 different provincial surtax rates, all combining to make about 20 different total rates prevailing throughout the country.[1] This was probably a mild description of the situation.

On January 1, 1934, however, a radical measure was adopted by the Government to bring about a simplification of the salt tax rates. An order issued under that date specified that in cases in which the aggregate of national tax, surtax and local surtax amounted to between $10 and $13 per picul of salt the aggregate rate should be uniformly collected at $10, not including foreign loan surtax $0.30, and depôt construction surtax $0.10. No uniform rate for aggregate rates less than $10.40 was fixed, but it was announced that readjustment of inter-area differentials would be further extended. Incidental to this order, standard metric weights were introduced, and, effective from February 1, 1934, the rates of duty on salt were increased to the extent that the existing rates per picul were made leviable on every 50 kilograms, which was equivalent to 0.877359 picul *ssuma* scale. The increase, which amounted to about 20%, was designed more or less to offset the losses caused by the reduction of rates higher than $10.00 to the $10.00 limit.

The readjustment and equalization of duty rates still remain an unfinished task of the Salt Administration. In 1936 readjustments were made in the duty rates in the Yangtse provinces and also in Szechwan, where, prior to the readjustment, they consisted of more than 10 denominations. Readjustments of this nature are still progressing in other districts.

Administration of the Salt Tax.—Under the arrangement made in connection with the 1913 Reorganization Loan Agreement between the Chinese Government and a consortium of foreign banks, an agency, known as "The Inspectorate of Salt Revenue," was instituted for the collection of the entire revenue of the Salt Administration of China, and the impounding of the same in the consortium banks, or in depositories approved by them, as security for the payment of scheduled interest and of annual maturities of the principal of the loan. In this new agency the office of a foreign co-administrator was instituted and his signature was to be required before withdrawals, transfers or payments could be made. It was also understood that the appointment and dismissal of staff members and inspectors must be decided upon by the Chief Inspectorate, though with the nominal approval of the Ministry of Finance. Backed by these important provisions and thus playing the rôle of a collecting agency, the Inspectorate functioned smoothly and quite successfully for many years until 1926, when developments in the Chinese political world caused a gradual disruption of the service, and by 1928,

[1] A. G. Coons, "Five Years of National Government Finance," in *The Chinese Social and Political Science Review*, Vol. XVIII, No. 1 (April 1934), p. 87.

when the National Government became firmly established in Nanking, the Inspectorate was, in point of administration, all but disintegrated. However, characteristic of the far-sightedness of the then finance administration, which perceived clearly the use to which the Inspectorate with its civil service traditions and experience in salt administration might be put, and despite the low estate to which it had fallen, on September 26, 1928, the National Government issued instructions whereby the service of the salt loans was directly charged to the Ministry of Finance and the Salt Inspectorate was made an integral part subordinate and responsible solely to the ministry. Toward the end of February, 1929, Dr. T. V. Soong released a statement to the effect that "the entire staff of the Salt Inspectorate, including the foreign personnel, will be restored to their positions as employees of the Ministry of Finance," this being followed a week later by publication of the names and stations of the foreign collectors. But to remove all doubts that this step would revive the inspectorate as a collecting agency the Minister of Finance added a stipulation in the following dignified terms:

> The Salt Inspectorate will be expected to produce an efficient and fully effective collection and control agency for the obtaining of revenues from this source, The Ministry of Finance, however, is unable to recognize that any of its subordinate organizations can assume functions which, by their very nature, imply a receivership for China's finances. Therefore the Salt Inspectorate will not be charged with the task of earmarking any funds for the repayment of foreign loans, such payment from the general funds of the Treasury being a specific task of the Ministry as such, or of a special department to be designated for this purpose.

The rehabilitation of the Salt Inspectorate was followed by other measures designed to solidify and further its administrative control. In 1930 the revenue guards, hitherto under the charge of a special preventive bureau, were transferred to the control of the Inspectorate Service. In the same year the collection of all local and provincial surtaxes was taken over by the Inspectorate. In 1932 an important administrative reform was made whereby the administrative functions of the Salt commissioners were consolidated under the concurrent charge of the inspectorate offices. Simultaneously, the Chief Inspector was made Director-General of the Department of Salt Administration of the Ministry of Finance.

Coincidently with the expansion of functions which had taken place since 1932, the administration of matters pertaining to saltpetre and sulphur who placed under the concurrent charge of the inspectorate.

Reorganization of Salt Inspectorate in 1937.—In April, 1937, in conjunction with the reorganization of the Ministry of Finance already referred to,[1] the Salt Inspectorate was abolished and in its place the Directorate-General of Salt Administration was formally established. Chief Inspector T. C. Chu, of the Salt Inspectorate, was made Director-General of the new organization, while Associate Chief Inspector O. C. Lockhart was appointed Associate Director-General. Simultaneously, as earlier stated, the *Yen Wu Shu* of the Ministry of Finance was reorganized into the Department of Salt Affairs, Mr. T. C. Ma being appointed Director of the Department.

The following circular in connection with the reorganization of the Salt Inspectorate was issued by the Directorate General on April 17, 1937:

> *Directorate-General of Salt Administration.*
>
> The public is hereby notified that in pursuance of an order received from the Ministry of Finance, this office formerly known as the Chief Inspectorate of Salt Revenue has been reorganized as the Directorate-General of Salt Administration, as from April 5, 1937, in accordance with the Organic Laws of the Directorate General of Salt Administration promulgated by the National Government and shall thereafter be in charge of the assessment and collection of salt revenue and the management of all other salt affairs throughout China, and also concurrently of all matters concerning saltpetre and sulphur. The district offices have also been reorganized in accordance with the said Organic Law. Those formerly known as District Inspectorates of Salt

[1]See section on financial administration, *supra*, p. 355.

Revenue shall thereafter be known as District Directorates of Salt Administration while those formerly known as Auditorates of Salt Revenue and Chief Collectorates of Salt Revenue shall thereafter be known as Salt Offices.

Organic Law of the Directorate-General of Salt Administration.—The present organization of the Directorate-General of Salt Administration follows strictly the provisions prescribed in its organic law promulgated by the National Government on July 14, 1936. An abridged free translation of the law is printed below:

Text of Organic Law of the Directorate-General of Salt Administration.

1. This Law is based on the provisions of Article 26 of the Organic Law of the Ministry of Finance.

2. The Directorate-General of Salt Administration shall be under the direct control of the Ministry of Finance. Its functions shall be the assessment and collection of salt revenue and the management of all other salt affairs throughout China under the direction of the Minister of Finance. Concurrently the Directorate-General shall also be placed in charge of matters concerning saltpetre and sulphur.

3. The Directorate-General of Salt Administration shall be composed of the following five departments:

(1) The General Administration Department.
(2) The Revenue Department.
(3) The Production and Consumption Department.
(4) The Revenue Guards Department.
(5) The Supply and Works Department.

Articles 4.–8. omitted.

9. There shall be a Director-General in the Directorate-General of Salt Administration whose duties shall be to take charge of all the functions of the Directorate-General and to direct and supervise all the sub-offices and the staff under orders of the Minister of Finance.

There shall be an Associate Director-General in the Directorate-General of Salt Administration whose duties shall be to assist the Director-General in looking after the collection of revenue and the release of salt.

10. There shall be five Department Chiefs in the Directorate-General of Salt Administration. The candidates for such posts shall be carefully selected by the Directorate-General from among men of good qualifications and their names shall be submitted to the Minister or Finance for approval and appointment. The duties of the Department Chiefs shall be to take charge of all the work of their respective departments.

11. In order to take care of urgent and important matters and any other work that may be assigned to them there shall be two secretaries in the Directorate-General of Salt Administration.

12. The five departments of the Directorate-General of Salt Administration shall have from 100 to 150 "*k'o yuan*" (assistants) and from 35 to 50 "*chu li yuan*" (lower grade assistants).

In order to look after the technical affairs of the Salt Administration and those connected with saltpetre and sulphur, the Directorate-General of Salt Administration shall have 2 or 3 technical experts and from 4 to 6 assistant technical experts.

13. The Directorate-General of Salt Administration shall also have 2 traveling inspectors and from 2 to 4 investigators. The duties of these inspectors and investigators shall be, under the orders of their superiors, to make tours in the various salt districts to inspect the work done by the local offices of the Salt Administration and to conduct investigations into any matter that may come up at any time.

14. For the purpose of copying documents and/or other routine matters, the Directorate-General on Salt Administration may employ a certain number of "*ku yuan*" (writers or clerks).

15. With the approval of the Minister of Finance, district offices, to be known as District Directorates of Salt Administration, shall be established by the Directorate-General in the various salt producing districts. The functions of the District Directorates shall be the assessment and collection of salt revenue and the management of all other salt affairs in their respective districts.

16. In each District Directorate of Salt Administration there shall be a District Director, an Associate District Director, and 3 Department Chiefs—one each for the Central Administration Department, the Production and Consumption Department, and the Revenue Guards Department.

All the above officers shall be carefully selected by the Director-General from among men of good qualification and their names shall be submitted to the Minister of Finance for approval and appointment.

17. The duties of the District Director shall be to take charge of all the functions of the District Directorate and to direct and supervise all the sub-offices and the staff under orders of the Directorate-General.

The duties of the Associate District Director shall be to assist the District Director in looking after the collection of revenue and the release of salt.

18. According to the volume of work to be done, there shall be a certain number of assistants, traveling inspectors, technical assistants and clerks in each District Directorate of Salt Administration. The exact number shall be fixed, and the candidates for such posts shall be selected and appointed, by the Directorate-General with the approval of the Minister of Finance.

19. To facilitate control, the saltworks areas under the jurisdiction of the District Directorates of Salt Administration shall be graded by the Directorate-General into four classes as follows: In each area a Saltworks Magistracy of the corresponding class shall be established.

(1) Where the annual output is 200,000 metric tons or above, the area shall be of the 1st Class and a 1st Class Saltworks Magistracy shall be established.

(2) Where the annual output is 100,000 metric tons or above, the area shall be

of the 2nd Class and a 2nd Class Saltworks Magistracy shall be established.

(3) Where the annual output is 50,000 metric tons or above, the area shall be of the 3rd Class and a 3rd Class Saltworks Magistracy shall be established.

(4) Where the annual output is below 50,000 metric tons, the area shall be of the 4th Class and a 4th Class Saltworks Magistracy shall be established.

20. In each Saltworks Magistracy there shall be a Saltworks Magistrate. The duties of the Saltworks Magistrates shall be to take charge of the assessment and collection of salt revenue; to look after the production, testing, and weighment and release of salt; and to direct the Revenue Guards; in their respective areas.

The Saltworks Magistrates shall be appointed, dismissed, and transferred by the Directorate-General of Salt Administration and under the direction and supervision of the District Directorates.

21. In each Saltworks Magistracy there shall be a certain number of saltworks assistents and clerks. The exact number shall be fixed, and the selection and appointment shall be made, by the Directorate-General of Salt Administration. But in the case of employees whose monthly pay is below $50.00, the selection and appointment may be made by the District Directorates and then reported to the Directorate-General for approval and record.

22. With the approval of the Directorate-General, the Saltworks Magistrates may establish collectorates, weighment and release offices, and Revenue Guards stations, as the local conditions in the saltworks areas may require. Such offices shall be under the direct control of the Saltworks Magistrates and the supervision of the District Directorates.

23. The dispatches addressed by the Directorate-General of Salt Administration to other organs shall be set in the name of the Ministry of Finance. But the Directorate-General may issue orders in connection with the following:

(*a*) Matters that should be referred to the subordinate organs for enforcement in pursuance to the instructions of the Ministry of Finance.

(*b*) Matters that should be attended to under the supervision of the Directorate-General in accordance with the measures fixed by order of the Ministry of Finance.

(*c*) Matters that have been submitted to the Ministry of Finance and approved.

24. To look after the budgeting, accounting and statistical matters there shall be a Chief Accountant, a Chief Statistician and from 50 to 65 assistants in the Directorate-General of Salt Administration. These officers shall be under the supervision and direction of the Director-General of the Directorate-General of Salt Administration and the Chief Accountant of the Ministry of Finance.

Special officers shall be appointed by the Office of the Comptroller-General of Budgets, Accounts and Statistics to take care of the budgeting, accounting and statistical matters of the sub-offices of the Director-General of Salt Administration.

25. With the approval of the Minister of Finance salt offices shall be established by the Directorate-General of Salt Administration in the important provinces where no salt is produced, pending the complete introduction of the system of collecting duty at the saltworks. Such offices shall be under the direct control of the Directorate-General and their functions shall be the disposal of the existing stocks of salt and the collection of any balance of duty that remains unpaid on such salt. The number of employees in such an office shall not exceed one half of the number employed in a District Directorate.

26. The working regulations of the Directorate-General of Salt Administration, the District Directorates, and the Saltworks Magistracies shall be prepared by the Directorate-General and be submitted to the Ministry of Finance for approval.

27. This Law shall take effect as from the date of its promulgation.

The New Salt Law.—In connection with the reorganization of the Salt Inspectorate in April, 1937 and the establishment of the Directorate-General of Salt Administration, mention must be made of the new Salt Law, promulgated by the Government as early as May 30, 1931. A complete text of this law was reproduced in the 1935–1936 issue of this Year Book, with a description of its salient features. It may be recalled that the law, aiming at a fundamental reform of the salt tax system, provides, in brief, for a three-point program, namely: (1) reduction and unification of taxes on salt to a nationwide uniform basis at $5.00 per 100 kilograms; (2) introduction of free trade in salt in replacement of monopolies; and (3) control of saltworks by means of construction of depôts for storage of salt.

Although six years have already elapsed since the promulgation of the new Salt Law, no definite date has been fixed for its final enforcement. In fact the text of the new law has been subjected to frequent critical comments and discussion, and the opinion is freely expressed that if and when the law actually comes into operation, it will be only after certain radical changes have been made in its provisions. Meanwhile the administrative authorities concerned are already making sundry changes and adjustments in the existing salt system, in line with the principles prescribed in the new law, and thus are

preparing the ground for its ultimate enforcement.[1]

The principal objection to the immediate operation of the new law seems to be that the tax rate fixed is too low and, if enforced, will cause an immediate shrinkage of the salt revenue to one half of the present collection and perhaps lower. This would have dire effects of course, on the financial position of the Government, which cannot afford, at the present moment when it is annually facing a budget deficit, to entail such a heavy loss without having previously divised some measure of compensation.

Another objection seems to be that it would be calamitous to do away with salt monopolies by a single stroke of the pen. The whole Chinese population, it is argued, is practically dependent on monopolies for the supply of salt, and an immense amount of machinery is needed to produce and distribute the required quantities and to meet all exigencies. The vested interests of merchants, producers and distributors must be duly considered, as they have many millions invested not alone in plant but in rights, and it would not be proper and just to set these at naught by an order of the Government. Until some plan has been worked out to compensate for loss of rights and particularly loss of employment, enforcement of the provisions embodied in the new law would bring undesirable consequences.

Other minor criticisms of the Salt Law have also been raised, but these need not be reviewed here in detail.

Against these objections, proponents of the new code staunchly uphold the belief that reduction of the tax rate will not necessarily cause a corresponding reduction in revenue. On the contrary, they argue, lower rates would mean larger amounts of salt consumed, which, together with the reduction of expenses consequent upon a simpler system of salt taxation in use should, in effect, increase the net yield from salt revenue. Furthermore, they are unable to see how the new code if put in force could cause unemployment to the salt workers, since, by force of the first argument, increasing consumption of salt would mean increased demand for it and consequently increased employment. They deplore the fact that those who have been exploiting the salt workers should now pretend to have the welfare of the exploited at heart and should use this as a pretext for maintaining their own privileged status.

It is difficult to say which side of these arguments seems to be more convincing. Suffice it to state, however, that so far the Government has shown more than the usual amount of hesitancy and delay in giving order to the enforcement of this new law, and present indications seem to show that the measure will not be enforced for some time to come—not at least, until the more important dubious points in connection with it have been thoroughly threshed out, which may, or may not, mean eventually a revision of the new law.

Salt Revenue As Security for Loans.—Reference was made in an earlier section to the designation of the salt revenue as security for the 1913 Reorganization Loan, which was the primary cause of the inauguration of the Salt Inspectorate. It would be misleading to believe, however, that the 1913 Reorganization Loan was the only foreign loan secured on salt revenue, or that it is still being paid therefrom. As a matter of fact, through later arrangements, service of the 1913 Reorganization Loan is now being made from the Customs revenue. It merely has certain liens on salt revenue, as in the case of the 1898 Anglo-German Loan and the Boxer Indemnity. Payments of the principal and interest due on the following loans are now being made from salt revenue:

1. Anglo-French Loan of 1908.
2. Crisp Loan of 1912
3. Vickers-Marconi Loans (Under 1936 settlement).
4. Hukuang Loan of 1911.[2]
5. Chicago Continental Bank Loan (Under 1937 settlement)
6. Pacific Development Loan (Under 1937 settlement)

[1] *Vide* semi-official communiqué on salt revenue, 1936, *infra.*, p. 420.
[2] Not wholly secured on salt revenue; *vide* terms of readjustment agreement, *infra.*, p. 470.

It may be recalled that up to 1929 principal and interest payments on most of the loans secured on salt revenue had fallen into arrears. With the rehabilitation of the Salt Inspectorate a plan for the readjustment of these loans was decided upon, according to which all arrears of payments to holders of bonds of the Anglo-French Loan would be paid by December, 1931, while payments on the Crisp Loan would be brought up to date at the end of 1934.[1] To facilitate these payments, the following quota system was devised for the various salt districts:

Fengtien	$ 290,000
Changlu	1,558,000
Shantung	498,000
Hotung	308,000
Huainan	1,294,000
Huaipei	742,000
Sungkiang	254,000
Liangcheh	467,000
Fukien	296,000
Kwangtung	933,000
Yunnan	275,000
Chuannan	1,060,000
Chuanpei	158,000
Hankow	201,000
Changsha	286,000
Nanchang	158,000
Wuhu	137,000
Ichang	158,000
Koupei	42,000
Huating	74,000
Kihei	148,000
Chinpei	63,000
TOTAL	$10,000,000

In April, 1930, the ministry increased the quota by 30 % for each district so as to meet the high cost of loan service caused by the depreciation of silver in relation to gold, while in 1931 a foreign loan surtax was imposed for similar purpose.

In accordance with the schedule of readjustment, payment of all arrears of interest of the Anglo-French and Crisp loans was completed by the end of 1930. Unfortunately, due to the loss of the Manchurian provinces in 1931, and to the quota from these districts not having been forthcoming since the early part of 1932, payments on the Anglo-French Loan as regards principal were not brought up to date until October, 1934. In December, 1934, the 1928 principal instalment of the Crisp Loan was paid, and in January, 1935, the Government announced a program providing for the annual payment of two instalments of principal of the Crisp Loan instead of one, in order that arrears of principal might be entirely cleared up by 1940.

On October 6, 1936, Dr. H. H. Kung, Minister of Finance, announced an offer concerning resumption of service of the 8% 10-Year Notes of £600,000 issued pursuant to the agreement of August 27, 1918, between the Chinese Government and Marconi's Wireless Telegraph Company Limited, and the Chinese Government 8% 10-Year Negotiable Sterling Treasury Notes of £1,803,200 issued pursuant to the agreement of October 1, 1919, between the Chinese Government and Messrs. Vickers Limited.[2] Payment of interest and principal of these loans is now secured on salt revenue, subject to payments therefrom in respect of existing loan charges and commitments.

On April 5, 1937, an announcement was made by the Ministry of Finance concerning readjustment of the Hukuang Loan of 1911, under which agreement payment of interest on this loan was to be made out of net earnings of the railway and guaranteed out of salt revenue.[3]

On April 12, following upon the settlement of the Hukuang Loan, the terms for settlement of the Chicago Bank Loan of 1919 were announced, according to which payment of interest and principal on this loan was to be made out of salt revenue after making provision for charges existing as of April 12, 1937, and in priority to all charges that might be created subsequent to that date.[4]

For text of statement regarding adjustment of these oans, *vide Chinese Year Book*, 1935–1936, p. 1302.

[2] *Vide* Settlement of Marconi-Vickers Loans, *infra.*, p. 470.

[3] *Vide* Settlement of Hukuang Loan, *ibid.*

[4] *Vide* Settlement of Chicago Bank Loan, *infra.*, p. 471.

Three months later, on July 14, while he was in America, Minister Kung announced simultaneously in the United States and in China the terms for settlement of the Pacific Development Loan, under which agreement payment of principal and interest on the loan was to be made out of salt revenue after making provision for charges existing as of May 15, 1937, and in priority to all charges that might be created subsequent to that date.[1]

Apart from the foregoing there are certain loans not now being paid which possess claims on salt revenue—to wit, the Tsingtao Treasury Notes, with a principal of approximately Y.13,000,000, and the Japanese portion of the 96 million loan, with a principal of approximately Y.32,000,000. In addition there is a matter of about $45,000,000 to $50,000,000 in respect of certain internal obligations contracted by the former Peking Government before 1925. There are also certain other loans secured to some extent on other than salt revenue, but predominantly on certain subsidies from salt revenue and/or on special salt surtaxes the proceeds of which subsidies and/or taxes the National Government granted to provincial authorities in consolidating its administration of salt taxation as a national revenue. These loans, however, differ in nature from those enumerated above.

Payment of Foreign Loans in 1936.—In 1936 the amortization and interest payments for the four loans then being paid from salt revenue, namely, the Anglo-French, Crisp, Hukuang, and the Vickers-Marconi loans, were met in full in accordance with the arrangements made by the Ministry of Finance. They amounted to:[2]

1. Anglo-French	£ 16,929.17. 9 £267,743. 0. 3	$ 268,869.33 $4,422,282.96
2. Crisp	£218,768.14. 5 £221,555. 7.11	$3,401,119.42 $3,642,300.03
3. Hukuang	£141,450. 7.11 65.10. 0	$2,291,597.27 1,040.23
4. Vickers-Marconi ..	£ 18,069. 1. 2	$ 300,541.30

Relation of Salt Revenue to Local Finance.—The salt tax has been designated as one of the national revenues. Under the new law governing the demarcation and allocation of national and local finances to come in force as from January 1, 1938, it is also classified as a purely national revenue,[3] and, as may be seen from the provisions of this new law, no part of it is definitely stipulated to be apportioned to provincial, municipal or *hsien* governments, unlike the income tax and the inheritance tax.

However, the importance of the salt revenue to local finance cannot be denied. As already stated,[4] it was not uncommon in the past for local governments and military leaders to levy, in addition to the duty proper, various surtaxes and extra charges on salt which in many cases aggregated more than the regular duty. Instances were not rare wherein the proceeds from the duty proper were wholly retained for local uses. In fact this was an important factor causing the break-down of the inspectorate system in 1926. Beginning in 1928 with the centralization of the power of collection in the Central Government, salt revenue continued to yield annually large sums of money to local authorities. These are

[1] *Vide* Settlement of Pacific Development Loan, *infra.*, p. 474.
[2] According to Kuomin News Agency, February 4, 1937.
[3] *Supra.*, p. 367.
[4] *Supra.*, p. 411.

generally shown under the heading of "transfers to local authorities from the Salt Revenue Inspectorate" in the several financial reports of the Ministry of Finance.[1] During the past few fiscal years the amounts of such releases, as shown in these financial reports, have been as follows:

Fiscal Year Ending June 30	*Amount*	*Percentage of Total Collection*
1931	$47,525,170	30.64
1932	47,794,626	32.90
1933	37,254,869	23.39
1934	23,003,729	13.07
1935	30,646,667	16.64

Because of these large transfers to local finance, which, as shown above, occupy a large percentage of the total yearly collections, the salt revenue has been described by some financial writers as being highly local in character.[2]

Statistical Tables of Salt Revenue Collections.—The yearly amounts of collections by the Inspectorate of Salt Revenue were tabulated and shown in the 1936–1937 issue of this Year Book. The following statistical tables, most of which have been supplied by courtesy of the Directorate-General of Salt Administration, furnish revised and corrected data up to and including 1936:

*TABLE 16. ANNUAL SALT REVENUE COLLECTIONS 1913–1936**

Calendar Year	*Gross Revenue*
1913	$19,044,200
1914	68,483,300
1915	80,503,400
1916	81,064,800
1917	82,245,800
1918	88,393,700
1919	87,822,500
1920	90,052,400
1921	94,883,100
1922	98,106,700
1923	91,406,700
1924	87,908,600
1925	91,931,600
1926	86,317,200
1927	59,753,300
1928	54,276,600
1929	85,370,500
1930	129,693,000
1931	155,112,600
1932	145,292,200
1933	159,247,100
1934	177,461,300
1935	185,415,800
1936	217,810,900

* Average collections in the four Northeastern Provinces during the two years preceding the Mukden incident of September 1931 were $24,655,000 yearly. If all collections in these provinces are eliminated from the period 1929 to 1933 inclusive, the progressive increases in collections year by year are shown by the following figures:

1929	$ 61,070,700
1930	104,581,100
1931	134,227,600
1932	142,184,800
1933	159,247,100
1934	177,461,300
1935	185,415,800
1936	217,810,900

Vide footnote in Ministry of Finance report for 1932–1934, reproduced in 1935–1936 issue of the *Chinese Year Book*, p. 1228.

TABLE 17. INDEX NUMBER OF SALT REVENUE COLLECTIONS, 1929–1936 (1930=100)

(After deductions of Collections from Northeastern Provinces)

Year	*Salt Revenue**	*Customs Revenue†*
1929	58	84
1930	100	100
1931	128	142
1932	136	128
1933	153	140
1934	170	138
1935	177	130
1936	208	134

* *Vide* footnote under Table 16.
† Based on gross figures given in Table 10 *Supra.*, p. ~~70.~~ 395

[1] Reports of Ministry of Finance, 1928–1935, inclusive.
[2] Arthur Salter, *China and the Depression*, p. 50, and p. 55.

*TABLE 18. SALT REVENUE COLLECTIONS BY DISTRICTS AND GROUPS, 1932–1936**

Groups A:—Districts whose net revenue is transferred to Ministry's Treasury and Sub-Treasury

District	*1932*	*1933*	*1934*	*1935*	*1936*
Lianghuai (*a*) ..	$ 27,123,400	$ 35,554,100	$ 32,559,000	$ 32,891,400	$ 42,556,200
Sungkiang	9,161,300	10,015,400	12,202,400	12,568,000	13,993,700
Liangcheh	9,857,200	9,934,400	9,419,400	9,006,600	11,888,600
Hupeh	12,557,000	12,955,500	15,749,600	14,652,200	15,986,300
Anhwei	5,130,000	5,252,700	6,101,000	6,083,500	6,084,500
Kiangsi	8,182,300	8,203,100	10,274,700	9,085,300	8,962,200
Honan	5,117,900	6,137,900	7,273,000	7,703,200	8,138,700
Fukien	3,440,300	3,556,300	2,764,100	4,716,600	4,362,800
Changlu	12,463,300	14,811,300	22,955,000	26,775,400	29,760,100
Shantung	8,232,900	9,674,500	10,882,300	9,672,800	12,620,700
Hsipei (*b*)	—	—	1,483,000	1,160,000	1,303,500
Yinchen (*c*) ..	—	—	—	—	10,800
GROUP TOTAL ..	$101,265,600	$116,095,200	$131,663,500	$134,315,000	$155,668,100

Group B:—Districts whose net revenue is transferred to Ministry's Special Deputy:

District	*1932*	*1933*	*1934*	*1935*	*1936*
Szechwan (*d*) ..	$13,545,500	$10,650,200	$12,538,200	$17,713,600	$22,724,900
Hunan	11,445,200	12,840,300	14,119,700	13,412,500	15,396,100
GROUP TOTAL ..	$24,990,700	$23,490,500	$26,657,900	$31,126,100	$38,121,000

Group C:—Districts whose revenue is transferred to Local Authorities

District	*1932*	*1933*	*1934*	*1935*	*1936*
Hotung	$ 2,632,100	$ 3,223,300	$ 3,963,100	$ 4,067,100	$ 4,624,700
Chinpei	964,200	997,800	1,079,700	1,004,900	1,312,600
Liangkwang (*e*) ..	10,468,000	11,593,500	9,565,500	9,290,500	12,760,500
Yunnan	1,697,800	2,630,600	2,473,300	2,905,800	2,898,500
Shensi (*f*)	—	262,200	1,427,300	1,479,700	1,748,100
GROUP TOTAL ..	$ 15,762,100	$ 18,707,400	$ 18,508,900	$ 18,748,000	$ 23,344,400
Liaoning (*g*) ..	$ 3,107,400	—	—	—	—
Chief Inspectorate	166,400	$ 954,000	631,000	$ 1,226,700	677,400
GRAND TOTAL	$145,292,200	$159,247,100	$177,461,300	$185,415,800	$217,810,900

(*a*) Yangchow and Huaipei Districts were amalgamated into one District under the name Lianghuai in May, 1936.
(*b*) Hsipei Collectorate was established in 1934.
(*c*) Yingchen Gypsum Salt Controling Office was established in October 1936.
(*d*) Chuannan and Chuanpei Districts were amalgamated into one District under the name Szechwan in July, 1936.
(*e*) Liangkwang District Inspectorate was reorganized from Kwangtung District Inspectorate.
(*f*) The Shensi Collectorate was established in November, 1933.
(*g*) The Inspectorate offices in the Liaoning District were closed in April 1932.
* Table supplied by courtesty of Directorate-General of Salt Administration.

*TABLE 19. SOURCES OF SALT REVENUE COLLECTIONS, 1933–1936**

Sources of Income (Cash Receipts)	*1933*	*1934*	*1935*	*1936*
Central Government Tax and Surtax	$123,736,900	$131,563,600	$137,063,400	$189,273,300
Provincial Government Surtax	22,868,200	32,906,400	34,289,200	13,708,500
Foreign Loan Surtax† ..	8,139,000	8,561,800	9,198,700	10,748,800
Miscellaneous Revenue ..	2,277,400	1,683,500	1,603,100	1,780,400
Miscellaneous Receipts ..	2,225,600	2,746,000	3,261,400	2,299,900
TOTAL	$159,247,100	$177,461,300	$185,415,800	$217,810,900

TABLE 20. DISPOSAL OF SALT REVENUE FOR PAYMENTS ON FOREIGN LOANS, 1929–1936

Calendar Year	*Total Amount*
1929	$ 9,488,365.35
1930	16,167,985.23
1931	15,263,445.01
1932	12,321,081.01
1933	11,367,971.08
1934	15,755,578.59
1935	11,673,233.20
1936	14,327,750.54

Résumé of Salt Administration During 1936.—A brief review of principal developments of the Salt Administration during 1936 is contained in a semi-official communiqué released by the Kuomin News Agency under date of February 4, 1937. The following excerpts from this communiqué are self-explanatory:

> The year 1936 was of special significance to the Salt Administration, in that, on the basis of preliminary returns from the salt districts, the total collections of salt revenue exceeded the two hundred million dollar mark. The provisional figure, which has already been released to the press but which is subject to final audit and revision, amounts to $205,433,000, an increase of $20,017,000 over the 1935 figure of $185,416,000. Government receipts on account of salt revenue, which amounted to some fifty-four million in 1928, have thus quadrupled in less than ten years. Many factors have contributed to this progress but it was mainly due to satisfactory introduction of a program of reforms which included particularly the unification of administrative functions, control of saltworks, reorganization of preventive forces and elimination of malpractices.
>
> It is true that through equalizing duty rates and introducing metric weights, taxation on salt has been increased (although in certain places actually lowered). On the other hand, this has generally been accompanied by an instant decrease in official releases of taxed salt to the consuming public for the reasons: (1) that higher taxation enhances selling prices lessening in turn the purchasing power of consumer who for the most part are on a low standard of living, (2) that the strength of the present preventive forces is in many instances insufficient to cope with the volume of smuggling of salt stimulated by the sudden enhancement of the duty rates and (3) that unscrupulous persons seize the opportunity to manipulate the salt market which causes an immediate decrease of tax paying salt releases. However, in spite of the change of scale in 1934, accompanied by a drop in salt releases, the expected increase in revenue collections has been partly realized. In the previous year 1935 and in the year under review, the more effective preventive measures have to a great extent offset the natural fall in taxed releases with the result that revenue collections have increased.

CONSOLIDATION AND REDUCTION OF OFFICES

Since 1932 the unification of diverse operating functions has been carried out and a number of Salt Commissioners' offices of the so-called administrative department have been consolidated with the Salt Inspectorate proper. More than four million dollars are now economized annually on account of the former expenses of such Commissioners' offices. In May and July,

* Table supplied by courtesy of Directorate-General of Salt Administration.
† Figures represent Foreign Loan Surtax collected by the various districts and credited into the District Inspectorate Salt Revenue Fund-Foreign Loan Surtax account.

1936, respectively, the Yangchow and Chuanpei Deputy Salt Commissioners' Offices were abolished; the states of the District Inspectorate at Yangchow was also reduced to an Assistant District Inspectorate. In October, the Liangkwang Salt Commissioner's office was amalgamated with that of the Kwangtung District Inspectorate (now Liangkwang District Inspectorate) and his sub-offices abolished; this resulted in an annual saving of more than $600,000. To bring salt production under more efficient control in Szechwan, certain of the scattered saltworks were either abolished or joined together during the same month.

CONSTRUCTION WORK AT SALT WORKS

Smuggling of salt has greatly diminished as a result of the completion of engineering work at the salt works in Changlu (Hopei), Huaipei, Kwangtung, etc. This work provided depôts, revenue guards barracks, isolation roads, canals and telephone system. In the year under review, the expenses for financing such new construction in the districts excluding Szechwan, Kwangtung and Hotung, amounted to $6,501,780. Constructional work continued to be carried out in 1936 in Fukien, Shantung, Liangcheh, Szechwan, etc. according to pre-determined salt works control programs. In 1935 the overflow of the Yellow River threatened to inundate the Huaipei District. To protect the important salt works there, the Ministry of Finance authorized an expenditure of over $600,000, for conservancy work to be carried out by the Salt Administration in co-operation with the National Economic Council and Kiangsu Provincial Government. Canals were dredged to the extent of 46 kilometers.

READJUSTMENTS OF DUTY RATES

The equalization of duty rates is one of the policies of the Salt Administration. In 1936, the duty rates in the Yangtze provinces and Szechwan were readjusted; in Szechwan, they consisted of more than ten different denominations, which were readjusted in March and December. The duty rates on Liangcheh (Chekiang) light-duty salt and the same salt for Shang-nan-chuan, Kwangtung salt for Hunan, Huaipei salt for Sanhochian in Honan and Chienchang in Kiangsi, on Mongolian salt in Kansu, etc. were also co-ordinated.

EXTENSION OF FREE TRADE

Due to the unsatisfactory working of the farming system in the salt trade, and, also, since it is contrary to the Salt Law promulgated in 1931, which provides for unfettered free trade, the Minister of Finance has in recent years progressively abolished the farming system in Lin-tanfei-yi districts in Shantung, Fujung districts in Szechwan, Wenchow in Chekiang, in the upper river area in Fukien, Swatow in Kwangtung and in Kansu. The Nanking Municipality has also been declared a free trade area. In the Spring and Autumn of 1936, free trade was further extended in Fukien and Kwangtung so that the consuming public now have salt of better quality at competitive prices.

REGULATION OF SUPPLY AND DEMAND AND INSTITUTION OF EMERGENCY SALT DEPÔTS

The salt business in this country has been for centuries governed by a system whereby specified areas obtained their supplies of salt from certain designated sources. It is one of the objectives of the Salt Law to abolish this system, but till this is accomplished the Salt Administration is obliged to take mesaures leading to the regulation of supply and demand. For example, the western part of Shensi Province, which has been the consumption area of Kansu salt, found itself short of supplies in September of this year due to interrupted communications; thus arrangements had immediately to be made for salt to be transported from Hotung (Shansi). Arrangements of a similar nature were also made for certain areas in Szechwan and Hunan.

To provide for emergencies and also to maintain an equitable level in the prices of salt, the Minister of Finance has approved of the institution of "Emergency Salt-Depôts" in inland province. This is in process of being carried out.

THE PREVENTIVE FORCES

Important improvements in the preventive forces were effected in the three Districts of Szechwan, Kwangtung and Liangcheh. (Chekiang). In former years preventive work, particularly in the two former districts, was inefficient. After the Salt Commissioners' functions in these two provinces had been taken over, the preventive forces were thoroughly purged and reorganized, while experienced revenue guards, officers and preventive service supervisors were transferred to, and various reforms introduced in, these districts. Smuggling had also been active in Liangcheh and to cope with it pending the completion of salt works isolation measures, inspection squads were organized to check and control salt production.

ELIMINATION OF EARTH SALT

The manufacture of "earth salt" (an alkaline efflorescence appearing on the surface of soil periodically inundated) has been a menace to the consumption of ordinary taxed salt in the Provinces of Hopei, Honan, and in a lesser degree, Shantung and Kiangsu. In Hopei and Honan a special Commission has been carrying out conservancy and soil-conditioning work with beneficial results. The local peasantry are encouraged to plant cotton seed of American origin and small loans are made to them on application. In 1936, $55,000 were loaned out to farmers in southern Hopei and more than 182,000 catties of cotton seed were issued. The manufacture of earth salt has consequently been reduced. The collections of salt revenue in the Province of Hopei were thus increased by over four million dollars in 1936 as compared with 1934. In Honan,

some 534 kilometers of drainage canals were dredged in the year under review. Similar measures are also to be introduced in Shantung and Kiangsu.

CONTROL OF GYPSUM SALT

A fine white salt is produced as a by-product from the gypsum mines in Yingcheng, Hupeh, and Hsiangtan, Hunan. In the past such salt passed into the consumption areas at a very low rate of duty, thus encroaching on ordinary taxed salt to the detriment of Government receipts. At the initiative of the Ministry of Finance negotiations with the Hupeh Provincial Government resulted in the establishment in June, 1936, of a Controlling Office at Yingcheng under the national Salt Administration. The Hunan Provincial Government also handed over the control of gypsum salt to the Honan Salt Revenue Auditors.

INTRODUCTION OF NEW SALT LAW

The currently promulgated Salt Law features taxation of salt at a nation-wide uniform rate collected at the place of production and grants complete freedom of trade in salt by abolishing monopolies. It is the policy of the Salt Administration to introduce the Salt Law as far as possible at the earliest date. But with the necessity of maintaining Government receipts from salt revenue and safe-guardng the livelihood of the producers at numerous uneconomical salt-works, the unsettled conditions in the last few years, and the imperfection of the old preventive machinery, the Salt Administration has had to be most careful not to enforce too drastic changes which would upset the equilibrium of national economy and public finance. No time has been lost, however, in introducing various reform of basic importance in preparation for the full enforcement of the Salt Law. As noted, the reforms which have been successfully introduced by the Salt Administration include the planning and exception of salt-works control programs for salt districts, i.e. control at the sources, equalization of duty rates, extension of free trade and perfection of the preventive machinery. The salt administration system has been in force for many centuries and it is only by progressive steps that it can be brought up to date; however, it may be said, that the year under review has shown many advances in administration which will ultimately lead to a cheaper and more adequate supply of salt together with an increased revenue.

VI. INTERNAL REVENUE ADMINISTRATION

Rivaling in importance the Customs and Salt revenues, and showing immense future possibilities, the Internal Revenue Tax system, comprising a number of taxes, is the third "financial pillar" of Chinese Government finance. Unlike the Customs and Salt revenues, however, the several taxes, particularly the "consolidated taxes," which come under the control of the Internal Revenue Administration have a comparatively short historical background, but in the space of the few years since their inauguration they all have grown phenomenally, with revenue receipts increasing from year to year. Their immense success bears glowing tribute both to the farsightedness of their originators and to the integrity of those responsible for their administration.

The Internal Revenue Administration is the product of a series of merging operations of tax offices started by the Ministry of Finance in 1928. It now has charge of all of the national taxes other than the Customs and Salt revenues and the newly instituted income tax. As a result of this process of gradual amalgamation and readjustment, China to-day possesses apart from provincial and local taxation, a simple, unified and relatively logical system of national taxation. The administration of national indirect taxes, that is, those apart from the income tax, which is a direct tax and administered separately by the Income Tax Office, is now under three major administrations—the Customs, Salt and International Revenue administrations. This presents a striking contrast to the multitudinous tax offices of the past, an instance of which was that in 1928, in the city of Shanghai alone, there were counted over a 130 national and local tax offices.[1]

Review of Past Developments.—A comprehensive review of the development of the Internal Revenue Administration and of all of the taxes under its charge may be found in the 1935–1936 issue of the *Chinese Year Book*. Therein an account is given of the efforts of the National Government towards the consolidation and simplification of tax services and the reform of each tax along modern lines. In that issue and in the succeeding one (1936–1937 issue), the regulations

[1]Annual Report for 18th Fiscal Year, Ministry of Finance, p. 5.

governing the collection of various taxes together with revenue statistics down to the end of 1935 are given. The present issue will confine itself to a brief summary of the salient features of the Internal Revenue system, together with additional and supplementary information and statistical data up to the middle of 1937.

Nature and Development of the Consolidated Tax System.—The taxes under the charge of the Internal Revenue Administration consist of the following:

1. Rolled Tobacco Consolidated Tax.
2. Cotton Yarn Consolidated Tax.
3. Flour Consolidated Tax.
4. Matches Consolidated Tax.
5. Cement Consolidated Tax.
6. Flue-Cured Tobacco Consolidated Tax.
7. Beer Consolidated Tax.
8. Alcohol Consolidated Tax.
9. Aerated Water Special Tax.
10. Firecrackers Materials (Consolidated) Tax.
11. Mineral Products Tax.
12. Native Sun-Cured Tobacco Special Tax.
13. Foreign Style Wine Tax.
14. Native Wine Fixed Rate Tax.
15. Stamp Tax.

It will be seen from the foregoing that the consolidated taxes constitute by far the larger number of taxes under the charge of the Internal Revenue Administration. According to the budgetary estimates for the current fiscal year (1937–1938), this category of tax comprised about 82.58%[1] of the entire revenue estimated to be collectable by the administration. A brief review of the nature and development of these consolidated taxes may, therefore, be of interest.

The consolidated tax system is administered on the principle that a commodity should be subject to a single tax collected at its source and should be subsequently free of all levy whatsoever throughout the country. This is a principle of taxation expounded long ago by writers on public finance, and indeed was by no means a novel idea to China. The use of the word "consolidated" was meant to indicate the policy of the government that such taxes collected at one source should not be levied a second time; at the time when most of these consolidated taxes were first instituted it was necessary to lay down such a principle as there were then existent many regional authorities who would not hesitate to challenge the right of taxation of the Central Government.[2] With the disappearance of such regional authorities, such a terminology would not seem to be necessary, and so it may be noted that in the new law governing the demarcation and allocation of national and local finances reference has already been made,[3] the term "consolidated taxes" has disappeared, and in its place are found more appropriate names.

The system was first applied in January, 1928, only to rolled tobacco (cigars and cigarettes). With this as a beginning, it was later extended to cover the different commodities enumerated above. In addition to these, taxes are levied on a number of other commodities on the principle of the consolidated tax system, but these latter are not yet known as "consolidated taxes." The following is a list of the respective dates when the various consolidated taxes were instituted:

Rolled Tobacco Tax	1928
Flour Tax[4]	1928
Cotton Yarn Tax	1931
Matches Tax	1931
Cement Tax	1931
Flue-Cured Tobacco Tax	1929
Beer Tax	1931
Alcohol Tax	1935
Foreign Style Wine Tax	1929
Firecracker Materials Tax[5]	1937
Mineral Products Tax[6]	1933

[1]Thus, the total amount of revenues budgeted was $212,633,669 of which the consolidated taxes amount to $175,617,650.

[2]It has been the policy of the administration to grant refunds of any taxes levied on commodities later conveyed to non-consolidated areas and taxed a second time.

[3]*Supra.*, p. 368.

[4]Known at first as a special tax. Since 1931 it has been administered under the consolidated tax system.

[5]Originally administered as a special tax in the Kwangtung area. Since 1937 it has been administered as a consolidated tax.

[6]Instituted as early as in 1928, but not incorporated into the consolidated tax system until April, 1933.

In respect of the territory in which the consolidated tax system is enforced, there was at first a distinction between a so-called "consolidated tax area" and a "non-consolidated tax area." Thus in 1928, when the tax system was first introduced, the so-called consolidated tax area consisted of the five provinces of Kiangsu, Chekiang, Anhwei, Fukien and Kiangsi. Coincident with the expansion of the authority of the Central Government the area was gradually expended to include other provinces. Among the more important provinces which have come into line in the course of the last year or two are Szechwan, Kwangtung, Shensi, and Kweichow, with the result that the system is now in operation in no less than 18 provinces. The only provinces where the system is not yet enforced are, excluding the four Northeastern Provinces, mostly border provinces: e.g., Yunnan, Kansu, Chinghai and Sinkiang. The extension of the system to these remote provinces is more difficult for obvious reasons, but in these regions there is little or no manufacture of the products coming under the consolidated tax system.

Development of the Internal Revenue Administration.—The Internal Revenue Administration, inaugurated in July, 1932, had its origin in 1928, when all of the national and local organs in charge of various taxes and imposts on cigars and cigarettes were consolidated into provincial rolled tobacco consolidated tax bureaux under the control of the National Rolled Tobacco Consolidated Tax Department. When the consolidated taxes on cotton yarn, cement and matches were instituted in February, 1931 as one of the measures to offset the loss of national revenue occassioned by the abolition of *likin*, no new tax organs were created and the new taxes were handled by the Rolled Tobacco Consolidated Tax Department, which was enlarged to form the Consolidated Tax Administration. The flour tax, instituted in July, 1928, to supersede the numerous *likin* levies on wheat, was at the same time put under the charge of the Consolidated Tax Administration. Meanwhile the two important national departments in charge of the tobacco and wine tax and the stamp tax were amalgamated into one department in 1931, which was in July, 1932, merged with the Consolidated Tax Administration to form the Internal Revenue Administration. In April, 1933, the mineral products tax,[1] formerly under the charge of the Department of Taxation of the Ministry of Finance, was also transferred to the control of the Internal Revenue Administration. The inclusion in the consolidated tax system of the tax on firecracker materials, formerly under the administration of the office of the Special Finance Commissioner of Kwangtung, was effected late in 1936, following liquidation of the political situation in that province.

Existing Tax Rates.—In the 1936–1937 issue of the *Chinese Year Book*, the then existing rates of the taxes under the charge of the Internal Revenue Administration were given. Since then reports have been current respecting contemplated increases of some of the rates, but for one reason or another such reported revisions did not materialize until April, 1937, when, as a measure to enhance revenue collections, the government ordered revision of the rates on rolled tobacco, matches and cement. Beginning from June 1, 1937, the rates on cotton yarn were also revised. The following table gives the rates, corrected up to June 2, 1937, of taxes under the Internal Revenue Administration:

TABLE 21. EXISTING RATES OF TAXES UNDER THE INTERNAL REVENUE ADMINISTRATION (AS OF JUNE 2, 1937)

Rolled Tobacco Consolidated Tax

Cigarettes		
Grade	*Tax Unit*	*Tax Rate*
1	5 mille case cost over $800	$800.00
2	5 mille case cost $401–$800	400.00

[1]There are two branches of the mining tax—the mineral products tax and the mining area tax. The latter is under the care of the Ministry of Industry.

3	5 mille case cost $201–$400	200.00
4	5 mille case cost at $200 or under	100.00

(Beginning from June 15, the import duty rates on cigarettes collected by the Chinese Maritime Customs were revised as follows):

	Grade	*Unit*	*Duty*
(*a*)	Value over C.G.U. 10.00 per 1,000 and all cigarettes not bearing a distinctive brand or name on each cigarette	Ad valorem	80%
(*b*)	Value over C.G.U. 6.40 but not over C.G.U. 100.0 per 1,000	per 1,000	C.G.U. 7.60
(*c*)	Value over C.G.U. 4.80 but not over C.G.U. 6.40 per 1,000	per 1,000	C.G.U. 5.80
(*d*)	Value over C.G.U. 3.20 but not over C.G.U. 4.80 per 1,000	per 1,000	C.G.U. 4.00
(*e*)	Value over C.G.U. 1.60 but not over C.G.U. 3.20 per 1,000	per 1,000	C.G.U. 2.50
(*f*)	Value C.G.U. 1.60 or less per 1,000	per 1,000	C.G.U. 1.40

Cigars

Grade	*Tax Unit*	*Tax Rate*
1	Per mille cost above $80.00	$62.00
2	Per mille cost $40.00–80.00	31.00
3	Per mille cost $20.00–40.00	15.50
4	Per mille cost $10.00–20.00	7.80
5	Per mille cost $6.00–10.00	4.15
6	Per mille cost under $6.00	3.10

Flue-Cured Tobacco Consolidated Tax

Tax Unit	*Tax Rate*
1/2 quintal (50 kilos)	$4.15

Cotton Yarn Consolidated Tax[1]

Grade	*Tax Unit*	*Tax Rate*
1. Count under 17	per 100 kilos	$ 5.00
2. Count above 17 but not over 23	per 100 kilos	5.75
3. Count above 23 but not over 35	per 100 kilos	7.50
4. Count above 35	per 100 kilos	10.00

Flour Consolidated Tax[2]

Tax Unit	*Tax Rate*
One bag of 22.23 kilos	$0.10

Matches Consolidated Tax

Safety Matches

Grade	*Tax Unit*	*Tax Rate*
1. 48×34×16 mm. with 75–80 splints per box	per case containing 7,200 boxes	$15.60
2. 59×38×18 mm. with 100–105 splints per box	per case containing 7,200 boxes	20.10
3. 59×40×18 mm. with 115–120 splints per box	per case containing 7,200 boxes	24.00

Phosphorous Matches

Grade	*Tax Unit*	*Tax Rate*
1. 48×33×14 mm. with 75–95 splints per box	per case containing 7, 200 boxes	$12.60
2. 48×34×16 mm. with 100–105 splints per box	per case containing 7, 200 boxes	15.60

Cement Consolidated Tax[3]

Tax Unit	*Tax Rate*
Per barrel of 170 kilos	$1.50

[1] Revised rates effective as from June 1, 1937.
[2] Revised rates effective as from April 5, 1937.
[3] Revised rates effective as from April 5, 1937.

Beer Consolidated Tax

Tax Unit	*Tax Rate*
Per case containing 48 quart-bottles or 72 pint bottles	$2.60
Per litre (in barrels)	0.07

Alcohol Consolidated Tax

Grade	*Tax Unit*	*Tax Rate*
Ethel alcohol	per litre	$0.130
Denatured alcohol	per litre	0.065

Foreign Style Wine Tax

Tax Unit	*Tax Rate*
Ad valorem	30%

Mineral Products Tax

Tax Unit	*Tax Rate*
Ad valorem	5%

Aerated Water Tax

Tax Unit	*Tax Rate*
Per pint (in bottles)	$0.01
Per 1]2 pint (in bottles)	0.005

Native Sun-Cured Tobacco Special Tax[1]

Tax Unit	*Tax Rate*
Ad valorem	20%

Native Wine Fixed Rate Tax (Effective in seven provinces)

Tax rates as given in 1935–1936 *Chinese Year Book*, p. 1365

Documentary Stamp Tax

Tax rates as shown in Stamp Tax Law, *vide* 1935–1936 *Chinese Year Book*, pp. 1374–1376. For revisions of these rates, *vide* 1936–1937 *Chinese Year Book*, pp. 645–646.

The Stamp Tax.—As already stated elsewhere, the stamp tax and the wine and tobacco taxes used to come under separate administrations which were later merged with the Internal Revenue Administration. At one time these taxes constituted important branches of the revenues of the government, although later developments in connection with other taxes have gradually eclipsed their importance. Unfortunately, for one reason or another, administration of these taxes has never produced really impressive results, especially from the standpoint of revenue production. As may be seen from later statistics of their revenue returns, collections from these sources have averaged very much the same from year to year with little or no sign of improvement. In general the cost of administration is slightly higher than in the case of other taxes. In the case of the stamp tax the collection is considerably below par as compared with other countries, the reasons given for this poor showing being that China is much less developed in a commercial sense than other countries, while at the same time, her tax rates being comparatively low there is considerable evasion of duty in the interior.

In November, 1935, a new Stamp Tax Law was put into effect which, aside from revising the schedule of

[1]Effective in the following seven provinces: Kiangsu, Chekiang, Anhwei, Honan, Hupeh, Kiangsi and Fukien. Efforts are being made to bring the provinces of Hunan and Szechwan in line.

documents subject to tax and the rates thereon with a view to simplification, ordered strict prohibition of the evil system of farming out the stamp tax in the provinces.[1] In February, 1936, revisions were made of this Stamp Tax Law and of the schedule of rates.[2]

It should be mentioned that since November, 1934, in pursuance of decisions reached at the second national financial conference held in May of that year, 40% of the revenue derived from the stamp tax was allocated every month to provincial, municipal and hsien governments. This measure was designed partly to stimulate the interest of local authorities in enforcing the stamp tax and partly to offset the losses they sustained because of the abolition of miscellaneous and exorbitant taxes. Of this 40%, 10% belongs to provincial governments, and 30% to municipal and hsien governments. In the case of border provinces the allocation to provincial governments is increased to 30%. Of the balance remitted to the National Treasury, six % is allocated to the Ministry of Communications as expenses for the sale of revenue stamps entrusted to the Post Office. With a part of its collection thus apportioned to local authorities, the stamp tax has become partly local in character.

Amalgamation of Tax Offices.—Reference was made in the Report of the Ministry of Finance for the 23rd fiscal year (July 1934–June 1935) to the amalgamation of the then existing collectorates so that the collecting bureaux for the consolidated taxes, the mineral products tax and the wine and tobacco taxes within certain districts, should be placed under the unified control of a Regional Internal Revenue Bureau. Under this plan the country is divided into a number of regions in each of which a regional bureau is established. The regional bureau supervises and inspects the operations of its sub-bureaux and offices, which attend to the collection of the several taxes within their respective areas. Effective as from July 1, 1936, these changes were first introduced into the provinces of Honan, Kiangsi, Hunan, Hupeh and Szechwan, and three regional bureaux were established, namely, (1) the Hunan-Kiangsi Regional Bureau; (2) the Hupeh-Honan Regional Bureau; and (3) the Szechwan Regional Bureau. Simultaneously the collectorates of wine and tobacco taxes, mineral products tax collecting offices, and consolidated tax bureaux in these provinces were abolished, while in their stead sub-bureaux and offices of the different regional bureaux were established at various collecting points, the number of such offices for the several bureaux being as follows: Hunan-Kiangsi Regional Bureau, seven sub-bureaux and 24 local authorities; Hupeh-Honan Regional Bureau, eight sub-bureaux and 28 local offices; and Szechwan Regional Bureau, five sub-bureaux and 25 local authorities. The sub-bureaux of these several regional bureaux are located as follows:

Hunan-Kiangsi Regional Bureau: Changsha, Hengyang, Paoching, Changteh, Kan-nan (Southern Kiangsi), Kan-pei (Northern Kiangsi) and Kan-chung (Central Kiangsi).

Hupeh-Honan Regional Bureau: Yo-tung (Eastern Hupeh), Yo-si (Western Hupeh), Yo-pei (Northern Hupeh), Yu-tung (Eastern Honan), Yu-pei (Northern Honan), Yu-nan (Southern Honan), and Yu-chung (Central Honan).

Szechwan Regional Bureau: Chuan-si (Western Szechwan), Chuan-tung (Eastern Szechwan), Chuan-nan (Southern Szechwan), Yung-ning, and Chuan-pei (Northern Szechwan).

Relation of Consolidated Taxes to Foreign and Domestic Loans.—In contrast to the Customs and salt revenues, no foreign loan is now secured on the consolidated taxes or on any of the other taxes under the charge of the Internal Revenue Administration. At the time of the consummation of

[1]For text of new law, see *Chinese Year Book*, 1935–1936, pp. 1373–1376.
[2]See *Chinese Year Book*, 1936–1937, pp. 645–647.

the Cotton and Wheat Loan with America in May, 1933, the consolidated taxes were originally designated as security for the loan. When subsequently, owing to various circumstances, the entire amount of the loan could not be utilized and the total was reduced from U. S. $50,000,000 to U. S. $20,000,000, it became a charge wholly on the Customs Relief Surtax, the revenue yield of which was found sufficient to meet the requisite amortization and interest payment on the American commodity loans both of 1931 and 1933 after these two loans had been consolidated into one single obligation and the payments extended over a longer period of years.

During the Peking régime the wine and tobacco taxes served at one time as security for several foreign loans, particularly the Chicago Continental Bank Loan of October, 1919 and the Pacific Development Corporation Loan of November, 1919. These loans, the payments on which had fallen into arrears, were readjusted in 1937 under an arrangement by which future payments of interest and principal to be made from another source, thus leaving the wine and tobacco taxes again free of any encumbrance in respect of foreign obligations.

So far as domestic loans are concerned, the consolidated taxes have served many useful purposes. Thus when the rolled tobacco consolidated tax was first instituted in 1928, its revenue was almost immediately pledged in its entirety as security for the first issue of the Rolled Tobacco Consolidated Tax Treasury Notes. Subsequently, together with the other consolidated taxes, it served as security for various other bond issues, and by the time the consolidated scheme for domestic bonds was effected in February, 1936, there were at least five loans,[1] with a total outstanding principal of some $239,000,000, payments on which had been regularly met from the consolidated taxes. As is generally known, this consolidation operation cleared the consolidated taxes, and, for that matter, also the salt revenue, of such encumbrances. At the present time, aside from the 25th Year Kwangtung Currency Readjustment Loan, which is secured on a subsidy to the local authorities drawn from the consolidated taxes collected from that area, no other public issue of domestic bonds is secured on the consolidated taxes nor on any other taxes under the Internal Revenue Administration.

Revenue Returns.—In the last two issues of the *Chinese Year Book*, statistical tables of revenue collections of the different taxes under the Internal Revenue Administration were given. Tables 22 to 35, printed below, give this information, as far as available, up to June 30, 1936, but in this connection it should be noted that the figures therein are based on revenue reports as submitted to the Internal Revenue Administration or to the Bureau of Accounts of the Ministry of Finance by the various tax bureaux. They differ in certain instances from the Finance Minister's Annual Reports for reasons already stated in an earlier section.[2] In comparing the annual returns of the native wine and tobacco taxes, it is necessary also to bear in mind the fact that in the course of the last few years certain taxes formerly included therein have been incorporated into the consolidated tax system. These are the flue-cured tobacco tax, beer tax, foreign-style wine tax, and alcohol tax, the returns in respect of which are shown in separate tables. Furthermore, the annual returns of the wine and tobacco taxes and of the stamp tax do not necessarily include those of all of the provinces and therefore should not be placed on a comparative basis with figures incorporated in the budgets which give estimates for the entire nation irrespective of regions which at one time or another rendered no reports to the Treasury.

[1] These were the 20th Year Rolled Tobacco Treasury Notes, the 20th Year Consolidated Tax Treasury Notes, the Consolidated Tax Notes, the 22nd Year Patriotic Loan, and the 24th Year Szechwan Currency Readjustment Treasury Notes.

[2] *Supra.*, pp. 358, 361.

TABLE 22. ROLLED TOBACCO CONSOLIDATED TAX MONTHLY COLLECTIONS, 1935–1936

Month	*Internal Revenue Administration*	*Kiangsu Chekiang Anhwei Area*	*Hunan Hupeh Kiangsi Area*	*Shantung Honan Area*	*Hopei Shansi Chahar Suiyuan Area*	*Fukien District Office*	*Szechwan Area*	*Total*
July, 1935	$2,913,234	$20,933	$660	$10,970	$69,417	$—	$—	$3,015,214
August, 1935	5,659,086	20,204	1,240	22,904	62,816	—	—	5,766,250
September, 1935	6,593,639	26,830	1,340	31,087	80,046	—	400,400	7,133,342
October, 1935 ..	7,874,351	16,838	620	28,939	99,736	—	39,360	8,059,844
November, 1935	9,102,592	32,116	1,133	33,592	96,032	—	—	9,265,465
December, 1935	8,308,537	27,986	1,183	35,978	100,896	128	—	8,474,708
January, 1936	$7,929,391	$24,160	$621	$22,881	$126,322	$—	$44,392	$8,147,767
February, 1936	7,271,283	17,324	1,916	24,269	171,320	—	3,770	7,489,882
March, 1936	6,836,642	16,400	720	24,832	107,916	—	8	6,986,518
April, 1936	7,307,776	13,520	1,822	26,928	110,440	—	4,000	7,464,486
May, 1936	7,179,893	11,360	3,668	15,816	187,896	—	750	7,399,383
June, 1936	8,877,247	14,760	2,103	11,649	175,088	4,080	2,210	9,087,137
GROSS TOTAL	$85,853,671	$242,431	$17,026	$289,845	$1,387,925	$4,208	$494,890	$88,289,996
REFUND	$11,333,035	$928	—	$4,656	$57,541	—	$17	$11,396,177
NET TOTAL	$74,520,636	$241,503	$17,026	$285,189	$1,330,384	$4,208	$494,873	$76,893,819

TABLE 23. COTTON YARN CONSOLIDATED TAX MONTHLY COLLECTIONS, 1935–1936

Month	*Internal Revenue Adminis-tration*	*Kiangsu Chekiang Anhwei Area*	*Hunan Hupeh Kiangsi Area*	*Shantung Honan Area*	*Hopei Shansi Chahar Suiyuan Area*	*Fukien District Office*	*Szechwan Area*	*Total*
July, 1935	$941,524	$142,919	$143,198	$286,822	$73,201	$536	$—	$1,588,200
August, 1935	1,067,070	210,352	140,694	299,209	105,054	266	—	1,822,645
September, 1935	1,279,761	211,379	110,908	388,095	111,169	823	—	2,102,135
October, 1935	1,389,635	233,451	165,302	471,253	160,943	1,242	7	2,421,833
November, 1935	1,205,892	228,333	138,634	559,707	185,185	1,423	5	2,319,179
December, 1935	1,034,785	201,035	117,468	356,076	161,859	1,154	15	1,872,392
January, 1936..	$973,326	$163,726	$101,165	$244,157	$115,243	$1,128	$17	$1,598,762
February, 1936	1,180,830	156,138	108,210	444,704	129,946	1,025	73	2,020,926
March, 1936 ..	1,388,425	221,076	173,948	510,614	167,814	1,669	29	2,463,575
April, 1936 ..	1,090,884	190,506	102,254	390,453	120,043	1,190	—	1,895,330
May, 1936 ..	952,153	180,313	134,017	420,053	117,713	1,497	—	1,805,746
June, 1936	1,236,005	205,101	183,865	458,861	143,623	1,627	—	2,229,082
GROSS TOTAL	$13,740,290	$2,344,329	$1,619,663	$4,830,004	$1,591,793	$13,580	$146	$24,139,805
REFUND	$3,780,123	$138,973	$163,699	$5,555	$2,908	—	$56	$4,091,314
NET TOTAL	$9,960,167	$2,205,356	$1,455,964	$4,824,449	$1,588,885	$13,580	$90	$20,048,491

TABLE 24. FLOUR CONSOLIDATED TAX MONTHLY COLLECTIONS, 1935–1936

Month	*Internal Revenue Administration*	*Kiangsu Chekiang Anhwei Area*	*Hunan Hupeh Kiangsi Area*	*Shantung Honan Area*	*Hopei Shansi Chahar Suiyuan Area*	*Fukien District Office*	*Szechwan Area*	*Total*
July, 1935 ..	$227,108	$67,948	$33,145	$58,203	$26,229	$350	$—	$412,983
August, 1935 ..	285,241	83,167	19,304	81,367	47,307	651	—	517,037
September, 1935 ..	281,707	71,597	26,936	100,576	59,850	299	—	540,965
October, 1935 ..	231,010	64,294	26,134	76,709	59,238	421	105	457,911
November, 1935 ..	190,643	60,290	23,436	91,560	69,402	286	704	436,321
December, 1935	147,657	41,036	20,641	73,207	56,523	391	904	340,359
January, 1936 ..	$148,615	$47,877	$22,802	$71,950	$48,434	$164	$949	$340,791
February, 1936 ..	143,854	36,150	27,720	59,436	49,004	327	803	317,294
March, 1936	178,037	34,082	34,191	62,198	51,077	460	1,156	361,201
April, 1936	216,767	30,197	27,595	63,563	68,224	342	1,288	407,976
May, 1936 ..	126,654	23,436	24,777	71,126	58,923	226	755	305,897
June, 1936	210,577	32,236	34,904	76,196	81,644	338	1,042	436,937
GROSS TOTAL	$2,387,870	$592,310	$321,585	$886,091	$675,855	$4,255	$7,706	$4,875,672
REFUND	$188,758	$6,576	$750	$840	$135	—	—	$197,059
NET TOTAL	$2,199,112	$585,734	$320,835	$885,251	$675,720	$4,255	$7,706	$4,678,613

TABLE 25. MATCHES CONSOLIDATED TAX MONTHLY COLLECTIONS, 1935–1936

Month	*Internal Revenue Administration*	*Kiangsu Chekiang Anhwei Area*	*Hunan Hupeh Kiangsi Area*	*Shantung Honan Area*	*Hopei Shansi Chahar Suiyuan Area*	*Fukien District Office*	*Szechwan Area*	*Total*
July, 1935	$ 150,807	$ 47,173	$ 20,744	$1 49,506	$ 72,708	$ 680	$ —	$ 441,618
August, 1935 ..	159,313	61,911	12,709	218,765	95,506	1,625	—	549,829
September, 1935	173,877	74,171	13,742	260,173	115,065	1,184	—	638,212
October, 1935 ..	331,443	128,591	12,996	247,000	118,788	1,885	1,377	842,080
November, 1935	506,450	224,026	16,468	317,486	162,992	1,923	5,555	1,234,900
December, 1935	104,181	59,756	10,369	271,396	66,717	1,138	7,861	521,418
January, 1936	203,830	71,672	13,916	183,899	41,835	2,096	6,845	523,483
February, 1936	365,690	165,531	20,809	191,148	91,597	1,973	9,848	846,596
March, 1936	254,115	109,669	21,254	340,580	56,793	4,266	18,141	804,818
April, 1936 ..	338,650	139,126	24,318	312,173	465,214	2,819	15,209	1,297,509
May, 1936 ..	284,301	115,936	20,554	234,977	50,450	4,676	15,341	726,185
June, 1936	463,920	174,920	21,243	273,852	38,316	19,324	20,621	1,012,196
GROSS TOTAL	$3,336,577	$1,372,482	$209,072	$3,000,955	$1,375,981	$43,589	$100,188	$9,438,844
REFUND	$ 67,974	$ 3,939	—	$ 3,186	$ 96,588	—	—	$ 171,687
NET TOTAL	$3,268,603	$1,368,543	$209,072	$2,997,769	$1,279,393	$43,589	$100,188	$9,267,157

TABLE 26. CEMENT CONSOLIDATED TAX MONTHLY COLLECTIONS, 1935–1936

Month	*Internal Revenue Administration*	*Kiangsu Chekiang Anhwei Area*	*Hunan Hupeh Kiangsi Area*	*Shantung Honan Area*	*Hopei Shansi Chahar Suiyuan Area*	*Fukien District Office*	*Szechwan Area*	*Total*
July, 1935 ..	$ 80,118	$ —	$ 3,635	$ 5,742	$ 110,104	$2,000	$ —	$ 201,599
August, 1935 ..	99,540	—	12,833	9,563	128,146	906	—	250,988
September, 1935 ..	87,817	—	13,828	9,620	151,067	1,748	—	264,080
October, 1935 ..	105,881	—	25,116	6,131	70,840	1,200	—	209,168
November, 1935 ..	113,777	—	17,145	6,181	66,370	1,568	—	205,041
December, 1935	109,228	—	23,018	3,141	34,867	973	—	171,227
January, 1936 ..	105,236	—	4,407	2,179	7,002	604	—	119,428
February, 1936 ..	113,731	—	7,237	2,288	35,094	114	—	158,464
March, 1936	102,888	—	19,230	2,153	88,383	630	—	213,284
April, 1936 ..	104,442	—	18,026	3,287	95,766	64	7	221,592
May, 1936 ..	106,287	—	27,720	2,765	130,124	—	—	266,896
June, 1936	149,329	—	44,555	7,258	217,849	51	—	419,042
GROSS TOTAL	$1,278,274	—	$216,750	$60,308	$1,135,612	$9,858	$ 7	$2,700,809
REFUND	$ 4,286	—	$ 3,429	—	$47,716	—	—	$55,431
NET TOTAL	$1,273,988	—	$213,321	$60,308	$1,087,896	$9,858	$ 7	$2,645,378

TABLE 27. FLUE-CURED TOBACCO CONSOLIDATED TAX MONTHLY COLLECTIONS, 1935–1936

Month	*Internal Revenue Administration*	*Kiangsu Chekiang Anhwei Area*	*Hunan Hupeh Kiangsi Area*	*Shantung Honan Area*	*Hopei Shansi Chahar Suiyuan Area*	*Fukien District Office*	*Szechwan Area*	*Total*
July, 1935	$ —	$ 1,666	$ —	$ 15,512	$ —	$ —	$ —	$ 17,178
August, 1935	—	2,410	—	61,165	—	—	—	63,575
September, 1935	—	51,563	—	208,277	—	—	—	259,840
October, 1935	—	120,568	—	171,101	—	—	—	291,669
November, 1935	—	100,532	49	603,545	—	—	—	704,126
December, 1935	6	157,089	—	960,749	—	—	—	1,117,844
January, 1936 ..	—	4,454	—	699,699	—	—	—	703,653
February, 1936	114	46,932	—	51,636	—	—	—	98,682
March, 1936	2	20,575	—	58,740	—	—	—	79,317
April, 1936	1	8,841	—	237,267	—	—	—	146,109
May, 1936	—	41,020	1	733,923	—	—	—	774,944
June, 1936	—	36,384	13	700,878	—	—	—	737,275
GROSS TOTAL	$123	$592,034	$ 63	$4,501,992	—	—	—	$5,094,212
REFUND	—	$9,756	—	$1,153,349	—	—	—	$1,163,105
NET TOTAL	$123	$582,278	$ 63	$3,348,643	—	—	—	$3,931,107

TABLE 28. ALCOHOL CONSOLIDATED TAX MONTHLY COLLECTIONS, 1935–1936

Month	*Internal Revenue Administration*	*Kiangsu Chekiang Anhwei Area*	*Hunan Hupeh Kiangsi Area*	*Shantung Honan Area*	*Hopei Shansi Chahar Suiyuan Area*	*Fukien District Office*	*Szechwan Area*	*Total*
July, 1935 ..	$ 36,668	$ 287	$ 66	$ 473	$ 3,054	$ 103	$ —	$ 40,651
August, 1935 ..	52,040	48	39	—	1,460	33	—	53,620
September, 1935 ..	37,101	22	16	—	4,430	983	—	42,552
October, 1935 ..	120,276	37	28	483	5,635	214	—	126,673
November, 1935	27,691	94	21	1,142	5,630	57	—	34,635
December, 1935	50,217	69	12	591	3,383	6	—	54,278
January, 1936	78,824	313	23	159	2,051	228	—	81,598
February, 1936	33,239	22	24	178	3,886	—	—	37,349
March, 1936	82,090	138	12	508	5,887	126	—	88,761
April, 1936	98,401	224	33	554	6,411	19	—	105,642
May, 1936	71,386	46	30	1,328	2,712	2	—	75,504
June, 1936	135,230	908	32	723	4,722	—	—	141,615
GROSS TOTAL	$823,163	$2,208	$336	$6,139	$49,261	$1,771	—	$882,878
REFUND	$ 15,720	—	—	—	—	—	—	$ 15,720
NET TOTAL	$807,443	$2,208	$336	$6,139	$49,261	$1,771	—	$867,158

TABLE 29. MINERAL PRODUCTS TAX MONTHLY COLLECTIONS, 1935–1936

Provinces	1935 July	Aug.	Sept.	Oct.	Nov.	Dec.	1936 Jan.	Feb.	Mar.	Apr.	May	June	Gross Total	Refunds	Net Total
Internal Revenue Administration	392	77	562	214	189	177	194	189	124	93	326	1,817	4,354	362	$ 3,992
Changhsing, Chekiang	3,299	3,665	4,765	6,186	5,883	6,691	4,253	5,247	5,465	6,664	5,252	4,298	61,668	1,601	60,067
Yufan, Anhwei	11,585	10,330	14,216	16,668	14,314	12,975	12,909	8,118	14,584	16,881	10,938	17,952	161,470	3,728	157,742
Tatung, Anhwei	13,433	15,936	13,092	11,806	11,399	15,734	12,435	12,142	16,421	17,647	20,429	25,873	186,347	4,946	181,401
Kiangsi	5,498	6,120	6,449	12,720	18,747	11,898	6,746	6,455	6,977	9,467	12,855	29,777	133,709	—	133,709
Hupeh	15,437	20,521	26,281	30,221	31,390	28,894	19,116	16,898	19,843	25,906	26,536	34,667	295,710	27,457	268,253
Chunghsing, Shantung	56,277	60,504	46,039	43,009	46,592	53,566	57,262	68,313	59,395	69,194	85,461	103,998	749,610	145,558	604,052
Loota, Shantung ..	10,155	12,354	18,303	22,204	16,658	13,784	15,899	43,768	19,006	17,783	15,732	16,853	222,499	90,486	132,013
Chungfoo, Honan ..	16,196	20,169	21,912	24,370	22,275	23,536	27,015	24,770	23,306	24,270	25,072	27,878	280,769	17,390	263,379
Liuhokou, Honan ..	10,224	10,028	9,029	10,917	6,814	8,453	8,675	10,683	12,542	14,453	16,620	14,276	132,714	3,319	129,395
Kiangsu, Chekiang, Anwei ..	136	445	122	174	169	131	471	89	338	574	253	374	3,276	128	3,148
Hunan, Hupeh, Kiangsi	—	—	—	—	2	—	—	—	—	—	810	60,001	60,813	—	60,813
Fukien	127	352	165	166	114	252	244	192	418	147	435	632	3,244	—	3,244
Hopei	131,390	123,612	114,743	138,413	167,990	34,036	30,978	41,116	65,280	186,198	99,577	200,768	1,334,101	354,460	979,641
Szechwan	—	—	—	—	—	—	—	5	—	—	5,852	4,474	10,331	—	10,331
Chahar	1,307	1,669	2,032	2,817	5,488	5,995	3,356	4,243	3,919	2,960	2,635	2,949	39,370	—	39,370
TOTAL	275,456	285,782	277,710	319,885	348,024	216,122	199,553	242,228	247,618	392,237	328,783	546,587	3,679,985	649,435	3,030,550

TABLE 30. NATIVE WINE FIXED RATES TAX MONTHLY COLLECTIONS, 1935–1936

Provinces	1. 1935						2. 1936						Annual Total	Total for 1934–1935
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June		
Kiangsu	$125,056	94,905	130,534	196,238	188,188	185,259	136,001	92.773	112,258	105,314	115,680	101,694	1,583,900	$2,217,960
Chekiang ..	101,296	106,142	116,273	132,997	119,559	128,971	93,150	102,885	164.686	127,640	107,936	127,670	1,429,205	1,525,123
Anhwei	18,154	16,930	16,417	16,043	14,269	13,524	11,340	10,138	10,765	10,046	10,022	17,777	165,425	184,758
Kiangsi	3,805	5,702	7,546	10,355	14,496	15,615	10,961	8,545	11,537	10,233	6,813	3,509	109,117	93,938
Hupeh	11,733	10,854	19,012	30,334	34,660	34,662	28,897	25,012	27,884	27,321	22,052	16,050	288,471	335,971
Honan	21,791	24,605	25,528	27,995	28,667	29,279	28,056	24,267	24,166	23,030	23,282	20,955	301,621	322,559
Fukien ..	26,600	24,840	24,036	26,526	33,990	34,551	34,268	28,220	26,235	29,040	30,164	22,700	341,170	312,521
TOTAL	$308,435	283,978	339.346	440,488	433,829	441,861	342,673	291,840	377,531	332,624	315,949	310,355	4,218,909	$4,992,825

TABLE 31. TOBACCO AND WINE TAX AND PUBLIC SALE FEE MONTHLY COLLECTIONS, 1935–1936

Provinces	1. 1935						2. 1936						Annua Total
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	
Hunan	$ 19,534	18,910	34,117	34,977	32,685	29,233	26,146	26,265	31,045	19,009	18,957	11,868	$ 302,746
Shantung	92,364	111,376	92,101	120,600	113,640	98,653	92,060	86,774	87,296	105,105	105,564	150,508	1,256,041
Hopei	110,878	99,743	101,779	116,205	103,992	85,523	85,761	78,915	89,976	94,869	79,767	72,693	1,120,101
Shensi	7,187	9,756	12,163	22,664	25,639	34,386	30,715	34,026	32,023	30,561	28,224	13,519	280,863
Szechwan	126,073	169,616	258,529	274,956	233,987	278,525	206,274	195,319	208,136	204,109	167,983	154,506	2,478,013
Chahar	18,986	22,106	25,872	28,158	31,751	31,175	43,762	32,780	28,262	24,489	15,920	14,954	318,215
Kansu	22,161	8,534	21,856	104,419	53,936	45,002	15,444	13,962	24,358	43,957	84,791	33,634	472,054
TOTAL	$397,183	440,041	546,417	701,979	595,630	602,497	500,162	468,041	501,096	522,099	501,206	451,682	$6,228,033

TABLE 32. NATIVE TOBACCO SPECIAL TAX MONTHLY COLLECTIONS, 1935–1936

Provinces	Kiangsu	Chekiang	Anhwei	Kiangsi	Hupeh	Fukien	Honan	Kiangsu Chekiang Anhwei Consolidated Tax Bureau	Shantung Honan Consolidated Tax Bureau	Hunan Hupeh Kiangsi Consolidated Tax Bureau	Total
1. 1935											
July	$ 28,781	28,442	5,554	11,693	4,725	10,495	4,522	637	792	6,323	101,964
August	6,348	49,708	10,647	16,996	11,101	14,633	5,137	1,137	653	16,168	132,528
September	6,181	87,584	14,503	32,866	41,343	18,109	7,582	5,149	1,887	9,817	225,021
October	18,479	68,618	17,907	40,740	59,921	15,006	14,074	1,042	2,080	15,682	253,549
November	35,188	64,383	18,765	42,954	63,433	11,122	13,852	1,335	1,858	18,745	271,635
December	46,237	49,424	8,292	45,399	45,390	12,170	22,028	1,095	2,191	22,079	254,305
2. 1936											
January	3,696	31,928	3,612	19,430	9,740	7,856	16,047	480	1,639	7,035	101,463
February	7,114	31,917	3,459	35,639	9,916	12,741	8,375	230	499	10,953	120,843
March	6,401	46,384	6,942	36,339	18,779	13,907	14,225	6,515	4,224	20,532	174,248
April	7,041	37,797	21,282	26,655	15,603	10,208	10,767	3,536	2,816	15,719	151,424
May	4,064	30,549	10,945	13,858	8,702	10,265	8,374	3,040	2,485	11,036	103,318
June	34,349	30,031	8,672	14,621	14,714	10,786	3,790	2,258	1,026	10,182	130,429
Annual Total	203,879	556,765	130,580	337,190	303,367	147,298	128,773	26,454	22,150	164,271	2,020,727
TOTAL FOR 1934–35	269,670	389,194	98,065	268,464	214,349	119,754	143,215	22,085	30,354	151,996	1,707,146

TABLE 33. FOREIGN-STYLE WINE TAX MONTHLY COLLECTIONS, 1935–1936

Provinces	*Internal Revenue Administration*	*Kiangsu*	*Chekiang*	*Hunan*	*Shantung*	*Hopei*	*Shensi*	*Szechwan*	*Hupeh-Hunan-Kiangsi Consolidated Tax Bureau*	*Total*
1935										
July	$ 1,425	291	103	91	725	774	118	—	—	3,527
August	304	374	116	167	85	1,301	85	—	3	2,435
September	1,597	213	156	113	255	1,152	111	—	30	3,627
October	2,310	126	9	99	612	1,041	99	—	20	4,316
November	1,756	189	50	7	430	1,374	170	—	30	4,006
December	3,311	317	37	194	1,147	1,120	211	—	13	6,350
1936										
January	$ 2,481	471	9	90	1,217	2,236	146	—	81	6,731
February	1,434	334	—	101	667	1,349	297	—	9	4,191
March	1,057	422	100	64	—	1,496	102	—	24	3,265
April	1,859	265	7	121	435	1,309	305	—	51	4,352
May	1,639	306	2	123	498	1,369	1	—	11	3,949
June	1,013	989	52	51	530	1,196	352	3	60	4,246
ANNUAL TOTAL	20,186	4,297	641	1,221	6,601	15,717	1,997	3	332	50,995

TABLE 34. STAMP TAX MONTHLY COLLECTIONS, 1935–1936

	1. 1935						2. 1936						
Provinces	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*Annual Total*
Kiangsu	$141,469	135,867	243,914	194,852	174,469	212,651	295,291	236,176	170,165	178,693	145,915	170,098	$2,299,560
Chekiang	24,660	34,077	58,370	45,013	39,848	37,619	85,606	141,584	50,932	38,242	33,133	38,466	627,568
Anhwei	13,430	13,299	18,040	18,410	19,841	16,404	19,722	31,151	21,449	19,181	16,037	16,477	223,441
Kiangsi	8,119	8,918	10,751	11,455	10,205	11,620	18,912	22,956	15,368	12,422	11,877	11,383	153,986
Fukien	16,367	14,916	20,117	18,296	17,699	16,636	33,025	40,723	20,559	21,511	18,751	19,135	257,735
Hupeh	45,945	87,259	53,704	60,041	58,652	65,811	70,718	63,319	60,938	52,765	55,275	58,926	733,353
Hunan	15,964	17,661	22,014	23,718	21,667	16,805	28,312	36,607	22,958	18,073	15,699	13,865	253,343
Shantung ..	41,203	40,802	55,050	57,540	54,484	80,163	121,985	72,092	63,071	52,020	48,217	41,061	727,688
Shansi	16,818	16,324	27,782	22,682	20,018	23,234	38,738	59,100	29,488	16,217	16,321	15,987	302,709
Hopei	58.527	65,020	114.642	87,767	74,968	129,653	167.803	109.189	82,333	71,932	56,969	53.107	1,071.910
Honan	15,688	16,301	20,388	20,941	21,137	23,644	32,853	32,104	26,389	18,975	17,452	13,241	259,063
Kwangtung ..	92,296	136,360	153,990	151,311	220,393	—	—	—	—	—	—	—	754,350
Kwangsi ..	—	—	—	—	—	—	—	—	—	—	—	—	—
Szechwan ..	12,657	14,461	16,707	16,782	17,798	21,044	20,997	23,535	21,657	20,500	21,336	22,745	230,219
Yunnan	43	34	25	13	12	12	20	18	51	31	29	30	318
Shensi	23,728	15,210	26,241	30,627	23,762	26,519	28,701	30,310	36,375	22,423	20,917	18,065	302,878
Kweichow ..	870	1,013	761	1,695	1,773	1,592	1,222	1,442	1,787	1,591	1,712	1,299	16,757
Kansu	2,563	3,286	3,700	3,198	3,690	3,047	3,583	5,733	5,285	5,000	3,793	3,092	45,970
Chahar	1,866	8,404	13,608	9,362	9,847	7,999	13,611	13,325	7,988	6,613	5,722	4,465	102,810
Suiyuan	5,827	5,903	10,169	6,486	7,321	6,514	10,659	9,223	4,938	4,895	4,286	3,928	80,149
Sinkiang ..	—	—	634	2,113	6,196	2,627	—	1,467	2,000	2,400	2,833	2,084	22,354
Ninghsia ..	4	14	6	5	13	7	7	9	34	51	114	28	292
Chinghai ..	289	107	233	192	259	275	221	570	351	302	245	440	3,484
TOTAL ..	$538,333	635,236	870,796	782.517	804,052	703,876	991,986	930.633	644,116	563,837	496,633	507,922	$8,469,937

TABLE 35. BEER CONSOLIDATED TAX MONTHLY COLLECTIONS, 1935–1936

Month	*Internal Revenue Administration*
July, 1935	$ 84,855
August, 1935 ..	88,341
September, 1935..	44,061
October, 1935 ..	30,277
November, 1935..	36,034
December, 1935 ..	37,157
January, 1936 ..	25,832
February, 1936 ..	31,248
March, 1936 ..	51,898
April, 1936	37,729
May, 1936	131,267
June, 1936	132 467
TOTAL	$731,166

VII. DIRECT TAXES

The Income Tax.—The fiscal year 1936–1937 saw the successful introduction by the National Government of an important tax system which, judging from the results attained up to the end of the year, is destined to produce far-reaching effects upon Chinese public finance as well as upon the economic life of the people. This was the income tax, which was formally brought into being with the promulgation by the National Government of the "Provisional Regulations Governing the Income Tax" on July 21, 1936.

It was once the opinion of some financial experts that direct taxation —meaning, in particular, the income tax—though possessing all the merits of an ideal tax system, could not be applied in China because of many considerations. It was pointed out that so far as the income tax is concerned, China still lacks, among other things, a highly developed capitalistic system, which is one of the prerequisites for the smooth operation of such a tax system. The corporate form of business organizations is still in an infant stage, while the definition of the word "income," when applied to the average individual, is susceptible of varying interpretations. More than 80% of the people are agrarian by occupation, which means that an enormous organization would be required if this section of the population were to be taxed equitably. The standards of living vary in different localities, and it would be difficult to determine an equitable minimum standard for purposes of exemption. There being little or no statistics available concerning the different professions, the method of self-assessment, with all its accompanying defects, would have to be mainly relied upon. Although it is not doubted that an efficient organization could be trained up, this would take years and perhaps decades. Finally, it is feared that if the plan to include the income of aliens and the deposits of foreign banks in the taxable list should fail, Chinese tax-payers would be tempted to seek cover under foreign protection, which would result in an exodus of Chinese capital to foreign banks. These considerations at one time presented themselves so forcibly that they led to the observation in an earlier report of the Finance Ministry that "conditions in China are such as almost entirely to preclude the employment of direct taxation."[1]

The results of the experiment last year, as shown in a later paragraph,[2] allayed to a great extent the fears of the critics as outlined above. Although the tax has not yet passed the experimental stage in China, present indications seem to show that, if properly administered, it can be turned into a productive source of revenue. Thus certain of these theoretical considerations do not seem to be borne out by factual results, as apparently present-day China has outgrown many of these considerations, and they must be waved aside to give place to more practical considerations of the fiscal needs of the government.

Early Attempts in Income Taxation. —The introduction of the income tax was proposed as early as at the end of

[1] Report for the 19th and 20th fiscal years, July, 1930 to 1932, p. 8.
[2] *Infra*, p. 447.

the Manchu régime, and has been considered a number of times since the establishment of the Republic. In the third year of the Republic a set of regulations, containing 27 articles, governing income tax was promulgated by the now defunct Peking government, but it was not until the 10th year that the tax was put into operation. The results, of this first experiment were, to say the least, however, very disappointing. Thus, for the 10th year, the preparatory office for the administration of the income tax had originally anticipated a collection approximating $5,000,000, but the entire actual receipts of that year amounted only to the meager sum of $10,311.67—most, if not all, of which represented deductions from the payrolls of government officials in Peking. This poor showing may be attributed partly to the half-hearted attempt on the part of the ruling régime to enforce the tax measure, but mainly to the fact that the list of taxable income was very poorly planned. For instance, income from invested capital and income of individuals engaged in the liberal professions were not included in the taxable list. Yet both of these categories of income could have been made to yield large amounts of revenue.

This experiment being deemed a failure, no further effort was made by the Peking government to push the tax measure, and up to the passing of the Peking régime the tax remained in force only in name.

When the National Government was established in Nanking, the Ministry of Finance, completed in August, 1927, the drafting of a set of provisional regulations, totaling 28 articles, governing the income tax, which, together with the rules governing the enforcement of these regulations, it submitted in a petition to the National Government. These regulations were modeled clearly after those promulgated in the third year of the Republic, but, unlike the latter, were never put into actual operation.

While the draft regulations prepared by the Finance Ministry were never actually enforced, the Central Kuomintang Party had promulgated early in August, 1927, and put into force a set of regulations governing the income tax leviable on the salaries and compensations of public functionaries. There were six articles in the regulations, and, in addition, rules governing their enforcement were promulgated. The regulations provided, in brief, that (1) in order to raise funds for compensation purposes of Party members, the income tax would be levied on employees of the National Government; (2) that collection should be made at the source and all receipts should be turned over to the accounts division of the Central Party Headquarters; and (3) that the tax, to be collected monthly, should be levied at the following rates:

	Income	*Rate*
Less than	$ 50	Exempted
	$ 51–100	1%
	$101–200	2%
	$201–300	3%
	$301–400	4%
	$401–500	5%
	$501–600	6%
	$601–700	7%
	$701–800	8%

Preparation of Income Tax Law in 1935.—In July, 1935, the Minister of Finance, Dr. H. H. Kung, seeing that there was urgent need for early enforcement of the income tax and that the time was ripe for its introduction, submitted to the Central Political Council a set of principles and draft regulations governing the income tax applicable to other classes of income in addition to that of government employees, on which a tax had all along been levied by the Central Party. In June, 1936, he recommended again that the enforcement of the tax should no longer be delayed. Subsequently, on June 24, the Central Political Council, at its 16th meeting, adopted six principles governing the introduction of the income tax. On July 9 the provisional regulations governing the income tax were passed by the Legislative Yuan, but with certain important changes in the original draft.[1]

[1] For details of revision, *vide Chinese Year Book*, 1936–1937, pp. 666–667.

Promulgation and Enforcement.—The Provisional Regulations enacted by the Legislation Yuan were promulgated by the National Government on July 21, 1936. On August 18, at its 275th meeting the Executive Yuan passed the Rules Concerning the Enforcement of the Provisional Regulations. On August 22 these rules were promulgated by an order of the Executive Yuan, which also announced that the tax on incomes earned as salaries by public functionaries under class II of the Provisional Regulations and the tax on incomes from interest on government bonds and bank deposits under class III should be collected from October 1, 1936, while the tax on other categories of incomes should start from January 1, 1937. By a subsequent ruling, the collection of income tax on interest from bank deposits was postponed to January 1, 1937. Simultaneously with the operation of the tax on incomes earned as salaries by public functionaries the original levy made by the Central Party Headquarters was abandoned.

Text of Regulations and Analysis of Tax System.—In the 1936–1937 issue of the *Chinese Year Book*, unofficial translations of the Provisional Regulations Governing the Income Tax and the rules concerning the enforcement thereof, together with a table on monthly rates of income tax under Class II were reproduced in full. There was also an analysis of the current income tax system giving in detail the basis of taxation, limit of exemption, persons within the scope of the tax, determination of tax rates, computation of income, and method of collection.[1] This analysis of the current income tax system revealed that in instituting the income tax the Government aimed at the following points:[2] (1) the new tax system should be made simple and convenient and should be well adapted to conditions in the country; (2) It was instituted to improve the system of taxation and to develop desirable and proper sources of revenue so as to hasten the social, economic and cultural development of the country. It is not intended to effect any large immediate increase in Government revenue, as evidenced by the fact that only a total receipt of $5,000,000 was expected from the new tax in the 25th fiscal year, (3) the institution of the income tax was the further object of readjusting the tax burden of the people, universalizing their tax obligation, and promoting production within the country. It is used not as an instrument to hinder the accumulation of capital, but rather as a means to distribute more equitably the wealth of the people.

General Outlines of Current Income Tax System.—Without giving in detail here the text of the provisions governing operation of the tax system, Table 36 endeavors to show at a glance the tax system as it is now being administered, under the following headings; classes of income, method of collection, taxpayer or representative, period covered by reporting the amount of income, period for paying the income tax, and basis of taxation.

Problem of Taxing the Income of Foreign Residents.—In the last issue of the *Chinese Year Book*, reference was made to the question of the application of the new tax to foreign nationals residing in China. In this respect it may be recalled that already in the preliminary deliberations of the Legislative Yuan concerning the text of the regulations governing the income tax, attention had been drawn to the importance of applying the tax to foreign nationals, and, anticipating difficulties in this connection, the Government was urged to spare no efforts in making the tax enforcible in respect of foreigners as well. It was clearly pointed out that if foreigners should succeed in claiming exemption on any pretext the very

[1] *Vide Chinese Year Book*, 1936–1937, pp. 682–686.
An authoritative survey of the Chinese income tax system was contained in an address delivered by Dr. H. H. Kung, Minister of Finance, before the Memorial Service at the Central Kuomintang Headquarters on September 28, 1936. Vice-Minister Hsu Kan of the same ministry also gave a comprehensive survey of the subject in an article entitled "The Chinese Income Tax System" appearing in the Silver Jubilee Edition of the *China Press*, October, 1936, p. 153.
[2] *Vide* article by Vice-Minister Hsu Kan, *op. cit.*, p. 159.

TABLE 36. INCOME TAX SYSTEM

Classes of Income	*Method of Collection*	*Tax-payer or Agent of Tax-payer*	*Period for reporting amount of income*	*Period for paying the Income Tax*	*Basis of Tax*
Income from the conduct of business, establishment, etc.	Assessment on basis of declarative of tax-payer	Person responsible for the conduct of business	Within 3 months from date of closing the accounts of the year	March 1st to May 31st or Aug. 1st to Oct. 31st, of each year	Amount of net profit
Income from joint gov't and private profit-making enterprises	"	"	"	"	"
Income from temporary profit-making enterprises	Withheld at source after declaration	Organization responsible for paying the income, business owner, or agent	Within 1 month from date of closing the accouuts	Within 20 days from date of reporting amount of income	Amount of net profit or actual amount of income
Income from salaries of persons in public service	Withheld at source	Head of government organ	According to period for paying the income tax	Monthly	Monthly average of the amount of income
Income from salaries of persons engaged in the liberal professions ..	Withheld at source after declaration	Person engaged in liberal profession, organization responsible for paying the income employer	"	Monthly or within 20 days from date of reporting amount of income	Monthly average of the amount of income or amount of income of particular month concerned
Income from salaries of persons engaged invocation or trade	"	Person engaged in any vocation or trade, organization responsible for paying the income, employer	"		
Income from interest on gov't bonds	Withheld at source		Within 1 month from date of making payment of interest	At the time of payment of interest	Amount of interest or dividend paid each time or at the time of settling account
Income from interest on corporate debentures ..	"	Organization making payment of interest	"	"	"
Income from dividend on shares of stock	"	Organization making payment of dividend	Within 1 month from date of making payment of dividend's	At the time of payment of dividend	"
Income from interest on deposits	"	Organization making payment or interest	Within 1 month from date of making payment of interest	At the time of payment of interest	"

purpose of the law, namely, the universality of levy, would be half defeated. Foreign corporations and foreign individuals doing business in China, by virtue of their non-payment of the tax, would have an advantage over their Chinese competitors, and it would not be at all surprising to find an exodus of Chinese capital to foreign channels, although the growth of Chinese nationalism in recent years could well be counted upon to preclude such a possibility.

So far as the text of the regulations governing the income tax is concerned, foreign residents in China do not form a special exempt class. The question of extraterritoriality, as is shown later, is a totally irrelevant issue. According to law, just as foreign nationals are subject to all the indirect taxes, such as the customs duties, salt duties, and the consolidated taxes, which all of them have paid quietly and ungrudgingly, they are likewise liable to payment of the income tax. The only cases of exemption concerning foreign nationals are those of diplomatic officials and of foreign nationals residing in China for less than one year and deriving their income from outside of the country. The following articles from the "Rules Concerning the Enforcement of the Provisional Regulations Governing the Income Tax," specify these exemptions.

> **Article 2.**—The income of diplomatic officials of foreign countries residing within the territory of the Republic of China shall be exempt from the income tax.
>
> **Article 3.**—The income, derived without the territory of the Republic of China, of a foreigner residing for less than one year within the territory of the Republic of China shall be exempt from the income tax.
>
> **Article 4.**—The provisions in the two preceding articles shall be applicable only to nationals of a foreign country which accords a similar treatment to nationals of China.

Outside of these cases of exemption, foreign residents in China are therefore subject to the income tax in the same way as ordinary Chinese citizens.

Diplomatic Negotiations Regarding Application of New Law to Foreign Nationals.—On the basis of the provisions of the new Income Tax Law, the Ministry of Foreign Affairs, despatched on August 31, 1936, identic notes to the various foreign embassies and legations in China, requesting them to advise their nationals resident in China to pay the income tax in conformity with the new law enforceable as from October 1, 1936. The notes explained that foreign diplomatic officials were exempted from payment of the tax, as well as foreign nationals who had been resident in China for less than a year and whose income did not originate in China. These two provisions were to be applicable only to diplomatic officials and nationals of such foreign countries as extended the same treatment to Chinese diplomatic representatives and nationals in their own domains. Otherwise, the notes added, foreign nationals in China must pay the income tax the same as Chinese citizens.

The response to this legitimate request of the Chinese Government has been disappointing. Thus far none of the powers concerned has given orders to its nationals in China to pay the income tax in accordance with the new Income Tax Law. Certain powers claimed treaty exemptions, while one or two bluntly replied that the provisions of the income tax law were no practicable so far as their nationals residing in China were concerned. While negotiations on the part of the Chinese Government to bring about an early realization of its aspiration are still progressing, foreign nationals so far have refused to pay the tax as is required of them. In general, they are adopting a wait-and-see policy, and the situation is sadly reminiscent of the old bygone days of foreign diehardism when any and every legitimate aspiration of the Chinese nation met with opposition. However, it is expected that just as other problems relating to Chinese finance, such as, in particular, the tariff problems, the levying of the consolidated taxes, and the like were all amicably settled, the eventual solution of the knotty income tax problem so far as the foreign national is concerned will be a happy one.

Public Chinese Opinion Regarding the Taxing of Foreign Residents.—Chinese public opinion has been aroused to a high pitch as a result of the

failure of foreign residents to comply with the provisions of the Chinese Income Tax Law. Representations from various bodies in and out of Shanghai have poured into the Ministry of Finance and the Ministry of Foreign Affairs urging that efforts be redoubled to bring about an early satisfactory solution of the matter. Newspaper editorials and magazine articles are at one in appealing to the good sense of the foreign residents, whom they expect will eventually give China a square deal. In particular, most of the discussions center around the question of extraterritoriality, the arguments advanced by foreign nationals that this special treaty status entitles them to exemption being generally refuted and proven untenable. A representative Chinese view of the matter is contained in the following excerpts from a series of illuminating editorials on the subject of "Income Tax and Extraterritoriality," appearing in the *China Press* on March 24 and 25, 1937:

> The view that extraterritorial nationals in China, by right of extraterritoriality, are under no obligation, legal or moral, to pay the income tax which is imposed by the National Government on all individuals, companies, and corporations in this country irrespective of nationality and without discrimination is incorrect and untenable.
>
> The juridical aspects may be discussed first.
>
> It is a recognized principle of international law that the sovereign rights of the territorial government—in the present case, the National Government of China — over all persons, natural or corporate, indigenous or alien, within its domains are absolute and complete. The corollary, therefore, follows that whatever privileges are enjoyed by foreigners within its territory must be expressly granted by treaty stipulations but cannot be implied thereby or extended therefrom. Rights not expressly granted by treaty are retained *in toto* by the sovereign state.
>
> For twenty years, the subject of extraterritoriality has been intermittently but extensively discussed. No necessity is felt that it should be rediscussed here in general. We are only interested in its relation to taxation that is fair and nondiscriminatory, to taxation that is similar to such as recognized and enforced by the home governments of extraterritorial nationals, within their own domains.
>
> An examination of the sino-foreign extraterritorial treaties reveals that the main object or those treaties was, as a result of conditions prevailing the time of their conclusions, to take orcign nationals out of Chinese courts.
>
> Foreign persons, natura or corporate, have been permitted by the Chinese Government to be tried by their own courts. But, definitely, they have not been granted exemption from income tax.
>
> It is a judicial, not a fiscal privilege.
>
> Foreign and Chinese views differ as to whether the extraterritorial courts should apply the national laws of the courts or the laws of China. . . .
>
> It is important to point out at once that non-application of the Chinese Income Tax Law by extraterritorial courts does not indicate that the foreigners are, by treaty right, free from Chinese income tax. Rather, it emphasizes an anomolous situation inherent in the extraterritorial system. In other words, the non-payment of income tax by some of the extraterritorial foreigners is not, contrary to what it perhaps is honestly believed to be, based on a treaty right. It is being suffered by the National Government as a result of an anomaly.

Favorable Foreign Views.—Although the general trend of foreign opinion is more or less inclined to an incorrect interpretation of the foreigner's treaty rights, a certain section of foreign opinion has been manifestly favorable to Chinese views. Thus, the editorials of the *China Press* quoted above recite passages from views expressed on the subject by several influential foreign officials. The portion of the editorial reads in part as follows:

> Sir Frederick Leith-Ross, in a speech at the China Association Banquet, amidst tributes to the success of China's currency reforms referred to the subject of direct taxation in this country.
>
> He said that the income tax administration must first insure with confidence its fairness and competence before foreign communities in China could accept the proposed measure.
>
> At the same time he urged the British traders not to seek to perpetuate the immunities which they enjoy, but to consider the fiscal needs of this country in a constructive spirit.
>
> Let it be hoped that this constructive spirit will not be found wanting in this income tax issue.
>
> The views on the subject of immunities, held by the British Ambassador to China, Sir Hughe Knatchbull-Hugessen, and of Sir John Brenan, who after having served over 30 years in China is succeeding Sir John Pratt at the Foreign Office, may also be quoted here. On March 19, at the farewell dinner given at the Shanghai Club by the joint Committee of the British Chamber of Commerce and the China Association, Sir John stated in his farewell message:
>
> "A strong and orderly China will inevitably mean the gradual curtailment of foreign privileges of the kind that are en-

joyed in other parts of the world, and in this connection I would call your attention to an important passage in the speech made by the Ambassador the other day at Hankow where he expressed the opinion that, taking the long view, our position in China will be better served on the basis of mutual sympathy and goodwill than on that of stipulations and agreements drawn up many years ago in circumstances very different from those of to-day."

Proposed Steps to Effect Enforcement.—With diplomatic negotiations still going on, it is known, according to a report of the Central News Agency under date of June 22, 1937, from Nanking, that the National Government has decided upon five measures to bring about an early solution to the knotty problem of collecting the income tax from foreigners resident in China. Briefly, these steps are as follows:

(1) To require foreigners now serving in Chinese Government offices to pay the income tax. Those who refuse to comply with the order should be removed from their posts. This has been carried out.

(2) To require foreigners who purchase Chinese Government bonds, corporate debentures or stocks and shares, or who place deposits in government or private banks to pay the income tax. This has also been successfully enforced.

(3) To require foreign shareholders of business enterprises jointly operated by government and private interests to pay the income tax before making dividend payments. No difficulty is expected to be encountered in enforcing this ruling, as the administration of these enterprises rests mainly in the hands of the government.

(4) To require foreign residents outside of concessions to pay the tax for income accruing from profit-making enterprises, salary, remuneration, securities or deposits. This measure, it is expected, can easily be put into force, as it is recalled that when the business tax was first introduced, foreign nationals refused to pay but later promptly came into the fold when the responsible Chinese authorities threatened to close down their businesses, and the same step can be taken if necessary.

(5) To require foreigners resident in the concessions to pay the income tax. Those of the 13 countries not enjoying extraterritoriality should be made to pay first, while negotiations should be opened with the 15 countries enjoying extraterritoriality.

Another measure to effect payment of the income tax by foreigners of non-treaty nations is the decision of the government not to visé passports of such foreigners who fail to pay the tax. According to this ruling, which became effective as from July 1, 1937, registrations of all aliens without nationality or foreigners belonging to countries having no treaty relation with China will not be accepted by Chinese Passport Offices unless income tax receipts are produced. In this connection, it may be noted that annual registration for foreigners under this special classification is required and failure to do so entails a fine. It is expected that such a ruling will make it imperative for all "aliens without nationality" in Shanghai and the outports to comply with the requirements of the Chinese Income Tax Law, as failure to obtain a visé as a result of non-compliance with the tax measure automatically means their inability to leave their present place of residence.

Recent Developments.—Meanwhile the Income Tax Administration has gone ahead with its pre-arranged plans to collect the tax from foreign firms and individuals in China. In June notifications were sent by the Income Tax Administration in Shanghai to no less than 600 foreign firms in Shanghai urging payment of the income tax, while the co-operation of consular authorities of these nationalities in instructing their nationals to pay the income tax to the Chinese Government was also urged in official communiqués circulated by the Income Tax Administration among the foreign consulates-general concerned.[1] Notices were inserted in newspapers, foreign and Chinese, drawing attention to the requirements of the income tax

[1] *The China Press*, June 23, 1937.

law and calling upon all companies, firms, and individuals, regardless of nationality, to pay the tax as prescribed by law.

These attempts on the part of the Income Tax Administration to enforce the tax measure have in general produced fairly satisfactory results. In fact the response from certain quarters has been decidedly gratifying. Thus, according to information obtained from the Income Tax Bureau, among those who had paid the income tax were many foreign residents of British and American nationalities, and those American and British nationals who paid the tax spontaneously were mostly missionaries. The lead among foreign firms who have paid the income tax has been taken by Soviet merchants in Shanghai; Soviet business men voluntarily notified the Income Tax Administration that they would pay as from January 1, 1937. Progress was also reported in negotiations by the Administration with the National Christian Council for payment of the tax by all member organizations of the latter, these including many foreign missionaries of different nationalities. Accurate information is not yet available concerning the true situation at the end of the fiscal year ending June, 1937, but if a check-up be made it would not be surprising to find that it disclosed most satisfactory results, such as would justify optimism as to the future solution of this vexatious problem.

Revenue Collections, 1936–1937.—As shown in the section on the "National Budget,"[1] the total amount of estimated revenue from the income tax for the fiscal year 1936–1937 was $5,000,000. This is a very small sum indeed, considering the immense possibilities of this source of revenue. However, in making this estimate at the beginning of the year, due regard was given to the fact that the tax, though potential, would be but newly instituted, with all its uncertainties, and that collection would not actually begin until late in October, 1936, when one-fourth of the fiscal year would have already elapsed. According to press reports released in March, 1937, the total receipts from this source of revenue up to the end of that month were estimated to exceed $3,000,000, and it was confidently predicted that the close of the fiscal year would find the national exchequer richer by $10,000,000 from this source.[2] Information available from the Income Tax Administration at a later date revealed that, calculated on the basis of the revenue month to which the collections belonged up to the end of March, 1937, the total collection amounted in reality to $4,006,275.12. With three more months to run until the end of the fiscal year, and collections on the major categories of income yet to be made, it is generally expected that the actual receipts will at least surpass the budgeted figure of $5,000,000. Tables 43–45 below give statistical figures of income tax collection up to the end of March, 1937. They are preliminary, however, and subject to final audit and revision.

TABLE 43.[3] *INCOME TAX COLLECTIONS, OCTOBER, 1936, TO MARCH, 1937, INCLUSIVE, BY CLASSES OF INCOME*

Classes of Income	*Revenue Collected*
Temporary profit making enterprises	$ 630,790.17
Public functionaries	921,931.44
Persons engaged in liberal professions	644.15
Persons engaged in any vocation or trade	81,990.04
Interest on Government bonds	2,242,725.34
Interest on corporate debentures	4,375.00
Dividends of shares of stocks	10,012.00
Interest on deposits	113,806.98
TOTAL	$4,006,275.12

[1] *Supra.*, Table 2, p. 370.
[2] *The China Press*, March 24, 1937.
[3] Tables 37–42 deleted.

TABLE 44. INCOME TAX COLLECTIONS, OCTOBER, 1936, TO MARCH, 1937, INCLUSIVE, BY COLLECTORATES

Collectorates	*Revenue Collected*
Income Tax Office (Nanking)	$ 693,970.21
Shanghai	2,957,697.98
Kiangsu	123,710.90
Chekiang	18,527,38
Hupeh	30,182,16
Szechwan-Sikong	90,723,08
Kwangtung	14,500,08
Shantung	27,636,91
Honan	14,053,68
Others	35,272,74
TOTAL	$4,006,275.12

TABLE 45. INCOME TAX COLLECTIONS, OCTOBER, 1936, TO MARCH, 1937, INCLUSIVE, BY MONTHS

Month		*Revenue Collected*
1936	October	$ 196,096.27
	November	201,847.09
	December	296,026.85
1937	January	1,978.478.67
	February	883,308.11
	March	450,518.13
TOTAL		$4,006,275.12

Budget Estimate, Fiscal Year 1937–1938.—The amount of income tax collections budgeted for the 26th fiscal year July, 1937 to June, 1938, is $25,000,000. This represents an increase of $20,000,000 over that budgeted for the 25th fiscal year, and is thus tantamount to a fivefold increase over the previous year. The reliability of this estimate has been strongly supported by responsible quarters, as may be seen from the following despatch of the Central News Agency, Nanking, under date of June 29, 1937:

Speculations concerning the large amount of $25,000,000 estimated income tax receipt for the 26th fiscal year, as listed in the Ordinary National Budget, were set to rest by a spokesman of the Ministry of Finance in an interview to-day.

The spokesman explained that although the estimate for the 26th fiscal year represents a sudden fivefold increase over the figure for the current year, which ends on June 30, there are good reasons to believe that the figures do not constitute an overestimation.

Itemized, the total of $25,000,000 consists of $4,060,000 from business enterprises, $5,880,000 from salaries and wages, and the remaining $15,060,000 from interest on Government bonds and bank deposits.

In every instance,the spokesman revealed, careful reference was made to the actual receipts of each of the corresponding items collected this year in making the next year's estimates, and it was the belief of the financial authorities that they are not far-fetched.

Training of Personnel.—Under the able guidance of Mr. Kao Ping-fang and Mr. Liang Ho-chun, respectively Director-General and Assistant Director-General of the Income Tax Administration, special emphasis was placed by the Administration on the problem of building up an adequate and efficient personnel for handling the affairs of the administration. Recruits were drawn, through competitive examinations, from college graduates, who were subsequently given intensive training including lectures given by prominent scholars and experts on various subjects pertaining to public finance, income taxation, accounts and statistics. The curriculum also included a rigid course in military training, and the recruits were kept in military barracks and treated in the same manner as ordinary cadets. The first batch of some graduates, chosen from an open examination in which about 300 persons participated, were sent out to the field late in November, 1936. Since then several other batches have graduated, and similar training is being given to other candidates recently recruited.

Establishment of Collectorates.—With the expansion of the activities of the Income Tax Administration and the need for administering the tax on a nation-wide basis in order to ensure universality of tax collection, collectorates have been established in various provinces and localities. Scrupu-

lous care is taken, however, to distinguish the functions of assessment and collection from the actual handling of funds collected, The latter function is designated to banks and post offices, which act as depositories and receiving agencies, remitting and reporting directly to the Treasury, while the income tax offices do not handle any of the moneys collected. According to a survey made in June-1937, the following income tax offices have been established and are now functioning in various localities.

TABLE 46. INCOME TAX OFFICES, JUNE, 1937

Office	*Rank*	*Territory Covered*
Shanghai	1st.	Shanghai
Kiangsu	1st.	Kiangsu, including Nanking
Hupeh	1st.	Hupeh
Kwangtung	1st.	Kwangtung, including Canton
Hopei	1st.	Hopei, including Tientsin and Peiping
Chekiang	2nd.	Chekiang
Anhwei	2nd.	Anhwei
Kiangsi	2nd.	Kiangsi
Hunan	2nd.	Hunan
Chwan-Kong	2nd.	Szechwan and Sikong
Shantung	2nd.	Shangtung, including Weihaiwei
Honan	2nd.	Honan
Shansi	2nd.	Shansi
Fukien	2nd.	Fukien
Shensi	3rd.	Shensi
Kan-Ning	3rd.	Kansu and Ninghsia
Ching-sin	3rd.	Chinghai and Sinkiang
Chahar	3rd.	Chahar
Suiyuan	3rd.	Suiyuan
Kwangsi	3rd.	Kwangsi
Yunnan	3rd.	Yunnan
Kweichow	3rd.	Kweichow

Arrangements were also completed with banks and post offices to act as depositories and receiving agencies in the various districts. By taking advantage of the services of these institutions, the administration is able to reach the taxpayer in outlying provinces and districts without incurring the added expense of establishing separate offices for the purpose. The number of such banks and post offices acting as depositories and receiving agencies in connection with the work of the Income Tax Administration reached a total of 2, 487 by the end of June, 1937.

The Inheritance Tax.—Following upon the introduction of the income tax, the National Government is directing its efforts towards the institution of another new tax, namely, the Inheritance Tax. With this tax instituted, the system of direct taxation in China will be greatly augmented, and China will then be in possession of two parallel systems of taxation, which will constitute another milestone in her program of financial reform.

Inheritance Tax Bill of Former Peking Régime.—As early as the summer of 1913, the draft of an inheritance tax bill was prepared by the Financial Discussion Conference held in the Presidential Palace according to which a tax was to be imposed upon the transfer of property to indirect or collateral heirs with the progressive rates differentiated into the following two grades:

Between $1,000 and $100,000	5%
Over $100,000	10%

All bequests below $1,000 passing to indirect heirs were to be exempt from inheritance tax. All inherited properties were likewise to be free from this tax if the beneficiaries were

direct heirs of the deceased (the direct heirs were specifically designated as the males born to the deceased; the female members of the family had been customarily deprived of the right of inheritance and did not become entitled to the privileges of heirs until the recent promulgation of the new civil law).

This draft bill exempted the inheritance to direct heirs from taxation on the ground that the title to the real property in China was, and still is, permanently registered in the official books under fictitious names, the name of the family or the names of the ancestors being never, or very seldom, changed or registered even when the property had passed to remote descendants. Under such circumstances any inheritance or bequest to direct heirs was difficult for the government authorities to as certain before a careful and accurate census had been made available. It was almost impossible, therefore, to find an effective method to prevent evasion of the inheritance tax on direct heirs under existing Chinese conditions. These provisions were severely criticized, however, by the Legislative Council which happened to be established under the Peking Government at that time. It appeared that several points came in for particular criticism. First, the immunity granted to direct heirs but not to collateral heirs was felt to be exceedingly unfair and inequitable insofar as both the beneficiaries enjoyed equal favors and privileges; secondly, no discrimination in regard to tax burdens was made between close and remote heirs.

New Draft by National Government.—Upon the establishment of the National Government in Nanking, a new draft of the Inheritance Tax Law was prepared, subsequently to be amended in January, 1929. This new draft differed from the old in many respects,[1] and, though generally approved and supported by financial experts, was never put in force, due partly to the then existing unsettled political conditions and the lack of control of the Central Government over local authorities, but mostly to the lack of an accurate census or even of a very rough estimate of national wealth, either real or personal. It is evident that preliminary statistical research and investigation are absolutely necessary as a prelude to the formal introduction of this tax measure.

Principles Laid Down by Central Political Council.—Following the successful introduction of the income tax during the 25th fiscal year, July 1936—June 1937, the Ministry of Finance, anxious to complete the system of direct taxation, took up the issue once more and recommended to the Government an early imposition of the proposed tax. Accordingly the Central Political Council, at its meeting on December 2, 1936, approved a set of 10 principles governing the new tax, on the basis of which the Legislative Yuan was asked to complete measures for the enactment of a new Inheritance Tax Law. Although its contents have not yet been divulged to the public it is now known that the Legislative Yuan is preparing a new draft of the law which will be different in many important respects from previous drafts. The 10-point principles laid down by the Central Political Council are as follows:—

1. The inheritance tax is to be levied according to the total value of the deceased's estate. Additional payments are to be required on estates exceeding $50,000 in value.
2. On estates of a value below $50,000 proportional rates are to be applied; on estates valued above $50,000 progressive rates are to be applied.
3. The principle exemptions are to be:

(*a*) Estate with value below $5,000.
(*b*) When the deceased is killed in war.
(*c*) Articles of national, scientific, historic or artistic interest.
(*d*) Gifts to various grades of government.
(*e*) Gifts not exceeding $50,000 in value to cultural, educational and philanthropic bodies.

[1] *Vide Chinese Year Book*, 1936–1937, p. 690.

4. In case of an estate comprised of farming land and deceased's descendants continuing farming work on the estate, the rates leviable are to be reduced to half.

5. Passage of property by gift or otherwise not more than three years before the death of the deceased is to be subject to tax just as part of deceased's estate.

6. In computing the value of the estate, the following adjustments and deductions are to be permitted:

(*a*) Unpaid taxes.
(*b*) Unpaid debts.
(*c*) Expenses for administration of will and legacy.
(*d*) Farming instruments or tools used in other professions, not exceeding $500 in value.
(*e*) Trees below certain age as prescribed by law.

7. On estates on which the inheritance tax has been duly levied and collected, no further inheritance tax is levitable within three years; in case further succession arises within three to five years, the rates leviable will be reduced to half. This provision is not to be applicable, however, to estates over $1,000,000 in value.

8. Properties of life mates or of children of deceased if properly registered or duly certified as such are not to be subject to inclusion in the total value of estate to be taxed.

9. Proper assessment of the value of the deceased's estate is to precede levying of the tax. Such assessment is to be in charge of commissions to be appointed specially for this purpose.

10. Certificates are to be given to descendant or legatee in cases where the inheritance tax has been duly paid, as testimonials of their succession to property.

Estimated Collections from Inheritance Tax, 1937–1938.—Although the new inheritance Tax Law has not yet gone through the requisite legislative procedure, it is generally expected that collection of the inheritance tax will begin some time during the current fiscal year, 1937–1938. For this reason, an estimated total revenue of $2,000,000 from this tax has been incorporated in this year's National Budget. The amount budgeted is very small indeed, but it is no measure of the possibilities of this revenue source, as it is obvious that the initial estimate of a new tax needs to be a very conservative one.

VIII. LOCAL FINANCE

The study of Chinese local finance differs in many important respects from the study of the finances of the Central Government. As is to be expected, each province has a different set of ruling conditions, and a study of the finances of the provinces necessarily involves a case study of each province, with investigations into the political and economic conditions, past and present, of the localities concerned. This obviously cannot be attempted here; and yet no picture of Chinese public finance can be complete without adequate reference to the conditions of finance subsisting in the provinces.

Only the barest outlines of general conditions and problems of local finance are presented in the following pages. Before proceeding with this task, however, mention must be made of the abundant information already available in the last two issues of the *Chinese Year Book*, in which Mr. P. T. Chen, the author of the chapters on public finance spared no efforts in giving a detailed analysis of Chinese local finance. In particular, in the 1935–1936 issue of this Year Book,[1] a survey was given of the efforts of the National Government to improve the finances of local governments through measures to bring them into closer harmony with national policies, to lighten the burden of local taxation on the people and to institute provincial and *hsien* budgetary systems. The budgets of all of the provincial and municipal governments from 1931–1935 were reproduced, followed by analytical comparisons of provincial, municipal and *hsien* expenditures by

[1] *Chinese Year Book*, 1935–1936, pp. 1377–1422.

functions, by governmental units and by years. A detailed study was made of local tax systems, with particular reference to the land tax and its reform, and also of the business tax. In the1936–1937 issue of this Year Book,[1] such information and data were in general brought up to the middle of June, 1936.

National Government in Local Finance.—The position was once taken by critics of the National Government that in its program of financial reform the well-being of local finance had been sadly neglected. In its anxiety to centralize financial control, the Central Government, it was claimed, had deliberately given the local governments the worst end of the deal in matters of finance. Thus, it was pointed out, in demarcating national and local revenues the more productive taxes were retained by the Central Government, while local authorities were left with a motley collection of crude, unscientific and multifarious local taxes, most of which were destined later to be abolished altogether. In short, the critics agreed, national finance in China had prospered and thrived mainly at the expense of and to the neglect of local finance.

Whatever may be the underlying reason, it does seem true that in the last few years local finance in China has not shown a degree of progress in any way commensurate with the enormous strides made by the Central Government. As may be seen from the statistics given later on, collections from the several local revenues have not shown any appreciable increase, while the introduction of new taxes, such as the business tax, has not met with very great success. Local debts are mounting; and local budgets are depending, to an increasing extent, on subsidies from the Central Government in order to make ends meet.

It would be misleading to believe, however, that the Central Government has been guilty of gross negligence in matters relating to local finance. Apparently there was a time when the sheer necessity of consolidating its position compelled it to adopt measures which appeared at first sight to be pronouncedly one-sided. When the National Government was first established both national and local finances were in such a disrupted state that it was manifestly impossible to devote its energies, limited as they were, to the improvement of both. Accordingly, as was seen from later events, it was decided to concentrate on national finance, while local finance was allowed for the time being to take more or less its own course, particularly in provinces where the Central Government had no control. However, once its position became consolidated, the Government lost no time in taking up seriously the adjustment of local finances. Outstanding among the achievements registered in this connection in recent years were the convening of the Second Financial Conference, in which major principles of readjustment of local finances were laid down, and the readjustment of the finances firstly of Szechwan, later of Kwangtung and more recently of Kwangsi.

The Second National Financial Conference.—Although considerable time has already elapsed since the holding of the Second Financial Conference, it will be continually referred to in future years as an important landmark in the annals of Chinese public finance because of the important decisions reached therein. It may be recalled that at the Fourth Plenary Session of the Central Executive Committee of the Kuomintang, held in January, 1934, a resolution was adopted calling for readjustment of the land (farm) tax in order to relieve the burden upon the people. In pursuance of this resolution, and recognizing that the satisfactory development of the fiscal system of the country involves a consideration of local as well as o national revenues in relation to government needs, the Second Financial Conference, attended by representatives of the national and provincial authorities, was convened at Nanking in May, 1934, by the Ministry of Finance. The conference dealt with the relation between national and local finance, and in particular with

[1] *Chinese Year Book*, 1936–1937, pp. 690–710.

the reform of local taxation in order to alleviate the burdens of the people and to free internal trade from burdensome and excessive levies.

Several highly significant decisions were reached at the conference. Prominent among these were the following: abolition of exorbitant taxes; reform of land administration and reduction of farm taxes; reform of the business tax; institution of a local budgetary system and drastic curtailment of local expenditures to effect stabilization of budgets; setting aside a portion of the revenue from the stamp tax as subsidy to provincial governments; and transfer of the tobacco and wine license tax to local governments to offset losses consequent upon the abolition of so-called exorbitant taxes.

Concrete Results of Financial Conference.—With respect to the actual progress of these reform measures, Dr. H. H. Kung, Minister of Finance, had the satisfaction of reporting, on several occasions, the very creditable results achieved. Both at the Fifth Plenary Session of the Central Executive Committee, held in December, 1934, and at the Fifth National Kuomintang Congress held in November, 1935, he was able to report a substantial improvement in the position of local finances, as well as to furnish factual data concerning the progress of these reforms, especially along the following lines: (1) abolition of miscellaneous and exorbitant levies and the reduction of farm surtaxes; (2) the institution of a local budgetary system; and (3) the commencement of land registration by the owners as the first step in land tax reforms. The following is a brief summary of the progress of these reforms in the order given, with supplementary information up to the end of June, 1937:

1. *Abolition of Miscellaneous Exorbitant Local Taxes and Reduction of Farm Surtaxes.*—It is reported that from July 1 to December 31, 1934, 23 provinces and municipalities (Kiangsu, Chekiang, Anhwei, Hopei, Shantung, Honan, Shensi, Chahar, Suiyuan, Hunan, Hupeh, Kiangsi, Fukien, Kwangtung, Kwangsi, Shansi, Yunnan, Kweichow, Ninghsia, Kansu, and Chinghai, and the municipalities of Peiping and Weihaiwei) reported to the Finance Ministry cancellations of illegal taxes and reductions in farm taxes of one kind or another. The items numbered about 3,600 and the sum waived totaled more than $28,890,000. The year 1935 saw further progress made so that by the end of August, about 1,600 more items were canceled in the provinces of Kiangsu, Chekiang, Hopei, Honan, Shansi, Suiyuan, Fukien, Kwangtung, Kweichow Ninghsia, Kansu, Chahar, and Chinghai, and the municipalities of Peiping and Weihaiwei, involving an estimated reduction in revenue receipts of about $20,140,000. More recent data available from the Commission on Readjustment of Local Taxes and Dues of the Ministry of Finance revealed that during the intervening period between August, 1935, and December, 1936, additional cancellation of these so-called exorbitant taxes in the provinces and municipalities, totaling more than 1,196 items, was made, with a consequent loss of revenue estimated to amount to approximately $10,039,500. Summing up, the total result was that during the period from July 1, 1934 to December 31, 1936, the reform movement was extended to the most distant parts of the country, the number of illegal taxes and dues canceled totaling about 6,296 items, involving a revenue reduction amounting to $59,069,539. This was tantamount to alleviating the tax burden of the population to the extent of about 12.4 cents per capita, taking the population at about 475,000,000.[1] The following table gives detailed data on the number of items of illegal imposts abolished, and the amount of revenue consequently sacrificed, by provinces:

[1] Official estimate of Ministry of Interior.

TABLE 47. ESTIMATED AMOUNTS OF TAXABLE REVENUE LOST THROUGH ABOLITION OF EXORBITANT TAXES, BY PROVINCES

Province	*Number of Items Abolished*	*Estimated Amount Lost*
Kwangtung	357	$30,984,436
Shansi ..	46	6,940,462
Kiangsu ..	598	4,042,977
Hunan ..	54	3,159,782
Chahar ..	39	1,147,838
Hopei ..	383	1,042,762
Honan ..	143	1,010,026
Kiangsi ..	300	1,736,790
Fukien ..	382	2,250,414
Chekiang ..	740	456,941
Anhwei ..	392	866,249
Shantung ..	1,641	564,501
Suiyuan ..	54	945,502
Hupeh ..	103	834,090
Kwangsi ..	616	457,074
Shensi ..	152	522,859
Kweichow ..	90	56,868
Ninghsia ..	25	867,771
Kansu ..	147	572,608
Peiping ..	20	262,287
Weihaiwei ..	6	3,960
Sikang ..	6	142,842
Chinghai ..	3	200,000
TOTAL ..	6,296	$59,069,539

2. *Institution of Local Budgetary Systems.*—Local finance in China has so far taken within its purview the province (or municipality) only, leaving out entirely the district or hsien. For instance, in current textbooks and literature on Chinese public finance, little reference is made to hsien finance, the chief reason being that very scanty information is available concerning the subject itself. The emphasis placed by the Second Financial Conference on hsien finance has had the salutary effect of focusing public attention on to the subject, making it easier to push forward with the necessary reforms. By requiring that the hs en must, prior to the opening of the fiscal year, complete the preparation of its budget for that year and yet submit it to the provincial government concerned and thence to the Ministry of Finance for perusal and approval, and by strictly prohibiting the collection of any taxes, dues, or levies, outside of those specified in the hsien budget under pain of very severe penalties in the case of those failing to obey, it has been made possible to supervise closely the hsien authorities concerning the repeal of illegal imposts and the abolition of exorbitant taxes. The institution of this local budgetary system also aims at such other related objects as readjustment of legal imposts, amalgamation of collectorates, and unification of the local depository system. In addition, since in the past local budgets, irrespective of whether they were from the provinces or the districts, were usually faulty in construction in that they did not denote the true position of local finance but rather consisted of an over-estimate of both revenue and expenditures, containing many items of expenses not immediately urgent but indeed wasteful, the strict enforcement of a budgetary system is expected to perform the simple duty of removing these evil practices.

It is interesting to note that in connection with this important measure of reform, during the 23rd fiscal year (1934–1935) no less than seven provinces (Kiangsu, Chekiang, Anhwei, Shantung, Shansi, Hupeh and Kwangsi) had begun hsien budgeting. At the beginning of the 24th fiscal year, 1935–1936, the budgets of all of the hsien in seven provinces had already been sanctioned (61 hsien in Kiangsu, 61 hsien in Anhwei, 108 hsien in Shantung, 15 hsien in Chahar, 70 hsien in Hupeh, 92 hsien in Shensi and 10 hsien in Ninghsia), while the budgets of the majority of hsien in five provinces had been approved (101 hsien in Honan, 84 hsien in Kwangsi 82 hsien in Kiangsu, 13 hsien in Fukien, and nine hsien in Hunan). In all 715 budgets were then in force in as many hsien, while 374 more, already submitted, were awaiting perusal and approval. This represents a total of 1,089 hsien adopting the budgetary system, or 57% of the total number of hsien in China.

During the 15th fiscal year the results attained were even more impressive. According to recent information available from the responsible quarters

concerned, a total of some 1,392 hsien budgets were approved some time during the fiscal year. This represents 71% out of a total of 1,941 hsien in China, including about 160 hsien in the Manchurian provinces which did not render any reports whatsoever. The distribution by provinces of the hsien which submitted their budgets during the 25th fiscal year was as follows:

TABLE 48. NUMBER OF HSIEN IN EACH PROVINCE WHICH SUBMITTED THEIR BUDGETS FOR FISCAL YEAR 1936–1937

Province	*Budget Submitted and Approved*	*Budget Submitted Awaiting approval*
Kiangsu	61	
Anhwei	62	
Hupeh	71	
Ninghsia	10	
Kiangsi	83	
Shansi	105	
Honan	111	
Shantung	108	
Fukien	63	
Kwangsi	99	
Kwangtung ..	97	
Chahar	10	
Shensi	71	
Kansu	65	
Chinghai	12	
Chekiang	76	
Yunnan	50	62
Hunan	53	22
Szechwan ..	111	37
Suiyuan	11	5
Kweichow.. ..	63	18
Hupeh	—	100
TOTAL ..	1,392	244

3. *Registration of Land Ownership.*—One of the most fundamental requirements for the administration of a land tax is the existence of an official tax-roll based upon a complete and accurate cadastral survey of the country. In China such a tax-roll, which bears the name of the book of "fish scale," a term derived from the appearance of the map of the land attached to each book, was based on a survey made as far back as in 1713, in the reign of the Emperor Shun Chih, of the Manchu Dynasty. Unfortunately, most of these books of "fish scale" were destroyed during the prolonged Taiping rebellion, with the result that resort has now to be made to other records which are much less satisfactory in character. Thus in Chekiang, for instance, only four hsien are still in possession of the book of "fish scale," while the remaining 71 hsien have to depend upon the "Chuang Tsai," or "Village Book," as the basis for land assessment. The latter belongs to the Chuang Shu, or unofficial registrar, who inherits from his father or grandfather the position of tax collector.

Owing to the lack of an official tax-roll, the administration of the land tax has met with enormous difficulties. The fact that the authorities do not possess an accurate knowledge of the land on which the tax is levied does not necessarily mean that the owners are consequently exempted from taxation. There may be, and undoubtedly has been, a certain amount of evasion, but it is more likely that all along small landowners have been paying the regular amount of the basic tax and surtaxes—perhaps more—and that the proceeds did not all find their way into the Treasury, but instead helped to swell the coffers of various intermediaries, both official and unofficial.

One of the solutions to this perplexing problem is of course a thorough cadastral survey of the country. This has been attempted in various localities and has been supplemented by aeroplane survey; but these methods have been found in general to be very expensive, and apparently the present state of finances, both of the National and the provincial governments, does not permit of extensive expenditures in this direction, although it is not to be doubted that such expenditure would prove to have been well worth while. Consequently, a temporary substitute measure has to be found, and this has taken the form of landownership registration. It is on this substitute measure that the Second Financial Conference laid special emphasis, recommending it to the provinces for

adoption as a first step in land tax reform.

Without going into the nature of this proposed measure of landownership registration in detail, it may be interesting to review briefly the general accomplishments in this connection. In 1934, as a first systematic attempt in land ownership registration, the district of Tangtu, in Anhwei, was chosen as basis for experiment because of its proximity to Nanking, which made possible direct supervision by the Finance Ministry. At the conclusion of the experiment it was estimated that the taxable area had been increased by more than 290,000 mow, and that in spite of a decrease in the rate of farm tax of about 44% as compared with the average rate during the last seven years, the provincial and hsien revenues collected there had yielded a surplus of at least $110,000. The example thus set was being rapidly copied by several hsien in Kiangsu province—notably Hsiaohsien, Shuyung, Kiangtu, Liyang, Ihsing and Chinkiang—while another formal attempt made at Shenhsien, in Honan province, all with encouraging results.

During 1935 land registration by owners proceeded systematically and rapidly in the various provinces. Those which started the work or made active preparations for its inception during the 24th fiscal year (1935–1936) included Anhwei, Kiangsu, Kwangsi, Fukien, Hunan, Shantung, Hopei, Hupeh, Shensi and Chinghai. A more recent survey as at the end of June, 1937, revealed the situation as follows:

(*a*) Registration work already completed: Kiangsu, 15 hsien; Anhwei, 6 hsien; Honan, 9 hsien; Fukien, 6 hsien; Kwangsi, 28 hsien.

(*b*) Registration work already begun: Honan, 1 hsien; Shensi, 1 hsien; Kweichow, 1 hsien; Shantung, 2 hsien Hupeh,; 6 hsien; Anhwei, 21 hsien.

(*c*) Preparations being made for registration work: Hupeh, 1 hsien; Shensi, 1 hsien; Szechwan, 2 hsien; Shantung, 26 hsien; Fukien, 55 hsien.

As an illustration of the fertile results of this landownership registration work, the following table showing the approximate area of taxable land before and after registration in certain selected districts is of interest:

TABLE 49. TAXABLE LAND BEFORE AND AFTER REGISTRATION IN CERTAIN HSIEN

Hsien	*Before Registration mow*	*As Registered mow*	*Increase mow*
Shuyang (Kiangsu)	1,422,137	3,145,561	1,723,424
Hsiaohsien (Kiangsu)	1,332,081	2,453,665	1,121,584
Kiangtu (Kiangsu)	1,878,251	2,326,889	448,638
Liyang (Kiangsu)	1,352,062	1,426,177	74,115
Ihsing (Kiangsu)	1,254,082	1,296,533	42,452
Chinkiang (Kiangsu)	1,063,531	1,102,087	38,556
Kiangyin (Kiangsu)	1,214,085	1,242,141	28,056
Hwening (Kiangsu)	724,978	2,267,817	1,324,839
Tangtu (Anhwei)	901,895	1,197,804	295,909
Hohsien (Anhwei)	619,109	909,187	290,078
Minhou (Fukien)	486,066	586,066	100,000
Shenhsien (Honan)	217,690	900,838	682,948
Hsiangyu (Honan)	2,162,892	3,384,423	1,221,631
Hweihsien (Honan)	919,009	1,684,408	765,898
Taikong (Honan)	1,101,590	2,755,760	1,654,169
Hwaiyang (Honan)	1,564,215	1,653,878	59,663
Chenlu (Honan)	492,072	731,777	239,705
Yuhsien (Honan)	868,937	1,665,004	796,067
Yunan (Honan)	2,559,914	3,005,013	445,098
Ningpao (Honan)	564,484	1,010,713	446,229

Financial Readjustment in Szechwan.—Reference was made in the last two issues of this Year Book to the efforts made by the Central Government in readjusting the finances of Szechwan.[1] These measures aimed firstly at the improvement of the budgetary position of the province, which necessarily involves such herculean though not impossible tasks as consolidation of old debts, abolition of illegal imposts and adjustment of local taxes; secondly, it means unification of the Szechwan currency. To achieve these double purposes considerable sums of money were spent by the Central Government, as two huge bond issues were floated, these being the Szechwan Currency Readjustment Treasury Notes for $30,000,000 and the Szechwan Rehabilitation Loan of $70,000,000.

The progress made in both of these two directions of reform is deserving of note. In particular, the unification of the Szechwan currency has achieved all of the desired objectives. The Szechwan currency is now part and parcel of the currency system of the entire country; the disparate rates of exchange between Chungking and Shanghai, which at one time fluctuated very violently, are now practically non-existent. With normalcy of exchange restored, business flows smoothly up and down the Yangtze River; and it was generally agreed among Szechwan merchants that Szechwan trade with the rest of China had a banner year in 1936.

Although the provincial financial situation in Szechwan needs yet to be improved—as there are still in existence many hereditary defects in the local financial structure which cannot be wholly eradicated for many years to come—the budget position is now much better than before. The provincial budget for the 25th fiscal year (1936–1937) balances receipts and expenditures, while that for the 26th fiscal year (1937–1938) has already been submitted to the Central Government for approval. In both of these budgets there is apparently a determined effort on the part of the financial authorities to effect budget equalization through strict curtailment of unnecessary expenses.

Financial Readjustment in Kwangtung.—Following in order the happy solution of the political and financial problems of Szechwan, Kwangtung came next within the purview of the Central Government. In the 1936–1937 issue of this Year Book mention was made of the financial rehabilitation of that province, with particular reference to the outstanding policies of readjustment as indicated in the instructions given by Dr. H. H. Kung, the Finance Minister, to Mr. T. L. Soong, the Finance Commissioner, regarding the measures of reform, and to the subsequent evaluation of the results achieved.[2] It may be recalled that the instructions given by Dr. Kung included the following: (1) a clear demarcation of national and local revenues was to be made and all malpractices in tax collection were to be eradicated; (2) the order previously issued by the National Government to abolish all miscellaneous illegal local levies must be strictly enforced; (3) comprehensive plans were to be devised for the unification of the monetary system and the stabilization of currency in the province; and (4) a uniform salt tax was to be enforced in the province.

Closely following these instructions, the Finance Commissioner proceeded with the following measures of reform:

Abolition of Miscellaneous Illegal Taxes.—Under this heading were included the abolition of the opium tax, abolition of the gambling tax, and the removal of sundry illegal imposts chief among which were the House Rental Tax, Fishery Tax, Cement Surtax, Waste Rubber Tyre Tax, Machinery Tax in the various hsien, the Theater Tax at Fushan, the Ash Surtax and Brick Surtax at Taishan, and the Pig Export Duty at Linkonghow and Hainan Island.

Improvement of the Budget Position.—As the Kwangtung provincial budget nominally showed a deficit each

[1] *Chinese Year Book*, 1936–1937, pp. 693–696.
[2] *Chinese Year Book*, 1936–1937, pp. 696–699.

year, amounting to something like $10,000,000, measures were devised to cope with the situation. A strict retrenchment policy was followed in all governmental departments, the appropriation for the army was reduced, current methods of tax collection were improved, other sources of legitimate revenue were explored, and, in particular, a beginning was made in the strict budgeting and auditing of provincial funds along modern lines.

Abandonment of Former Government Monopolies.—The so-called three-year economic plan of the former régime under General Chen Chi-tang had created a number of government monopolies, chief among which were the centralized sales of such articles as sugar, tobacco, and fertilizers. In addition, the former government had also entered into various branches of business and manufacturing enterprises which promised good returns, and, to ensure that such enterprises would pay, protective measures through provincial monopolies and surtaxes over and above the customs tariffs were adopted in order to destroy competition. Definite schemes to remove these monopolies were devised by the new administration, while the surcharges on imposts which compete with government products were lifted in part or in whole by the Department of Finance.

Currency Readjustment.—Outstanding among the items of financial reform has been the readjustment of the currency of the province. Upon the recommendation of the Finance Commissioner the following concrete measures to place the Kwangtung currency on a sound basis with the national currency laws were announced on August 10, 1936, by the Minister of Finance:

1. The continuation of the small-dollar notes as legal tender throughout Kwangtung, pending the adoption of the national currency standard.
2. The flotation of a Kwangtung Currency Reorganization Loan of $120,000,000 national currency to make good the deficit in the Kwangtung currency reserve.
3. The reorganization of the Kwangtung Provincial Bank.
4. The fixing of 1.5 as the upper limit to the future conversion rate, and the enforcement of $1.48 Canton currency to $1 national currency as the temporary official rate for making tax payments.

Final Steps in Kwangtung Currency Readjustment.—It is to be noted that the measures of currency reform outlined above represented but the preliminary steps of a wholesale readjustment. Thus only a beginning was made by the commissioner of finance, Mr. T. L. Soong; the final touches were to be made by his brother, Dr. T. V. Soong, a little less than a year later. On June 20, 1937, four measures for readjusting Kwangtung's small currency notes were announced in Canton by the Ministry of Finance through Dr. T. V. Soong, then on a special investigation trip in Kwangtung. The four measures were:

First, beginning from July 1, 1937 all business, private and public transactions should be expressed in terms of national currency. Business and financial transactions expressed in terms of Kwangtung small coin currency after that date should be considered illegal.

Second, $337,849,000 worth of Kwangtung small coin notes, which were issued by the Kwangtung Provincial Bank and the Canton Municipal Bank up to June 19, would be converted into legal tender notes, at the rate of $144 Kwangtung small coin notes equal to $100 national currency.[1] This rate should be applied to all small coin notes in circulation before the end of the current year.

Third, all small coin notes formerly issued by the Kwangtung Provincial Bank and the Canton Municipal Bank should be retired by the Government banks and the Kwangtung Provincial Bank.

Fourth, the Kwangtung branch of the Currency Reserve Board should retain a proportionate reserve for the small coin notes still in circulation.

These final measures bridged an important gap which, because of the

According o ater nformation, a period of six months, beginning from June 21 and ending on December 31, 1937, has been set during which small currency notes may be converted into legal tender notes.

peculiar political and economic conditions in Kwangtung, had been allowed to exist in the new Chinese currency system.

It may also be noted that the new conversion rate was fixed at $1.44, that is, $144 Kwangtung small coin notes to equal $100 national currency, which is rather low as compared with that fixed a year ago, but, as explained by Dr. Soong,[1] since for the previous nine months up to the time of the adjustment commodity prices in Kwangtung had been relatively stabilized, while the price indices were higher than those of other provinces, the fixation of the present exchange rate between small money and national currency should tend to lower the commodity prices in Kwangtung.

Provincial Indebtedness.—Like the Central Government in the past, provincial and municipal governments find it necessary from time to time to issue bonds and treasury notes for various purposes, chief among which are the raising of funds for construction work and the meeting of budget deficits. The following is a list of the more important bonds and treasury notes issued by the provinces and municipalities during the last two years, 1935 and 1936, and during the first three months of 1937, with information, wherever possible, on the date of issue, amount of issue, interest rate, security, etc.:[2]

1. Hupeh Provincial Government 24th Year Reconstruction Bonds—Date of issue, January 1, 1935; amount of issue, $6,000,000; interest rate, 6% per annum; security, Hupeh Province business tax.

2. Tsingtao Municipality 24th Year Municipal Bonds—Date of issue, May 1, 1935; amount of issue, $1,500,000; interest rate, 7% per annum; security, additional wharfage dues, and extra water charges.

3. Hankow Municipality 24th Year Municipal Reconstruction Bonds—Date of issue, May 1, 1935; amount of issue, $1,500,000; interest, 6% per annum; security, municipal taxes.

4. Fukien Provincial Government 24th Year Reconstruction Bonds—Date of issue, August 1, 1935; amount of issue, $3,000,000; interest rate, 6% per annum; security, house tax and brokerage taxes.

5. Kwangtung Provincial Government 24th Year Reconstruction Bonds—Date of issue, August 1, 1935; amount of issue, $5,000,000; interest rate, 7% per annum; security, profits from Si-chuan Cement Factory.

6. 25th Year Szechwan Province Rehabilitation Bonds—Date of issue, April 1, 1936; amount of issue, $15,000,000; interest rate, 6% per annum; date of maturity, March 31, 1951 (15 years); drawings for payment of principal semi-annually, on March 31 and September 30; security, monthly allotment of $40,000 from salt revenue and $40,000 from wine and tobacco taxes collected in Szechwan, and monthly allotment of $50,000 from receipts of business tax collected by Szechwan Provincial Government.

7. Chekiang Provincial Government 25th Year Consolidation Bonds—Date of issue, May 16, 1936; amount of issue, $60,000,000; interest rate, 6–8% annually; security, Chekiang Province salt surcharges, construction land tax surcharges and ordinary business tax.

8. Fukien Provincial Government 25th Year Short Term Treasury Notes—Date of issue, July 1, 1936; amount of issue, $900,000.

9. Kiangsi Provincial Government 25th Year Short-term Treasury Notes—Date of issue, July, 1936; amount of issue, $1,000,000.

[1] *The China Press*, June 21, 1937.
[2] Short-term treasury notes listed herein are generally of less than one year's duration.

TABLE 50. BUDGETS OF PROVINCIAL AND MUNICIPAL

(INCOME)

	Land Tax	Title Deed Tax	Business Tax	House Tax	Vehicle Tax	Boat Tax
Klangsu	$12,742,343	1,378,560	4,954,675	508,261	—	—
Chekiang	10,471,268	1,080,000	5,665,000	—	—	232,800
Anhwei	6,038,546	972,000	1,686,889	348,950	—	300,000
Kiangsi	9,902,050	300,000	2,299,694	—	—	32,000
Fukien	4,224,285	600,000	4,865,832	600,000	—	107,712
Hupeh	2,253,200	801,610	3,785,000	254,672	—	—
Hunan	3,741,614	866,000	1,541,000	276,741	—	48,000
Shantung	14,599,693	2,350,000	3,690,843	470,000	—	—
Shansi*	6,604,201	1,205,000	3,868,524	—	—	—
Hopei	5,515,856	1,888,212	4,450,163	—	—	203,192
Honan	10,317,275	2,249,986	2,141,000	—	—	—
Kwangtung	6,678,817	1,564,720	9,123,700	—	—	527,467
Kwangsi*	1,972,626	207,797	2,232,294	—	—	—
Szechwan	—	—	—	—	—	—
Yunnan*	822,000	123,880	423,517	—	—	—
Kweichow	753,041	141,513	298,665	—	—	—
Shensi	5,904,221	500,000	538,437	—	110,160	—
Kansu	1,414,999	100,000	1,881,984	—	—	—
Chinghai	302,033	8,703	329,986	—	—	—
Sinkiang	—	—	—	—	—	—
Heilungkiang	—	—	—	—	—	—
Kirin	—	—	—	—	—	—
Liaoning	—	—	—	—	—	—
Jehol	—	—	—	—	—	—
Chahar	515,182	107,800	1,171,563	80,000	—	—
Suiyuan*	426,474	82,210	829,762	11,625	51,104	6,560
Sikang	—	—	—	—	—	—
Ninghsia	2,331,107	10,719	729,213	25,264	—	28,252
Nanking	1,237,766	372,000	397,600	504,000	760,200	34,240
Shanghai	1,495,715	339,900	804,300	2,939,000	1,726,934	373,128
Peiping	9,000	600,000	826,000	1,914,000	370,000	—
Tientsin	4,927	419,623	1,621,781	900,377	546,849	726
Tsingtao	704,287	47,350	539,349	—	202,400	—
Weihaiwei	50,236	22,713	19,497	30,270	64,230	1,810

(EXPENDITURE)

	Party	General Administration	Judicial Administration	Public Safety	Financial Administration	Education	Industry
Klangsu	$203,760	2,719,861	2,932,302	3,685,560	1,259,956	5,743,188	—
Chekiang	384,000	4,367,338	2,122,384	2,091,327	1,208,718	3,095,337	—
Anhwei	166,320	1,100,970	1,157,672	4,170,141	635,884	3,112,753	723,994
Kiangsi	221,040	3,190,114	1,278,256	6,408,744	1,029,984	2,555,070	930,490
Fukien	351,490	2,458,527	800,160	4,350,000	1,012,289	1,910,208	—
Hupeh	205,293	3,255,769	1,898,523	2,949,473	1,053,893	2,513,156	356,767
Hunan	378,235	1,813,890	1,243,464	1,293,426	1,370,402	3,315,250	268,934
Shantung	116,400	6,009,182	2,593,746	5,347,571	1,710,978	4,192,400	729,745
Shansi*	166,860	1,575,198	539,903	291,458	735,282	1,453,803	61,132
Hopei	—	1,967,832	2,205,179	698,899	820,874	3,010,890	144,954
Honan	109,007	3,866,680	1,593,012	5,250,983	829,413	2,259,116	770,597
Kwangtung	811,963	5,018,341	2,000,000	—	4,067,253	4,842,406	—
Kwangsi*	96,301	3,581,628	1,319,657	3,066,556	2,315,554	3,237,797	1,332,076
Szechwan	—	—	—	—	—	—	—
Yunnan*	—	710,820	105,653	483,758	324,658	1,019,272	144,402
Kweichow	118,644	1,607,292	442,475	695,223	532,046	959,466	—
Shensi	244,320	2,091,049	511,441	3,244,934	507,552	2,334,585	1,090,109
Kansu	182,685	1,654,655	249,350	380,627	314,284	1,037,857	23,207
Chinghai	47,652	330,374	51,281	80,700	146,706	152,439	2,682
Sinkiang	—	—	—	—	—	—	—
Heilungkiang	—	—	—	—	—	—	—
Kirin	—	—	—	—	—	—	—
Liaoning	—	—	—	—	—	—	—
Jehol	—	—	—	—	—	—	—
Chahar	—	827,316	217,958	495,920	347,674	530,497	110,862
Suiyuan*	133,200	361,624	141,919	325,989	204,381	341,858	53,785
Sikang	—	—	—	—	—	—	—
Ninghsia	65,184	410,772	88,680	549,346	172,344	260,159	5,240
Nanking	—	1,740,264	—	—	369,806	3,028,718	52,092
Shanghai	178,640	1,312,101	—	3,733,384	480,004	2,182,580	303,516
Peiping	—	613,235	—	2,313,129	492,928	1,764,167	92,019
Tientsin	—	662,602	—	1,777,702	325,312	991,076	90,832
Tsingtao	72,000	486,503	—	1,103,783	264,408	908,017	157,445
Weihaiwei	7,200	128,482	—	122,708	—	68,180	10,976

* Budget for the 24th fiscal year.

GOVERNMENTS, FOR THE 25TH FISCAL YEAR 1936–1937

Receipts from Government Property	Receipts from Government Enterprises	Administrative Receipt	Receipts from Government Business	Subsidy	Other Receipts	Sub-Total	Proceeds from Borrowing	Total
—	1,321,497	944,512	—	2,741,242	315,700	24,904,790	3,000,000	27,904,790
610,108	2,965,439	823,502	3,025,130	2,604,237	227,600	27,705,084	300,000	28,005,084
230,069	91,518	267,380	51,899	4,047,400	331,865	14,366,516	1,122,390	15,488,906
168,000	1,912,202	348,534	—	4,973,200	6,132,115	26,157,855	800,000	26,957,855
12,000	—	502,197	—	2,916,556	1,623,268	15,451,850	3,500,000	18,951,850
949,609	20,095	300,568	782,092	3,801,640	5,810,127	18,758,613	1,000,000	19,758,613
339,521	93,101	627,980	813,953	3,425,192	4,211,400	15,984,502	—	15,984,502
336,906	274,521	686,866	301,339	2,766,602	1,258,400	26,735,170	—	26,735,170
10,626	23,977	116,902	—	311,534	278,900	12,419,754	2,600,000	15,019,754
353,771	187,125	314,037	46,270	2,459,108	5,030,711	20,457,445	—	20,457,445
93,181	27,482	614,043	160,600	2,887,133	2,681,921	21,172,621	2,400,000	23,572,621
132,000	—	1,990,852	3,549,530	2,150,000	8,481,432	34,198,518	—	34,198,518
396,650	141,669	13,370,625	655,083	244,149	6,470,050	25,600,943	8,537,171	34,228,114
—	—	—	—	—	—	—	—	—
320,733	—	1,873,787	754,837	16,350	21,926	4,362,030	—	4,362,030
5,435	31,691	279,257	—	4,172,746	1,852,499	7,534,847	—	7,534,847
21,200	289,279	246,072	52,973	4,055,477	3,473,840	15,191,659	—	15,191,659
5,817	31,000	—	8,000	1,250,000	44,283	4,736,083	839,388	5,575,471
4,655	—	612	—	122,050	357,009	1,125,048	—	1,125,048
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
4,128	—	288,504	—	623,086	378,437	3,168,750	—	3,168,750
3,458	26,978	340,674	—	299,259	36,766	2,114,770	—	2,114,770
—	—	—	—	—	—	—	—	—
—	45,640	58,004	—	1,005,580	67,600	4,301,379	—	4,301,379
1,239,832	138,556	244,071	30,175	2,262,800	128,564	8,510,801	2,370,000	10,971,801
1,295,126	356,808	834,552	47,756	131,796	839,913	10,653,928	2,000,000	12,653,928
749,636	83,224	600,456	—	768,000	489,098	6,469,414	1,500,000	7,969,414
19,825	12,240	276,551	80,280	760,000	1,715,949	6,359,128	—	6,359,128
958,350	1,553,332	417,276	602,851	1,085,000	172,900	6,343,095	875,760	7,218,855
68,930	33,332	11,120	—	90,000	22,668	414,806	20,000	434,806

Communications	Public Health	Reconstruction	Capital from Government Business	Subsidies	Pensions and Awards	Debt Service	Reserve	Other Expenditure	Total
—	229,542	5,536,576	80,000	872,303	130,000	4,009,612	502,130	—	27,904,790
—	—	3,705,123	—	—	—	5,959,181	771,308	4,210,368	28,005,084
91,523	—	279,094	—	2,337,378	—	1,428,830	202,921	81,426	15,488,906
—	599,013	2,018,765	—	1,213,819	50,000	4,590,000	475,877	2,396,083	26,957,855
—	161,920	1,800,912	500,000	597,374	—	4,503,408	125,562	290,000	18,951,850
152,412	67,174	2,085,619	—	611,873	60,000	2,974,400	374,261	300,000	19,758,613
1,229,933	138,588	568,644	—	187,104	203,911	2,411,500	600,000	961,221	15,984,502
—	—	1,534,010	—	676,572	10,000	1,562,598	2,251,968	—	26,735,170
—	81,399	979,337	—	80,983	21,000	8,722,030	311,369	—	15,019,754
104,170	48,000	1,086,350	—	4,113,335	29,429	3,093,745	3,133,788	—	20,457,445
—	38,336	4,835,763	—	1,179,068	39,604	1,682,405	897,969	220,118	23,572,621
—	—	6,019,440	—	2,482,920	—	3,200,000	3,750,135	2,000,000	34,198,518
1,883,155	930,559	—	2,448,419	10,042,610	4,152	3,102,432	863,218	—	34,228,114
—	—	—	—	—	—	—	—	—	—
1,021,445	—	215,112	—	214,389	37,500	—	85,530	—	4,362,030
10,269	62,248	269,021	299,637	754,053	15,000	960,622	474,378	243,873	7,534,847
700,000	281,466	1,100,443	—	2,393,929	26,758	611,244	31,110	22,719	15,191,659
—	53,774	450,990	100,000	6,000	30,000	773,000	140,000	179,042	5,575,471
9,024	39,600	39,288	—	50,411	—	—	158,183	16,678	1,125,048
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
8,088	24,000	248,994	—	231,302	4,800	—	121,339	—	3,168,750
25,005	—	78,956	—	71,165	13,514	209,152	149,922	—	2,114,770
—	—	—	—	—	—	—	—	—	—
21,000	—	74,820	—	2,371,213	—	—	262,621	20,000	4,301,379
—	1,076,340	2,592,116	529,984	469,100	3,600	882,000	227,781	—	10,971,801
—	440,764	842,982	—	546,225	19,522	1,549,100	550,767	544,343	12,653,928
—	570,107	797,332	—	753,760	35,286	400,000	137,411	—	7,969,414
—	393,998	647,528	101,354	748,000	5,912	16,112	200,000	398,700	6,359,128
618,735	320,546	570,346	—	1,469,884	—	920,760	317,433	—	7,218,855
10,560	16,970	30,000	—	10,920	—	20,000	8,810	—	434,806

10. Kiangsi Provincial Government 25th Year Short-term Treasury Notes, Second Issue—Date of issue, August 1, 1936; amount of issue, $900,000; security, Kiangsi mining receipts; maturity, January 1, 1937.

11. Kiangsi Provincial Government 25th Year Short-term Treasury Notes, Third Issue—Date of issue, September 10, 1936; amount of issue, $800,000; security, Kiangsi mining receipts; maturity, February 10, 1937.

12. Szechwan Provincial Government 25th Year Reconstruction and Consolidation Bonds—Date of issue, September 1, 1936; amount of issue, $30,000,000; interest rate, 6% per annum; period of maturity, 15 years; payment of interest only during first year, repayment of principal in instalments to begin with the second year; security, allotments from the basic tax on land of Szechwan Province, such allotments to be deposited with the Central Bank of China at Chungking.

13. Kiangsi Provincial Government 25th Year Land Rehabilitation Bonds —Date of issue, October 1, 1936; amount of issue, $3,000,000; interest rate, 6% per annum; security, receipts from land registration, and such increases from land tax receipts after rehabilitation.

14. Tsingtao Municipality 25th Year Reconstruction Bonds—Date of issue, 1st issue on October 1, 1936; 2nd issue on October 1, 1937; amount of issue, total of two issues, $6,000,000; interest rate, 6% per annum, payable semi-annually at end of March and September; principal repayments on both issues to commence on March 31, 1939 and to be completed by September 30, 1944; security, before 1938, balance of additional wharfage dues and water works special charges after payment of 24th Year Bonds, and beginning from 1938, whole of these dues and charges and such increased receipts from the city waterworks administration.

15. Peiping Municipality 25th Year Municipal Bonds—Date of issue, December 1, 1936; amount of issue, $3,000,000; interest rate, 7% per annum; security, Peiping Municipality vehicle license fees and shop license fees.

16. Shansi Provincial Government 26th Year Provincial Bonds—Date of issue, January 1, 1937; amount of issue, $10,000,000; interest rate, 7% per annum; security, Shansi provincial land surtax.

17. Fukien Provincial Government 26th Year Waterworks Bonds—Date of issue, January 1, 1937; amount of issue, $900,000; interest rate, 6% per annum; security, title deeds tax of Minhou hsien, and vehicle license fees, wharfage dues, receipts from constructive enterprises, and profits of city waterworks of Fukien provincial capital.

18. Fukien Provincial Government 26th Year Short-term Treasury Notes —Date of issue, April, 1937; amount of issue, $900,000; interest rate, 7 per mille per month; maturity, March 31, 1938; security, $50,000 monthly from subsidy of Central Government and balance of house tax.

Provincial Budgets.—Table 50 (p. 460) gives the detailed figures of provincial and municipal budgets for the 25th fiscal year (1936–1937), while Table 51 is a comparison of the total budgeted receipts and expenses for the severa fiscal years. These figures are in continuation of the information given in the 1936–1937 issue of this Year Book, pp. 702–709.

TABLE 51. ANNUAL TOTAL INCOMES AND EXPENDITURES OF PROVINCIAL AND MUNICIPAL GOVERNMENTS FOR THE LAST FIVE FISCAL YEARS, 1932–1933

	1932–1933		1933–1934		1934–1935		1935–1936		1936–1937	
	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Exenditure
Kiangsu	$17,071,224	$25,617,594	$21,852,854	$21,852,854	$26,896,022	$26,896,022	$31,644,428	$31,644,428	$27,904,790	$27,904,790
Chekiang	24,699,494	24,699,494	23,135,939	23,135,939	21,453,329	21,453,329	21,256,015	21,256,015	28,005,084	28,005,084
Anhwei ..	9,839,139	9,839,139	11,127,934	11,127,934	11,066,700	11,066,700	11,168,378	11,168,378	15,488,906	15,488,906
Kiangsi ..	17,693,036	17,693,036	17,143,974	17,143,974	21,894,227	21,894,227	19,049,314	19,049,314	26,957,855	26,957,855
Fukien ..	26,180,299	26,180,299	16,904,137	16,904,137	15,328,934	15,328,934	19,337,046	19,337,046	18,951,850	18,951,850
Hupeh ..	17,023,521	17,023,521	17,619,814	17,619,814	18,679,023	18,679,023	24,553,553	24,553,553	19,758,613	19,758,613
Hunan ..	15,410,726	15,410,726	14,312,383	14,312,383	14,087,543	14,087,543	16,593,340	16,593,340	15,984,502	15,984,502
Shantung	24,531,301	24,531,301	23,575,394	23,575,394	23,809,010	23,809,010	24,969,312	24,969,312	26,735,170	26,735,170
Shansi ..	13,681,686	13,681,686	—	—	—	—	15,019,754	15,019,754	15,019,754	15,019,754
Hopei ..	23,224,778	23,224,778	25,772,821	25,772,821	22,618,225	22,618,225	20,627,384	20,627,384	20,457,445	20,457,445
Honan ..	10,126,658	10,126,658	11,346,711	11,346,711	12,719,009	12,719,009	15,366,797	15,366,797	23,572,621	23,572,621
Kwangtung	—	—	—	—	—	—	—	—	34,198,518	34,198,518
Kwahgsi	13,243,295	13,243,295	—	—	—	—	—	—	34,223,114	34,223,114
Szechwan	—	—	—	—	—	—	—	—	—	—
Yunnan ..	3,301,373	4,319,395	3,625,472	3,625,472	5,304,608	5,465,834	—	—	4,362,039	4,362,039
Kweichow	2,908,397	6,008,119	2,911,079	6,083,120	4,589,282	5,987,329	6,774,022	6,774,022	7,534,847	7,534,847
Shensi ..	—	—	—	—	—	—	18,204,842	18,204,842	15,191,659	15,191,659
Kansu ..	5,171,648	12,130,370	—	—	6,984,778	4,581,305	4,726,751	4,726,751	5,675,471	5,675,471
Chinghai	846,062	933,845	843,182	936,059	875,172	951,305	1,001,097	1,001,097	1,125,048	1,125,048
Sinkiang ..	3,263,059	10,893,100	—	—	—	—	—	—	—	—
Chahar ..	3,058,043	3,058,043	3,884,653	3,884,653	3,523,903	3,523,903	3,190,585	3,190,585	3,168,750	3,168,750
Jehol ..	1,605,182	2,039,005	—	—	—	—	—	—	—	—
Liaoning	—	—	—	—	—	—	—	—	—	—
Kirin ..	—	—	—	—	—	—	—	—	—	—
Heilungkiang	—	—	—	—	—	—	—	—	—	—
Nanking	$11,774,125	$11,774,125	$11,067,588	$11,067,588	$ 6,727,327	$ 6,727,327	$ 9,320,385	$ 9,320,385	$10,971,801	$10,971,801
Shanghai	9,819,084	9,819,084	66,287,209	11,287,209	10,528,076	10,528,076	10,460,347	8,140,837	12,653,928	12,683,928
Canton ..	—	—	—	—	—	—	—	—	—	—
Tsingtao	6,265,618	6,370,452	6,209,539	6,209,539	6,657,595	6,657,595	6,341,879	6,341,879	7,218,855	7,218,855
Weihaiwei	466,512	466,512	441,788	441,788	392,368	439,213	390,456	390,456	434,806	434,806
Tientsin ..	—	—	—	—	—	—	—	—	6,359,128	6,359,128
Peiping ..	4,570,042	4,570,042	5,191,648	5,191,648	5,886,964	5,893,401	6,222,826	6,222,826	7,969,414	7,969,414
Ninghsia	2,232,973	2,203,659	1,434,704	1,434,704	1,536,748	1,536,748	4,386,033	4,380,824	4,301,379	4,301,379
Suiyuan ..	—	—	—	—	—	—	2,114,770	2,114,770	2,114,770	2,114,770
Sikang ..	—	—	—	—	—	—	—	—	—	—

Detailed receipts and expenditures for the years 1932 to 1935 are given in the *Chinese Year Book* 1935-1936, pp. 1384-91, and those for 1935-1936 are given in the *Chinese Year Book* 1936 to 1937; pp. 704-709. Those for 1936-1937 are given in Table 49 above.

IX. PUBLIC DEBT

In the following brief review of the indebtedness of China, two main categories of debts will be distinguished. The first section, on secured debt, includes debts which are secured upon specific assets and revenues, and the service of which is being regularly met at present. It includes also such debts, payments on which had been in arrears but which have been adjusted, up to June 30, 1937.[1] The second section, on unsecured and inadequately secured debt, comprises all of the remaining debts of the Central Government, in respect of which interest, and/or amortization is at present suspended. Generally, a third category of debt, that is, railway debts, is distinguished, but in the following analysis, such internal debts issued, since the establishment of the National Government, either separately by the Ministry of Railways or jointly by it and the Ministry of Finance, will be included under the category of secured debt; while other railway loans, mainly foreign loans, in respect of most of which payments of amortization or payments both of amortization and interest were at one time suspended but have now been restored as a result of agreements on readjustment, will be treated under a separate heading.

Secured Debt

Following the orthodox classification used in the national budget, the subject of secured debt will be reviewed under the following headings: (I) Internal loans; (II) External loans; (III) the Boxer Indemnity; and (IV) Other loans.

A. Internal Loans.—The establishment of the National Government in Nanking marked the beginning of a new era in the history of Chinese internal bonds. Not only has the aggregate amount issued been astonishingly large, but the readiness with which the bonds were absorbed by the banks and the investing public is deserving of note, as this was in marked contrast to the lukewarm reception formerly accorded to bonds issued by the Peking Government. The outstanding fact about these Nanking bonds is that although there have been two successive schemes of conversion, to which reference will be made later,[2] interest and amortization payments have always been met regularly and in full, with not a single cent of default thus far. The service of these loans has cost the National Government sums running into hundreds of millions of dollars each year. Thus far, at least eight bond issues with a face value amounting to over $200,000,000 have been fully liquidated, not counting the interest payments on them, and interest and amortization payments made on other loans still outstanding.

The success of these bond issues inspires confidence on the internal bond market. It discloses the important fact that internal bonds can prove to be just as potential a source of income in times of financial need as loans raised abroad. In fact, in a way they are greatly preferable to foreign loans, as naturally they do not bring up such vexing problems as foreign supervision and foreign financial control.

Internal Loans Issued by the National Government.—Up to June 30, 1937, the total amount of internal loans floated by the National Government, excluding the portion converted into the Consolidation Bonds in 1936, was approximately $2,709,000,000, in

[1] See later sections containing settlement agreements in respect of various loans.
[2] *Infra.*, p. 467.

addition to several other loans with face value expressed in foreign currencies, totalling £4,200,000 and G$2,000,000. The following is a list of loans issued by the National Government:

TABLE 52. LIST OF INTERNAL LOANS ISSUED BY THE NATIONAL GOVERNMENT

Name of Loan	*Amount Issued*	*Outstanding June 30, 1937*
1. 2 ½% Surtax Treasury Bonds, 1st issue ..	$30,000,000.00	Fully repaid
2. 2 ½% Surtax Treasury Bonds, 2nd issue ..	40,000,000.00	Fully repaid
3. 17th Year Short-term Currency Loan.. ..	30,000,000.00	Fully repaid
4. Rolled Tobacco Tax Treasury Bonds, 1st issue	16,000,000.00	Fully repaid
5. 17th Year Military Loan	10,000,000.00	Converted
6. 17th Year Short Term Rehabilitation Loan	40,000,000.00	Fully repaid in Mar. 1936
7. Tientsin Customs 2 ½% Surtax Treasury Bonds	9,000,000.00	Fully repaid
8. 17th Year Long Term Currency	45,000,000.00	$37,135,000
9. 18th Year Famine Relief Loan	10,000,000.00	Converted
10. 18th Year Disbandment Loan	50,000,000.00	Converted
11. Rolled Tobacco Tax Treasury Bonds, 2nd issue	24,000,000.00	Fully repaid
12. Haiho Improvement Short Term Loan[1] ..	4,000,000.00	$800,000
13. 18th Year Customs Revenue Treasury Notes	40,000,000.00	Converted
14. 18th Year Reorganization Treasury Notes	70,000,000.00	Converted
15. 19th Year Customs Revenue Loan	20,000,000.00	Converted
16. 19th Year Rolled Tobacco Treasury Notes	24,000,000.00	Fully repaid
17. 19th Year Customs Revenue Short Term Treasury Notes	80,000,000.00	Converted
18. 19th Year Rehabilitation Short Term Treasury Notes	50,000,000.00	Converted
19. 20th Year Rolled Tobacco Treasury Notes	60,000,000.00	Converted
20. 20th Year Customs Revenue Short-term Treasury Notes	80,000,000.00	Converted
21. Kiangsu and Chekiang Silk Loan	6,000,000.00	Converted
22. 20th Year Consolidated Tax Treasury Notes	80,000,000.00	Converted
23. 20th Year Salt Revenue Treasury Notes	80,000,000.00	Converted
24. 20th Year Flood Relief Loan	30,000,000.00	Converted
25. 20th Year Short-term Currency Loan.. ..	80,000,000.00	Converted
26. Patriotic Loan	20,000,000.00	Converted
27. 22nd Year Customs Revenue Treasury Notes	100,000,000.00	Converted
28. North China War Relief Short Term Loan[2]	4,000,000.00	$1,400,000
29. 23rd Year Customs Revenue Treasury Notes[3]	50,000,000.00	Converted
30. Railway Construction Bonds, 1st Issue ..	12,000,000.00	$8,250,000
31. Yu Ping Railway Loan	12,000,000.00	$10,200,000
32. 23rd Year 6% Boxer Indemnity Sterling Loan	£ 1,500,000.00	£1,283,000.00
33. 24th Year Currency Loan	100,000,000.00	Converted
34. 23rd Year Customs Revenue Loan[4]	100,000,000.00	Converted
35. 24th Year Relief Loan	20,000,000.00	Converted

36. 24th Year Szechwan Currency Treasury Notes[5]	30,000,000.00	Converted
37. 24th Year Szechwan Rehabilitation Loans[6]	70,000,000.00	$61,600,000.00
38. 24th Year Electric Bonds	10,000,000.00	$ 7,900,000
39. Railway Construction Bonds, 2nd Issue ..	27,000,000.00	$23,145,000
40. Italian Boxer Indemnity Loan[8]	44,000,000.00	Converted
41. Russian Boxer Indemnity Notes[8]	120,000,000.00	Converted
42. Consolidated Tax Notes[8]	120,000,000.00	Converted
43. 25th Year Short Term Notes[8]	100,000,000.00	Converted
44. Consolidation Loan		
A	150,000,000.00	$148,350,000
B	150,000,000.00	148,500,000
C	350,000,000.00	346,500,000
D	550,000,000.00	544,500,000
E	260,000,000.00	257,400,000
45. Recovery Loan	340,000,000.00	336,600,000
46. 25th Year Szechwan Rehabilitation Loan[7]	15,000,000.00	14,400,000
47. Railway Construction Bonds, 3rd Issue[9] ..	80,000,000.00	78,000,000
48. 25th Year Kwangtung Currency Readjustment Loan[9]	120,000,000.00	118,800,000
49. 26th Year Nanking-Kiangsi Railway Loan[9]	14,000,000.00	13,720,000
50. 26th Year U. S. $ Loan for Engineering works and Harbor Development in Kwangtung[9]	G$2,000,000.00	G$2,000,000
51. 26th Year Kwangtung Province Railway .. Construction Loan[9]	£2,700,000.00	£2,700,000
TOTAL IN CHINESE DOLLARS	$3,976,000,000.00	
LESS AMOUNT CONVERTED ..	1,266,835,191.00	
	2,709,164,809.00	$2,157,200,000
in £	£4,200,000.00	£3,983,000.00
in G$	G$2,000,000.00	G$2,000,000

NOTES: 1. Not included in consolidation scheme of 1936. Amortization and interest payments met from Haiho Surtax.

2. Not included in consolidation scheme of 1936. Amortization and interest payments met from Changlu (North China) salt surtax.

3. Original amount issued $100,000,000, later reduced to $50,000,000, balance replaced by equal amount of 23rd year Customs Revenue Loan bonds.

4. Half of amount issued used to replace 23rd year Customs Treasury Notes (See Note 3).

5. Secured on wine and tobacco taxes of Szechwan area.

6. Secured on salt tax of Szechwan area.

7. Secured on salt, wine and tobacco and business taxes of Szechwan area.

8. Bank loans.

9. *Vide* section on "Internal loans issued after second conversion," *infra*, p. 467.

Conversion Schemes of 1932 and 1936:—In reviewing the story of internal bonds issued by the National Government, mention must be made of two important schemes of conversion. The first took place on February 26, 1932. It embraced the following important measures:

(1) Reduction of the interest rates on all outstanding internal loans to a uniform basis of six per cent per annum, an exception being made in the case of 17th Year Long-term Currency Loan, the interest rate on which remained unchanged, namely, 2½% per annum.

(2) Diminishing the yearly amortization charges by extending the term of repayment of the outstanding principal to approximately double the time called for originally.

(3) Doing away with the diversity of security and placing all of the other loans included in the scheme as a charge, both for interest and redemption, on the customs revenue, from which a monthly appropriation of $8,600,000 was to be made towards this purpose.

On February 1, 1936, four years after the first conversion scheme of 1932, the National Government made public further measures for a second conversion of the then existing bonds. The measures were as follows:

(1) To issue a Consolidated Loan to the amount of $1,460,000,000 for the full conversion of the then existing loans.[1] The Consolidation Loan to bear interest at 6% per annum, payable half-yearly, and to be redeemed in five periods.

(2) Conversion of old bonds to be on the basis of their original period of redemption.

Simultaneously with the decree authorizing this second conversion scheme, the government also made known the issue of another loan known as the Recovery Loan, for the amount of $340,000,000, for the manifold purposes of enforcement of the policy of legal-tender notes, strengthening banking organizations, assisting production reorganization, balancing the national budget, and providing funds for stabilizing the internal bond market. Like the Consolidation Loan, this additional issue bears interest at 6% and is repayable in 24 years.

Unlike the first plan, the second conversion scheme did not make any change with regard to the interest rate, although payments of principal and interest were changed from four times a year to twice yearly. However, like the first scheme, it lumped all of the domestic loan charges against Customs revenue, thus leaving the remaining sources of revenue temporarily free for other purposes.

The chief fiscal object of the second conversion plan was admittedly to reduce yearly loan charges. This it has achieved in a very convincing manner, as calculations show that during the first six years, by virtue of this conversion, the treasury will save about $100,000,000 each year.

For other details of this conversion as well as for fuller information on the Consolidation Loan and the Recovery Loan, the reader is referred to the 1936–1937 issue of this Year Book.[2]

Internal Loans Issued After Second Conversion:—Although, beginning from February, 1936, no further loans have been issued for general treasury purposes, since then several loans have been floated either for local purposes or for purposes of reconstruction. These were the following:

25th Year Szechwan Province Rehabilitation Bonds[3]—On April 1, 1936, for continuation of the rehabilitation program in Szechwan, the 25th Year Szechwan Rehabilitation Bonds were floated for $15,000,000. This was in addition to the two previous issues of bonds and treasury notes designated for the same purposes in that province. It is secured, in addition to a sum of $50,000 to be paid monthly from the collection of business tax from the Szechwan Provincial Government, on a monthly subsidy amounting to $40,000 to be drawn from the salt tax and $40,000 from the wine and tobacco taxes collected in Szechwan. The loan bears interest at

[1] A few, however, were exempted. *Vide* 1936–1937 issue of *Chinese Year Book*, pp. 718–725.
[2] *Id.*,
[3] *Supra.*, p. 459.

6% per annum, payable in March and September of each year, and will be fully retired by March 31, 1951.

Railway Construction Bonds—Following the Szechwan loan, another loan for $120,000,000 was authorized, to be issued in instalments, under the charge of the Ministry of Railways. This loan is for the important purposes of erecting the trunk lines of the Hunan-Kweichow and Szechwan-Kwangsi Railways, as well as for extending the Pingsui and Chengtai lines. While this loan is secured in the main on the earnings of these lines when completed as well as on what balances may be available from earnings of existing lines after having duly liquidated their existing loan charges, the National Treasury also undertakes to subsidize the payments of interest and amortization of this loan by yearly grants in the amounts of $2,400,000 for the first year, $3,600,000 for the second year and $4,800,000 for the third and fourth years. This loan bears interest at 8% per annum, payable in February and August of each year, and will be fully retired by February, 1958.

25th Year Kwangtung Currency Readjustment Loan—In September, 1936, after the Kwangtung situation had been fully liquidated, another loan was issued for $120,000,000, principally for readjustment of the currency problems of that province. This was known as the 25th Year Kwangtung Currency Readjustment Loan, and is secured on a monthly grant of $600,000 from collections of consolidated taxes of that province. This loan bears interest at 4% per annum, payable in March and September of each year, and will be fully retired by September 1966.

26th Year Nanking-Kiangsi Railway Loan—On January 1, 1937, as a significant beginning for the new year, a loan for the amount of $14,000,000 was issued to cover costs for completing the section of the Nanking-Kiangsi Railway from Hsuencheng to Kweichi. This was known as the 26th Year Nanking-Kiangsi Railway Loan. Interest on this loan is payable semi-annually, in June and December, at 6% per annum. It will be fully repaid by December, 1946.

26th Year U. S. $ Loan for Engineering Works and Harbor Development in Kwangtung—For developing Whampoa Harbor and the Pearl River, Canton, a loan was issued on April 1, 1937, which is expressed in U.S. currency, for G$2,000,000. The name of this loan is the 26th Year U.S. $ Loan for Engineering Works and Harbor Development in Kwangtung. It is secured on the 5% import surtax of Canton Customs, bears interest at 6% per annum, payable in March and September of each year, and will be fully retired by March, 1953.

26th Year Kwangtung Province Railway Construction Loan—On May 1, 1937, a loan was floated jointly by the Ministry of Railways and Ministry of Finance, for £2,700,000, mainly to finance the construction of the section of railway from Canton to Meihsien in Kwangtung. It is known as the 26th Year Kwangtung Province Railway Construction Loan. Interest payments on this loan are secured on receipts from additional salt taxes of Kwangtung area, any deficit to be made up by the Ministry of Railways. It bears interest at the rate of 6% per annum, payable semi-annually in April and October. Amortization payments will be completed by April, 1967.

B. Foreign Loans.—Two principal sources of revenue serve as security for China's foreign loans, these being the Customs duties and the salt tax. As of June 30, 1937, service of the following loans is being met from these revenues:

From Customs Revenue[1]	*Amount Outstanding*
Anglo-German Loan of 1898	£4,308,025
Reorganization Loan, 1913	£20,178,860
Wheat and Cotton Loans of 1931 and 1933[2]	G$14,700,000
TOTAL	£24,486,885 G$14,700,000

From Salt Revenue[3]	
Anglo-French Loan of 1908	£500,000
Crisp Loan of 1912	£3,930,837
Hukuang Loan of 1911[4]	£5,656,000
Vickers-Marconi Loans[5]	£2,403,200
Chicago Continental Bank Loan of 1919[6]	G$5,500,000[7]
TOTAL	£12,490,037 G$5,500,000

Of the foregoing loans, the first two secured on Customs revenue, the Anglo-German Loan of 1898 and the Reorganization Loan of 1913, are old loans, payments on which have always been met regularly. As to other loans, they are either new loans, as in the case of the Wheat and Cotton Loans of 1931 and 1933, or loans, which, though issued long ago by the Peking Government, were but recently readjusted.

Amalgamation and Extension of Maturity of Commodity Loans of 1931 and 1933—Concerning the amalgamation and extension of maturity of the commodity loans of 1931 and 1933, the following excerpts from the Report for the 23rd Fiscal Year, 1934–1935[8], will furnish the necessary details:

> By the terms of an agreement of May 28, 1936, the Flood Relief Loan of 1931 and the Cotton and Wheat Loan of 1933 were consolidated into a single obligation of U. S. $16,608,329.99, payment on which is extended over a longer term of years. The former loan, representing the value of 450,000 tons of American wheat and flour which were purchased to aid in relief of the great flood of 1931 and in the program of reconstruction of the devastated area, had originally amounted to U. S. $9,212,826.56. Two-thirds of this amount, U. S. $6,141,884.36, had already been repaid, leaving a balance of U.S. $3,070,942.20 which was to fall due December 31, 1936. Of the cotton and wheat credit, under which U.S. $17,086,282.48 were utilized, U. S. $3,548,894.69 had been repaid previous to May 28, 1936. This credit, the proceeds of which were utilized exclusively for various objects of reconstruction and rehabilitation, was to have been repaid in three years, although a further period of two years was contemplated by the parties at the time of the original agreement in 1933.
>
> Principal repayments due on the two loans under the original schedules amounted to U.S. $8,630,000 in 1936 and U. S. $8,421,000 in 1937. The Government, having particularly in mind the desirability of lessening the amount of external payments in view of the currency reform, requested that these payments be spread over a longer period. The American authorities manifested their co-operation by agreeing to a revised schedule entailing the following yearly payments of principal on both loans:

1936	U.S. $1,351,007
1937	2,000,000
1938	2,500,000
1939	2,800,000
1940	2,800,000
1941	8,000,000
1942	2,800,000
TOTAL	U.S. $17,051,007

Rehabilitation of Anglo-French and Crisp Loans—In September 1929, Minister T. V. Soong announced a plan for gradual payment of the arrears of the salt loans, first of interest and then of principal. A description of this plan and its operation is found in the 1935–1936 issue of this Year Book.[9] Since its announce-

[1] The so-called "Indemnity loans" are not listed herewith.
[2] Payments being made from Customs Relief Surtax.
[3] Not including Pacific Development Corporation Loan readjusted in July, 1937. For details of readjustment of this loan, see p. 474 below.
[4] Secured only in part on salt revenue. *Vide*, terms of readjustment agreement concerning this loan, *infra.*, p. 470.
[5] *Vide* terms of readjustment agreement *infra.*, p. 470.
[6] *Vide* terms of readjustment agreement, *infra.*, p. 471.
[7] Not including non-interest-bearing scrips totalling about G$1,105,500.
[8] Page 10.
[9] Pp. 1300–1304.

ment, this plan has proceeded smoothly, and, despite the failure of the Manchurian provinces to contribute their loan quota, payments have been made regularly to the satisfaction of bond-holders. Payment of all of the arrears of interest of the Anglo-French and Crisp loans was completed by the end of 1930. In October, 1934, payment of all arrears of principal due to holders of bonds of the Anglo-French Loan was also completed. This made it possible for the Government to turn its attention to payment of arrears of principal of the Crisp Loan. In December, 1934, the 1928 principal instalment of the Crisp Loan was paid, and in January, 1935, a program was announced for paying annually two instalments of principal of the Crisp Loan instead of one, in order that arrears of principal may be entirely cleared up by 1940. So far payment has been made strictly in accordance with the provisions of this latter announcement.

The rehabilitation of these loans, and the settlement of other debts in arrears, as will be seen later, is a part of a comprehensive program of the National Government to revive its credit abroad, and is indeed deserving of note since it is being undertaken at a time when most other nations are defaulting on their indebtedness.

Resumption of Service of Vickers-Marconi Loans.—An offer was announced on October 6, 1936, by Dr. H. H. Kung, Minister of Finance, concerning resumption of service of the 8% 10-Year Notes of £600,000 issued pursuant to the agreement of August 27, 1918, between the Chinese Government and Marconi's Wireless Telegraph Company Limited; and the Chinese Government 8% 10 Year Negotiable Sterling Treasury Notes of £1,603,200 issued pursuant to the agreement of October 1, 1919, between the Chinese Government and Messrs. Vickers Limited. The terms of the offer were as follows:

(1) Interest to be paid at the rate of 1% per annum for the year commencing July 1, 1936, with annual rates increasing by ¼% yearly up to 3% in 1942–1943, and 3% thereafter until the bonds are fully paid. Payments semi-annually on December 31 and June 30.

(2) Principal repayments to begin June 30, 1941, with 1% per year for the first three years: 2% for the next four years; 2½% for the next eight years; 3% for the next 11 years; and 4% for the last nine years ending with 1975. Drawings to take place during March of each year beginning in 1941. The Government to be entitled upon reasonable notice and without premium to increase the amount of principal retired on any payment date.

(3) Payment of interest and principal to be secured on the salt revenue of the Chinese Government subject to payments therefrom in respect of existing loan charges and commissions.

(4) All arrears of interest up to June 30, 1936, to be cancelled.

On the basis of the foregoing terms, a table of interest and amortization payments due on the Consolidation Vickers-Marconi Loan under agreement of 1936 is computed and appended under Table 52 below.

Settlement of Hukuang Loan.—According to the original terms of agreement of the Hukuang Loan, an annual contribution of Hk. Tls. 950,000 was to be made from the salt revenue towards payment of interest of this loan. Prior to 1928 both interest and amortization payments of this loan had fallen into arrears. The plan of rehabilitation of salt loans announced by Dr. T. V. Soong in September, 1929, to which reference has already been made,[1] provided for readjustment of this loan in part, as it called for, in addition to payment of the arrears of interest on this loan "in so far as it was a charge upon the salt revenue," the making of supplementary payments over and above the originally prescribed contribution of Hk. Tls. 950,000, to complete the payment of one coupon of interest, amounting to approximately £141,000, in June of each year, if the principal remained unpaid.

[1] *Supra.*, p. 469.

This partial readjustment in 1929 made no provision for the resumption of payment of principal of this loan either from salt revenue or from other sources. It was merely a measure preliminary to a final settlement calling for resumption of full service of the loan; this was not made until 1937, when, after protracted negotiations with the bondholders, the Ministers of Finance and Railways, on April 5 of the year, jointly announced an offer for resumption of full service of the loan. The announcement was as follows:

"Their Excellencies the Ministers of Finance and Railways announce the following offer concerning the service of the outstanding bonds of the Hukuang Railway Loan of 1911 amounting to about £5,650,000, under which the interest rate paid is to be reduced in 1937–38 and the amortization plan modified. Other provisions of the Hukuang Loan contract are to remain unchanged.

"1. Interest is to be paid at the rate of 2½% per annum in 1937–38 inclusive and 5% per annum thereafter. Payment of interest is to be made out of net earnings of the railway and guaranteed out of salt revenue. Interest due as from January 1, 1941, is to be guaranteed also out of customs revenue with rank as of the date of this announcement.

"2. Amortization is to begin in 1941 and to be completed in 39 years from 1937 according to a table to be filed with the paying agents. Payment of amortization and of the scrip to be issued in accordance with paragraph three hereof is to be made out of net earnings of the railway and any deficiency to be made good from revenues under control of the Ministry of Finance. The Government upon reasonable notice and without premium may increase the amount of principal retired on any payment date. Bonds drawn but not yet retired are to be paid according to the order of drawing.

"3. Interest in arrears is to be calculated at 1% per annum simple interest instead of 5%. Non-interest-bearing scrip is to be issued for arrears of interest so calculated, and also for one-fifth of the short fall of interest during 1937–1938. This scrip is to be paid beginning 1942 over approximately 20 years, the yearly instalment to be substantially equal except that the Government reserves the right of transferring to the last three of the aforementioned approximately 20 years not over 50% of payments due in the first three years.

"4. Suitable instructions are to be given to the Chinese Maritime Customs, the Chief Inspectorate of Salt Revenue, the Central Bank of China, and the Railway Administration to give effect to the understanding reached.

"Announcement also was made that the railway authorities are taking steps to improve the condition of the railway and agreements with a view to benefiting both the interest of the Government and of the bondholders."

On the basis of the foregoing terms, an amortization table of the Hukuang Loan is calculated and appended under Table 53 below. This table is subject, however, to the provisions of the settlement agreement as reproduced above.

Settlement of Chicago Continental Bank Loan of 1919.—Almost immediately following upon the publication of the announcement of the offer concerning service of the Hukuang Loan, arrangements were completed for the settlement of the Treasury Notes of 1919, the so-called Chicago Bank Loan. These notes were originally issued in 1919 by the now defunct Peking Government, for the sum of U.S. $5,500,000 with security on the wine and tobacco taxes. It was one of the few loans from the United States of America generally grouped under the category of Unsecured or Inadequately Secured Debt. The announcement of an offer concerning resumption of service of this loan was released on April 12, 1937, simultaneously in America and China. Among other things, it provided for shifting of the charge from wine and tobacco taxes to salt revenue. The announcement as released in China was as follows:

"His Excellency the Minister of Finance announces the following offer concerning service of the Treasury Notes of 1919 (the so-called Chicago Bank Loan) of U.S. $5,500,000:

"1. Interest is to be paid at the rate of 2½% per annum for the three-year period commencing November 1, 1936, and at the rate of 5% per annum as from November 1, 1939, payable semi-annually May 1 and November 1.

"2. Non-interest-bearing scrip is to be issued in respect of: (*a*) arrears of interest computed at 1/5 of the contractual rate, simple interest, from May 1, 1921, to November 1, 1936; and (*b*) 1/5 of the difference between 2½% interest to be paid for the period from November 1, 1936, to November 1, 1939, and 5% to be paid thereafter.

"3. Payments of principal of the notes and of instalments of the scrip are to be made on November 1 of each year beginning in 1942 according to the following schedules in 1942 and 1943, 5% each; in 1944 and 1945, 6% each; in 1946 and 1947, 7% each; in 1948 and 1949, 8% each; in 1950 and 1951, 9% each; and in 1952, 1953, and 1954, 10% each. The Government upon reasonable notice and

without premium may increase the amount of principal to be retired on any payment date. The notes are to be retired by drawings at par to be effected by the fiscal agent of the loan in the month of August prior to each date on which drawn notes are to be paid.

"4. Payment of interest and principal is to be made out of the salt revenue after making provision for charges existing as of April 12, 1937, and in priority to all charges that may be created subsequent to that date.

"5. Holders accepting this offer will present their notes for attachment of new coupon sheets, on the stub of which the text of this offer will be printed. Since the new coupon sheets will not be ready by May 1, 1937, interest will be paid on that date against delivery of the last unpaid coupon attached to the notes.

"All provisions of the original contract remain unchanged except insofar as the carrying out of this offer gives effect to other specific provisions."

On the basis of the foregoing provisions, an amortization table of this loan is calculated, which is appended under Table 54 below.

Settlement of Other Loans.—It is known that in addition to the foregoing major loans, several other loans, of a minor nature and for varying amounts, have been settled in the course of the last few years. The terms of settlement varied considerably in accordance with the original nature of the loans, but in general arrangements were made for payments either in lump sum or by instalments extending over a period of years. As a general principle, back payment of arrears of interest on these loans was waived, although, as may be seen from the preceding paragraphs, provision was made for issue of non-interest-bearing scrips covering portions of interest in arrears or for short fall of interest, such as in the case of the Continental Bank Loan, and the Tsin-pu, Hukuang, and several other railway loans. Since most of these minor loans settled were not public flotations, and were but recently adjusted, detailed information pertaining to their settlement has not yet been available. However, according to the National Budget for the 26th fiscal year, July, 1937–June, 1938, promulgated by the National Government and appearing in the Government's *Official Gazette* under date of July 3, 1937, provision is made in the current year's budget for payment of interest and principal of the following loans, which were once in arrears:

"An Lee" Co. Treasury Notes

5th Year Hwa Ning Mining Co. Treasury Notes.

8th Year Hankow Paper Mill Loan.

Fiscal Aspects of Loan Readjustment.—In connection with the settlement of these various loans, a consideration of its fiscal aspects will serve to illustrate that in their adjustment the National Government has indeed taken on a very heavy fiscal burden. As this program of readjustment is meant to restore China's credit abroad, and represents in fact the faithful meeting of a gentleman's obligations, it is generally considered as a step in the right direction and its further extension to cover other loans in arrears, both external and internal, is expected as China's finance continues to show improvement. However, the fiscal requirements as a result of such adjustments should not be lightly passed over, as an evaluation of them shows convincingly to what lengths the National Government is willing to go in the matter of fulfilling its loan obligations.

In the first place, it is to be noted that the readjustment of all of these loans with liens on the national revenues (excepting the Tsin-pu Railway Loan but including the Hukuang Loan), means the resumption of payment on their principal outstanding, amounting to more than $152,000,000 Chinese currency, distributed as follows:

Hukuang Loan..	£5,656,000 —	Ch. $94,000,000
Vickers-Marconi Loans	£2,403,200 —	Ch. $40,000,000
Chicago Bank loan	G$5,500,000 —	Ch. $18,000,000
Other loans, approx.	.. ..	Ch. $ 6,000,000
TOTAL		$152,000,000

In the case of several of these loans provision is made for payment of portion of past interest in arrears and of the short fall of interest, by issuing non-interest-bearing scrips. The total of these non-interest-bearing scrips issued in the case of the Chicago Bank Loan and the Hukuang Loan will amount to G$1,105,500 and £441,667 respectively, or a total in Chinese currency equal to approximately $11,000,000.

The interest payments on these loans for the coming years will amount to an even larger sum than their principal repayments. Thus, as may be seen from their amortization tables, the total sum of future interest payments on the Consolidation Marconi-Vickers Loan under the Agreement of 1936 will amount to £1,668,361, on the Hukuang Loan to £7,538,000 and on the Chicago Continental Bank Loan to G$3,121,250, or a total, expressed in Chinese currency, of approximately $163,000,000, which is larger than the total sum of principal payments by about $11,000,000.

The net effect, therefore, of these loan adjustments is that the Treasury has taken on for gradual payment in future years a fiscal burden amounting to $152,000,000 in respect of principal, plus $11,000,000 for non-interest-bearing scrips issued in payment of interest in arrears and of short fall of interest payments, and $163,000,000 for interest payments, or a total sum in all of some $326,000,000. This does not take into account the cost incidental to the rehabilitation of the Anglo-French and Crisp Loans, or of the Tsinpu Railway Loan, which has certain liens on the Customs revenue. Nor has it taken into account the settlement of the 1919 Pacific Development Loan of G$5,500,000, details of which will be furnished later.[1] If the readjustment of all of the railway loans, a summary of which appears below,[2] is taken into consideration, the actual total cost thus far involved in this comprehensive program of credit restoration is considerably larger than that indicated above.

Invitation of Foreign Investments.—With most of the foreign loans formerly in arrears now settled, the time seems to be ripe for extending to foreign financial interests the invitation to make further investments in China. In this connection, it may be mentioned that the possibilities of new foreign loans to China, to be made either singly by one nation or jointly by a group of nations, have been studied for some considerable time. Several minor loans have already been made, these having generally taken the form of credit purchases of commodities (such as the commodity loans of 1931 and 1933) and of railway and communications materials. More recently the chances of further loans have again been explored. One of the plans often mooted in financial circles is that in view of the relatively low interest rate ruling abroad China might well consider securing an extensive foreign loan for the specified purpose of redeeming her current domestic indebtedness, and thus make use of the saving in interest payments for purposes of national economic reconstruction. Thus, according to a news dispatch from Berlin under date of June 12, 1937, Dr. H. H. Kung, the Chinese Finance Minister, was reported to have declared that China's domestic loans aggregated to $2,000,000,000, nominally at 6%— the true rate of interest, however, being 8%—and that should foreign loans be obtainable at 4%, China would undertake a conversion, if only to gain the difference of $80,000,000 which would then be available for industrial purposes. Up to the time this chapter went to press, no new development in this connection had taken place.

Co-operation of French Financial Interests.—Interesting revelations of a broad scheme for economic co-operation between French financial circles and China were made during the trip made by the Finance Minister, Dr. H. H. Kung, to France in June, 1937. According to news dispatches from the Havas Agency under date of June

[1] *Infra.*, p. 474.
[2] *Infra.*, pp. 478–479.

5, 1937,[1] four leading French banks have constituted a syndicate called the "Groupe Uni des Banques Françaises pour la Chine" (United Group of French Banks for China). The participants are the Banque de Paris et des Pays Bas, Lazard Frères (affiliated to Lazard Bros.), the Banque de l'Indo-Chine and the Banque Franco-Chinoise Pour le Commerce et l'Industrie, with the Banque Franco-Chinoise representing the group in China.

It is understood that the group has already signed a contract for the construction of a railway connecting Chungking and Chengtu, and that negotiations are nearly completed for the signature of another contract providing for the construction of a railway between Kweiyang and Kunming. The completion of these two railroads will link the rich province of Szechwan with Haiphong, the main harbor of Tongking. The group is also contemplating, it is known, the promotion of other industrial undertakings, such as sugar factories, weaving mills and machine shops.

The conclusion of these arrangements with French financial interests is a significant accomplishment and indicates the possibilities of renewed Sino-foreign financial co-operation on a large scale. It is confidently expected that the example thus set will pave the way for further importation into China of capital from other countries as well.

Settlement of the Pacific Development Corporation Loan.—Shortly after the opening of the 26th fiscal year, 1937–1938, the Ministry of Finance, on July 14, 1937, made public the following offer of settlement of the so-called Pacific Development Corporation Loan for the original amount of G$5,500,000 held by certain American banks and banking houses.

1. Against the surrender or assignment to the Chinese Government of such U.S.$5,500,000 notes or the interests of the various holders therein; and of the claims for all interest in arrears, both on the obligation and on the debt originally secured thereby; and of any claims by virtue of agreements supplementary or collateral to the Pacific Development loan, the Chinese Government will issue in exchange U.S.$4,900,000 new bonds to be dated and bear interest from July 1, 1937.

2. Interest on such new bonds will be paid at the rate of 2% for the first year, and will increase by ½% yearly to a maximum of 4% annually.

3. Payment of principal of the new bonds will be made on July 1st, of each year beginnng in 1942 according to the following schedule:

Date	% of Principal
In 1942 and 1943	5% each
1944 and 1945	6% each
1946 and 1947	7% each
1948 and 1949	8% each
1950 and 1951	9% each
In 1952, 1953 and 1954	10% each

The government upon reasonable notice and without premium may increase the amount of principal to be retired on any payment date. The bonds are to be retired by drawings at par, to be effected by the paying agent for the loan in the month of December prior to each date on which drawn bonds are to be paid.

4. Payment of interest and principal is to be made out of salt revenues, after making provisions for charges existing as of May 14, 1937, and in priority to all charges that may be created subsequent to that date.

5. The new bonds will be made available on or before January 1, 1938.

It is learned that acceptance of these terms has been recommended to holders by Messrs. J. P. Morgan & Co.

C. The Boxer Indemnity—Apart from internal and external loans, a third item of China's secured debt is the Boxer Indemnity. This Indemnity, as is generally known, was imposed by various foreign Powers upon China in 1911 after the fatal Boxer uprising. It was originally fixed at 450 million Haikwan taels, designated to carry interest at 4%, and scheduled to be paid off over a period of 39 years in the form of a rising scale of annuities. It is a charge placed primarily upon the Customs revenue.

[1] *The China Press*, June 6, 1937.

The shares allotted to each power were laid down in a protocol dated June 4, 1902. The sums involved were later transformed into the currencies of the creditor powers and to such gold currencies as the powers designated. The indemnity is now payable on a gold basis.

Not all of the shares payable to the powers are now still outstanding. In 1917, at the time of China's declaration of war on Germany and Austria, the shares of these two countries were blocked, and later on, under the treaties of Versailles and of St. Germaine, were definitely canceled. When China entered the war, a moratorium was granted to her by the Allied Powers for a period of five years. The postponement applied to the whole sum except in the case of the Russian portion. When the five-year period came to an end, a series of arrangements was soon concluded, one after another, between China and most of her creditors whereby the sums due were to be utilized in China for educational and reconstruction purposes. Such arrangements were made with Great Britain, the United States of America,[1] the Netherlands, and nominally also with Japan. In the case of the Russian portion, according to a later agreement with Russia, it was given up in China's favor. As to the French share, it is now entirely devoted to the service of the 5% gold dollar bonds of 1925 for the payment of the Far Eastern creditors of the Banque Industrielle de Chine, and for the benefit of educational and philanthropic institutions. Similarly, the Belgian portion is also applied as security for a loan generally known as the 6% Gold Loan of 1928, the balance being devoted to cultural and educational purposes. In 1934, the Italian portion was also liquidated, and was later on used as security for a loan from a group of Chinese banks.

Amount Outstanding June 30, 1937.—As of June 30, 1937, the outstanding amounts of the several portions of the Boxer Indemnity were as follows:

Portion	*Principal*	*Interest*
France	G$20,139,034	G$13,494,387
Great Britain	£3,066,783	£1,683,022
Japan	£1,746,632	£996,089
U.S. of America	G$8,465,873	G$2,871,923
Belgium ..	G$1,783,488	G$484,656
The Netherlands	Fl. 353,350	Fl. 32,853
Spain	Fr. 127,648	Fr. 11,868
Portugal ..	£4,820	£2,749
Sweden and Norway ..	£2,371	£220

As to the Russian, German, Austro-Hungarian and Italian portions, at one time or another they were either canceled or liquidated; yet as the proceeds therefrom are still being applied towards specified purposes, the following account of the amounts outstanding, as of June 30, 1937, according to the original schedule of payments may be of interest:

Portion	*Principal*	*Interest*
Russia ..	£6,309,444	£1,632,321
Germany ..	Mk.80,027,676	Mk.6,435,782
Austria-Hungary ..	£174,285	£14,016
Italy	G$9,876,451	G$6,158,560

The Remitted British Portion of Boxer Indemnity.—Among the various portions of the Boxer Indemnity, the British portion, now remitted to China, is by far the most outstanding. Unlike the American portion, which is devoted almost entirely to cultural and educational purposes, the British portion, by virtue of the far-sighted provisions contained in the original agreement of remission, is now playing an important part, not only in the educational and cultural fields, but also in various lines of reconstruction activities of China, particularly with reference to the building of railways. A brief review of the nature of the provisions of the remission agreement and of its allotments for educational purposes during the current fiscal year may therefore be of interest.

[1]In the case of the American share of the indemnity, a portion had already been remitted to China in 1908.

When the Board of Trustees for the Administration of the British Portion of Boxer Indemnity Fund was constituted in 1931, there was an accumulated fund in London of approximately £3,440,000 and an amount still receivable up to 1945[1] of approximately £7,740 000. Of the latter amount one half is to be paid to the Purchasing Commission in London, while the other half will be paid to the Board of Trustees in China for purposes of investment in the country. According to the terms of remission, the Chinese Government is to apply the funds to the creation of an endowment (to be subsequently devoted to carrying on, in perpetuity, the various projects in connection with education, scientific research, etc., supported by the Indemnity funds), by investing them in the rehabilitation and building of railways or other production enterprises in China. Such investments are to be made in the form of loans bearing interest and providing for eventual amortization. In every case the funds in London are to be used for the purchase of materials for productive enterprises, while the funds in China are to be loaned for purposes of construction, suitable arrangements to be made in all cases to ensure the payment of interest and repayment of principal.

When all of the funds of the British portion of the Boxer Indemnity (either accumulated or from instalments still to be received up to 1946) have been utilized, the new fund constituted by the repayments to the Board of Trustees of loans made to railways or other productive enterprises, will be absolutely free for new loans and investment, in the fixed proportion of two-thirds for railways and one-third for other purposes, without any reservation as to the obligation to purchase in the United Kingdom the machinery or materials required, similar arrangements being made for the continued support of the endowed educational establishments.

According to decisions made by the Central Political Council, the remitted British Indemnity funds are to be distributed in the following proportions:

Railways..	two-thirds
Hwai River Conservancy	40% of one-third
Pearl River Conservancy	20% of one-third
Yellow River Conservancy	13⅓% of one-third
Industries	13⅓ of one-third
National Construction Activities..	13⅓ of one-third

Educational Grants of British Boxer Board, 1937–1938.—As to the grants for educational purposes made by the British Boxer Board and available for use during the current fiscal year, the Board of Trustees for Administration of the Boxer Indemnity Funds Remitted by the British Government, at a meeting on June 12, 1937, adopted resolutions whereby approximately $3,500,000, being the estimated interest receipts of the Board for the fiscal year 1936–1937, were appropriated for these purposes. The official announcement concerning these grants was made by the Board as follows:

> Regarding requests for subsidies and grants for the year 1936–1937, altogether 142 requests have been received involving a total of $13,619,807 and £22,851. As to interest receipts of the year that may be disposed, they amount to $3,500,000. According to the percentages allotted to the various classes of educational and cultural enterprises of the Board, the distribution was decided upon as follows:
>
> Class A. At the rate of 25% and from a total of $3,500,000, $875,000 was available to this Class. According to the previous resolution of the Board the funds shall still be disposed of to the following three enterprises:
>
> 1. Subsidy to the Committee for subsidizing the Preservation of Historical and Cultural Sites and Objects of Antiquity, $100,000.
> 2. National Central Museum, for construction, $387,500.
> 3. National Central Library, for construction, $387,500.
>
> Class B. At the rate of 35% and from a total of $3,500,000, $1,225,000 was available to this Class. According to the previous resolution of the Board, it was decided that $388,000 be disposed for the continuation of the following grants:
>
> 1. National Central University, for equipment of its Departments of Mathematics and Engineering $30,000.
> 2. National Shantung University, for equipment of its Departments of Physics and Chemistry $20,000.
> 3. National Peiyang Engineering College, for equipment of its Department of Mining $20,000.

[1] This is according to original schedule of repayment. As a matter of fact, due to a year of postponement in 1931, the period is now correspondingly extended to 1946.

4. Provincial Honan University, for construction and equipment of its Colleges of Agriculture and Medicine $50,000.
5. Provincial Yunnan University, for the equipment of its College of Science $40,000.
6. Provincial Kwangsi University, for the equipment of its Departments of Agriculture, Mining, Physics and Chemistry $20,000.
7. Provincial Shansi College of Technology, for the equipment of its Potter Works $15,000.
8. College of Engineering Practice, Peiping, for expenses in its research and experiment in rural industrial enterprises $10,000.
9. University of Nanking, for its Colleges of Agriculture and Science $20,000.
10. West China Union University, for construction of its Clinical Hospital $25,000.
11. Lingnan University for construction and equipment of its Sun Yat Sen Medical College for a course in Public Health $20,000.
12. Nantung College, for its investigation on cotton diseases, insect damage, and reclamation of alkali oil in northeast Kiangsu $10,000.
13. National Agricultural Research Bureau of the Ministry of Industries, for professorships on fertilisers and veterinary science $20,000.
14. Central Field Health Station, for professorship $10,000.
15. National Association of Vocational Education of China $15,000.
16. Society for Chinese Architectural Research, for compilation and publication $18,000.
17. China Institute of Engineers and other scientific associations for the construction of their joint building $45,000.

D. Other Loans.—Concerning this category of loan, little information is generally available as it consists largely of short-term bank advances and credits not floated in the open market. A list of these loans outstanding, including those which have recently been adjusted and for which payments of interest or amortization are being made during the current fiscal year (1937–1938), may be found in the National Budget of this fiscal year appearing in the *Official Gazette* of the National Government under date of July 3, 1937. The list of loans as shown therein is as follows:

1. Consolidation Loan from Sino-French Savings Society, etc.
2. Sino-French Educational Commission Gold Loan.
3. Sino-French University Loans.
4. Hwangho Flood Relief Loan from the Sino-British Boxer Indemnity Commission.
5. China Finance Corporation Loan.
6. Mausoleum Commission Loan.
7. Hwa Ning Mining Co. Loan.
8. "An Lee" Company Loan.
9. Hankow Paper Mill Loan.
10. Fourth Route Army Loan.
11. Tientsin Commodities Testing Bureau Loan.

Unsecured or Inadequately Secured Debt

The term "unsecured," and to a certain extent the term "inadequately secured," when applied to this category of debts is not a happy one, as all of these loans, with few exceptions, were perfectly secured in accordance with the provisions of their loan agreements. It was mainly because of the chaotic financial condition prevailing in China between 1917 to 1924 that nearly all loans raised during these years or due to have been paid then have come to be known as Unsecured or Inadequately Secured Loans.

Most of these loans were contracted in widely different circumstances and for widely different purposes. Not a few of them were tinged with a dark political background, which contributes in a large measure to the difficulty of having them properly readjusted. Their interest rates vary greatly. Many of them carry interest at 8%. In a few cases the rate is lower, but in most other cases it is considerably higher, varying from 10% to 19%.

There is considerable difficulty in correctly ascertaining the amount of principal and accumulated interest outstanding in connection with this category of loan. The exact amounts due and in arrears on certain of the loans have been topics of intense dispute between the creditors and the government. Thus at the Customs Tariff Conference held in Peking in 1925 the total sum outstanding in respect of unsecured external loans, as tabulated by the Ministry of Finance and sent to the Conference for reference, was Ch. $407,156,308.62, while that tabulated by the foreign creditors concerned was approximately $564,000,000, there being thus a

difference of about Ch. $157,000,000 between the two estimates.

In the *Financial Annual* published by the Ministry of Finance in 1935 was given a tabulation of the amounts outstanding in respect of these unsecured or inadequately secured loans under charge of the Ministry of Finance, as of June 30, 1934. A recapitulation of the amounts listed then is as follows:

	Principal and Accumulated Interest
Domestic Loans	$580,281,076.95
External Loans*	$1,096,834,419.84
TOTAL	$1,677,115,496.79

No official estimate is yet available concerning the position of these loans as of June 30, 1937. If such an estimate is to be made, due account must be taken of the many loans adjusted during the last two years to which reference has already been made.

It is also to be noted that while the total amount of such unsecured debt is as tabulated above, it cannot mean in any way that final settlement will necessarily, or can, be made at that figure. Judging from the precedents set in the readjustment of other loans, it is not unreasonable to expect that if and when an adjustment is made on the other loans, it will be made at some lower figure, without of course unnecessarily prejudicing the interest of the creditors but with due regard to the financial position of the government.

RAILWAY LOANS

Most of the railways in China were built with the proceeds of loans, the service of which is generally secured by a first mortgage on the receipts of these railways. Up to the last two years, payments on most of these loans had fallen into arrears, due mainly to the disturbed political situation existing in the country during the last decade. Beginning in 1936, however, a radical change, definitely for the better, has taken place with respect to these loans. This is partly a result of the increased earnings of the railways following the general restoration of order in the country and the consequent increases in railway traffic, but is due mostly to the farsightedness of the present Minister of Railways, Mr. Chang Kia-ngau, who, since his accession to office, has exerted every effort to effect the readjustment of railway loans, in line with the general policy of credit rehabilitation adopted by the National Government.

Apart from the resumption of service of railway loans which were allowed to go into default many years ago, a second major development is particularly deserving of note. Hitherto most, if not all, of these loans had been raised abroad, and consequently brought in their train many vexing problems of foreign financial supervision and even control. With the assumption of office of Minister Chang, a new source of income from loans has been tried with success. This takes the form of loans raised at home, generally through co-operation of Chinese banking circles with foreign railway suppliers. Considerable activity in this direction has been discernible in the course of the last two years.

Rehabilitation of Railway Loans.—As mentioned above, of late a series of readjustments of railway loans in arrears has taken place, thus enhancing to a great extent China's credit abroad. The details of most of these settlement agreements are shown in

*The following conversion rates were used: G$1=Ch. $3.50; Kuping Tl.=Ch. $1.40; Hk Tl.=Ch. $1.30; Fr. 1=Ch. $0.20; £1=Ch. $15.00.

the 1936–1937 issue of this Year Book.[1] A list of these loans adjusted up to June 30, 1937, is as follows:

1. Tientsin-Pukow Railway Loans of 1908 and 1910.
2. Honan Railway 1905 Gold Loan Bonds.
3. Taoching Railway Loan for the Purchase of Rolling Stock (1919).[2]
4. Lunghai (Lung-Tsing-U-Hai) Railway Loans, including (*a*) £4,000,000 5% Loan of 1913; (*b*) Guilders 30,750,000 8% short term treasury bonds of 1920 and 1923; (*c*) Belgian Francs 137,743,000 8% short-term treasury bonds of 1920, 1921 and 1923; (*d*) Chinese $5,000,000 8% short-term treasury bonds of 1924; and (*e*) French Francs 21,250,000 8% short-term treasury bonds of 1925 issued to refund the 1919 loan.
5. Canton-Kowloon Railway Loan of 1907.
6. Chinghwa-Menghsien Railway Loan.

The 1936 Shanghai-Hangchow-Ningpo Railway Completion Loan.—Not counting the sundry, though not inconsiderable, credits negotiated in the course of 1936 and thereafter up to June 30, 1937, reference must be made to an important foreign funded loan arranged in May of 1936. This is known as the "Chinese National Government 6% Shanghai-Hangchow-Ningpo Railway Completion Loan of 1936."

The purpose of this loan is the repayment of previous advances and the completion of the Hangchow-Ningpo section of the line, including the construction of a bridge. It is for the capital sum of £1,100,000, being redeemable between 1941 and 1961. The agreement between the Ministry of Railways and a syndicate consisting of the British and Chinese Corporation and the China Development Corporation was signed on May 8, 1936. Interest coupons are payable on June 15 and December 15. The loan is guaranteed by the Chinese Government and secured on the entire revenues of the Shanghai-Hangchow-Ningpo Railway, and also upon 70% of the dues and tolls from the Chien Tang River Bridge. Bonds are issued in coupons of £50 and £100.

Statistical Tables

The following statistical tables pertaining to the Public Debt of China as of June 30, 1937, are appended herewith in continuance of those appearing in the 1936–1937 issue of the *Chinese Year Book*, pp. 728–768, and giving also such additional information as has since become available:

Table 53. AMORTIZATION TABLE OF CONSOLIDATION VICKERS-MARCONI LOAN UNDER AGREEMENT OF 1936.
Table 54. AMORTIZATION TABLE OF HUKUANG RAILWAY LOAN OF 1911.
Table 55. AMORTIZATION TABLE OF TREASURY NOTES OF 1919 (CHICAGO BANK LOAN) UNDER AGREEMENT OF 1937.
Table 56. ESTIMATED EXPENSES FOR LOAN AND INDEMNITY DURING 26th FISCAL YEAR (JULY 1937—JUNE 1938).
Table 57. QUOTATIONS OF CHINESE GOVERNMENT BONDS IN LONDON.
Table 58. QUOTATIONS OF CHINESE DOMESTIC BONDS MARCH 1936 TO JUNE 1937.
Table 59. INDEX NUMBERS OF DOMESTIC BONDS IN SHANGHAI.
Table 60. RAILWAY LOANS GRANTED TO THE MINISTRY OF RAILWAYS BY THE TRUSTEES OF THE BRITISH BOXER INDEMNITY FUND.
Table 61. CREDITS GRANTED FOR RAILWAY CONSTRUCTION.
Table 62. THE RAILWAY LOANS OF CHINA, AS OF JULY 1, 1937.

[1]Pp. 713–715.
[2]Detailed terms of readjustment not shown in 1936–1937 issue of the *Chinese Year Book*. They are, however, substantially same as those for Chinghwa Menghsien Railway Loan.

TABLE 53. AMORTIZATION TABLE OF CONSOLIDATION VICKERS-MARCONI LOAN UNDER AGREEMENT OF 1936

Date	*Principal Outstanding*	*Principal Repayment*	*Interest Payment*	*Total Payment Plus Interest*
1936 Dec. 31	£2,403,200	—	1. £ 18,024. 0. 0	£ 18,024. 0. 0
1937 June 30	2,403,200	—	2. 18,024. 0. 0	18,024. 0. 0
Dec. 31	2,403,200	—	3. 21,028. 0. 0	21,028. 0. 0
1938 June 30	2,403,200	—	4. 21,028. 0. 0	21,028. 0. 0
Dec. 31	2,403,200	—	5. 24,032. 0. 0	24,032. 0. 0
1939 June 30	£2,403,200	—	6. £ 24,032. 0. 0	£ 24,032. 0. 0
Dec. 31	2,403,200	—	7. 27,036. 0. 0	27,036. 0. 0
1940 June 30	2,403,200	—	8. 27,036. 0. 0	27,036. 0. 0
Dec. 31	2,403,200	—	9. 30,040. 0. 0	30,040. 0. 0
1941 June 30	2,403,200	1. £ 24,032	10. 30,040. 0. 0	54,072. 0. 0
Dec. 31	2,379,168	—	11. 32,713.11. 2	32,713.11. 2
1942 June 30	£2,379,168	2. £ 24,032	12. £ 32,713.11. 2	£ 56,745.11. 2
Dec. 31	2,355,136	—	13. 35,327. 0.10	35,327, 0.10
1943 June 30	2,355,136	3. 24,032	14. 35,327. 0.10	59,359. 0.10
Dec. 31	2,331,104	—	15. 34,966.11. 2	34,966.11. 2
1944 June 30	2,331,104	4. 48,064	16. 34,966.11. 2	83,030.11. 2
Dec. 31	2,283,040	—	17. 34,245.12. 0	34,245.12. 0
1945 June 30	£2,283,040	5. £ 48,064	18. £ 34,245.12. 0	£ 82,309.12. 0
Dec. 31	2,234,976	—	19. 33,524.12.10	33,524.12.10
1946 June 30	2,234,976	6. 48,064	20. 33,524.12.10	81,588.12.10
Dec. 31	2,186,912	—	21. 32,803.13. 7	32,803.13. 7
1947 June 30	2,186,912	7. 48,064	22. 32,803.13. 7	80,867.13. 7
Dec. 31	2,138,848	—	23. 32,082.14. 5	32,082,14. 5
1948 June 30	£2,138,848	8. £ 60,080	24. £ 32,082.14. 5	£ 92,162.14. 5
Dec. 31	2,078,768	—	25. 31,181.10. 5	31,181.10. 5
1949 June 30	2,078,768	9. 60,080	26. 31,181.10. 5	91,261.10. 5
Dec. 31	2,018,688	—	27. 30,280. 6. 5	30,280. 6. 5
1950 June 30	2,018,688	10. 60,080	28. 30,280. 6. 5	90,360. 6. 5
Dec. 31	1,958,608	—	29, 29,379. 2. 5	29,379. 2. 5
1951 June 30	£1,958,608	11. £ 60,080	30. £ 29,379. 2. 5	£ 89,459. 2. 5
Dec. 31	1,898,528	—	31. 28,477.18. 5	28,477.18. 5
1952 June 30	1,898,528	12. 60,080	32. 28,477.18. 5	88,557,18. 5
Dec. 31	1,838,448	—	33. 27,576.14. 5	27,576,14. 5
1953 June 30	1,838,448	13. 60,080	34. 27,576.14. 5	87,656.14. 5
Dec. 31	1,774,368	—	35. 26,675.10. 5	26,675.10. 5

1954 June 30	£1,778,368	14. £ 60,080	36. £ 26,675.10. 5	£ 86,755.10. 5
Dec. 31	1,718,288	—	37. 25,774. 6. 5	25,774. 6. 5
1955 June 30	1,718,288	15. 60,080	38. 25,774. 6. 5	85,854. 6. 5
Dec. 31	1,658,208	—	39. 24,873. 2. 5	24,873. 2. 5
1956 June 30	1,658,208	16, 72,096	40. 24,873. 2. 5	96,969. 2. 5
Dec. 31	1,586,112	—	41. 23,791.13. 7	23,791.13. 7
1957 June 30	£1,586.112	17. £ 72,096	42. £ 23,791.13. 7	£ 95,887.13. 7
Dec. 31	1,514,016	—	43. 22,710. 4.10	22,710. 4.10
1958 June 30	1,514,016	18. 72,096	44. 22,710. 4.10	94,806. 4.10
Dec. 31	1,441,920	—	45. 21,628.16. 0	21,628.16, 0
1959 June 30	1,441,920	19. 72,096	46. 21,628.16. 0	93,724.16. 0
Dec. 31	1,369,824	—	47. 20,547. 7. 2	20,547, 7. 2
1960 June 30	£1,369,824	20. £ 72,096	48. £ 20,547. 7. 2	£ 92,643. 7. 2
Dec. 31	1,297,728	—	49. 19,465.18. 5	19,465.18. 5
1961 June 30	1,297,728	21. 72,096	50. 19,465.18. 5	91.561,18. 5
Dec. 31	1,225,632	—	51. 18,384. 9. 7	18,384. 9. 7
1962 June 30	1,225,632	22. 72,096	52. 18,384. 9. 7	90,480. 9. 7
Dec. 31	1,153,536	—	53. 17,303. 0.10	17,303, 0,10
1963 June 30	£1.153,536	23. £ 72,096	54. £ 17,303. 0.10	£ 89,399. 0.10
Dec. 31	1,081,440	—	55. 16,221,12. 0	16,221.12. 0
1964 June 30	1.081,440	24. 72,096	56. 16,221.12. 0	88,317.12. 0
Dec. 31	1,009,344	—	57. 15,140, 3. 2	15,140. 3. 2
1965 June 30	1,009,344	25. 72,096	58. 15,140. 3. 2	87,236. 3. 2
Dec. 31	937,248	—	59. 14,058.14. 5	14,058.14. 5
1966 June 30	£ 937,248	26, £ 72,096	60. £ 14,058.14. 5	£ 86,154.14. 5
Dec. 31	865,152	—	61. 12,977. 5. 7	12,977. 5. 7
1967 June 30	865,152	27. 96,128	62. 12,977. 5. 7	109,105. 5. 7
Dec. 31	769,024	—	63. 11,535. 7. 2	11,535. 7. 2
1968 June 30	769,024	28. 96,128	64. 11,535. 7. 2	107,663. 7. 2
Dec. 31	672,896	—	65. 10,093. 8.10	10.093. 8.10
1969 June 30	£ 672,896	29. £ 96,129	66. £ 10.093. 8.10	£ 106,221. 8,10
Dec. 31	576,768	—	67. 8,651.10. 5	8,651.10. 5
1970 June 30	576,768	30. 96,128	68. 8,651.10. 5	104,779.10. 5
Dec. 31	480,640	—	69. 7,209.12. 0	7,209.12. 0
1971 June 30	480,640	31. 96,128	70. 7,209.12. 0	103,337,12. 0
Dec. 31	384,512	—	71. 5,767.13. 7	5,767.13. 7
1972 June 30	£ 384,512	32. £ 96,128	72. £ 5,767.13. 7	£ 101,895.13. 7
Dec. 31	288,384	—	73. 4,325,15. 2	4,325.15. 2
1973 June 30	288,384	33. 96,128	74. 4,325.15. 2	100,453.15. 2
Dec. 31	192,256	—	75. 2,883.16.10	2,883.16.10
1974 June 30	192,256	34. 96,128	76. 2,883.16.10	99,011.16.10
Dec. 31	96,128	—	77. 1,441,18. 5	1,441.18. 5
1975 June 30	96,128	35. 96,128	78. 1,441.18. 5	97.569.18. 5
		£2,403,200	£1,668,361.10. 8	£4,071,561.10. 8

TABLE 54. AMORTIZATION TABLE OF HUKUANG RAILWAY LOAN OF 1911 UNDER AGREEMENT OF 1937

Years	*Year*	*Month*	*Day*	*Principal Outstanding*	*Principal Repayment*	*Interest Payment*	*Scrips*	*Total**
1	1937	June	15	£5,656,000		£141,400		£141,400.0.0
2	1938	June	15	5,656,000		141,400		141,400.0.0
3	1939	June	15	5,656,000		141,400		141,400.0.0
	1939	December ..	15	5,656,000		141,400		141,400.0.0
4	1940	June	15	5,656,000		141,400		141,400.0.0
	1940	December ..	15	5,656,000		141,400		141,400.0.0
5	1941	June	15	5,656,000	13,000	141,400		154,400.0.0
	1941	December ..	15	5,643,000		141,075		141,075.0.0
6	1942	June	15	5,643,000	13,000	141,075	£10,467.4.0	164,542.4.0
	1942	December ..	15	5,630,000		140,750		140,750.0.0
7	1943	June	15	5,630,000	13,000	140,750	11,000.0.0	164,750.0.0
	1943	December ..	15	5,617,000		140,425		140,425.0.0
8	1944	June	15	5,617,000	20,000	140,425	11,000.0.0	171,425.0.0
	1944	December ..	15	5,597,000		139,925		139,925.0.0
9	1945	June	15	5,597,000	28,000	139,925	22,000.0.0	189,925.0.0
	1945	December ..	15	5,569,000		139,225		139,225.0.0
10	1946	June	15	5,569,000	36,000	139,225	22,000.0.0	197,225.0.0
	1946	December ..	15	5,533,000		138,325		138,325.0.0
11	1947	June	15	5,533,000	44,000	138,325	22,000.0.0	204,325.0.0
	1947	December ..	15	5,489,000		137,225		137,225.0.0
12	1948	June	15	5,489,000	52,000	137,225	22,000.0.0	211,225.0.0
	1948	December ..	15	5,437,000		135,925		135,925.0.0
13	1949	June	15	5,437,000	62,000	135,925	22,000.0.0	219,925.0.0
	1949	December ..	15	5,375,000		134,375		134,375.0.0
14	1950	June	15	5,375,000	70,000	134,375	22,000.0.0	226,375.0.0
	1950	December ..	15	5,305,000		132,625		132,625.0.0
15	1951	June	15	5,305,000	80,000	132,625	22,000.0.0	234,625.0.0
	1951	December ..	15	5,225,000		130,625		130,625.0.0
16	1952	June	15	5,225,000	90,000	130,625	22,000.0.0	242,625.0.0
	1952	December ..	15	5,135,000		128,375		128,375.0.0
17	1953	June	15	5,135,000	102,000	128,375	22,000.0.0	252,375.0.0
	1953	December ..	15	5,033,000		125,825		125,825.0.0
18	1954	June	15	5,033,000	114,000	125,825	22,000.0.0	261,825.0.0
	1954	December ..	15	4,919,000		122,975		122,975.0.0
19	1955	June	15	4,919,000	126,000	122,975	22,000.0.0	270,975.0.0
	1955	December ..	15	4,793,000		119,825		119,825.0.0
20	1956	June	15	4,793,000	138,000	119,825	22,000.0.0	279,825.0.0

	1956	December ..	15	£4,655,000		£116,375		£116,375.0.0
21	1957	June	15	4,655,000	150,000	116,375	£22,000.0.0	288,375.0.0
	1957	December ..	15	4,505,000		112,625		112,625.0.0
22	1958	June	15	4,505,000	162,000	112,625	22,000.0.0	296,625.0.0
	1958	December ..	15	4,343,000		108,575		108,575.0.0
23	1959	June	15	4,343,000	172,000	108,575	33,200.0.0	313,775.0.0
	1959	December ..	15	4,171,000		104,275		104,275.0.0
24	1960	June	15	4,171,000	181,000	104,275	34,000.0.0	314,275.0.0
	1960	December ..	15	3,990,000		99,750		99,750.0.0
25	1961	June	15	3,990,000	200,000	99,750	34,000.0.0	333,750.0.0
	1961	December ..	15	3,790,000		94,750		94,750.0.0
26	1962	June	15	3,790,000	250,000	94,750		344,750.0.0
	1962	December ..	15	3,540,000		88,500		88,500.0.0
27	1963	June	15	3,540,000	250,000	88,500		338,500.0.0
	1963	December ..	15	3,290,000		82,250		82,250.0.0
28	1964	June	15	3,290,000	250,000	82,250		332,250.0.0
	1964	December ..	15	3,040,000		76,000		76,000.0.0
29	1965	June	15	3,040,000	270,000	76,000		346.000.0.0
	1965	December ..	15	2,770,000		69,250		69,250.0.0
30	1966	June	15	2,770,000	270,000	69,250		339,250.0.0
	1966	December ..	15	2,500,000		62,500		62,500.0.0
31	1967	June	15	2,500,000	270,000	62,500		332,500.0.0
	1967	December ..	15	2,230,000		55,750		55,750.0.0
32	1968	June	15	2,230,000	270,000	55,750		325,750.0.0
	1968	December ..	15	1,960,000		49,000		49,000.0.0
33	1969	June	15	1,960,000	280,000	49,000		329,000.0.0
	1969	December ..	15	1,680,000		42,000		42,000.0.0
34	1970	June	15	1,680,000	280,000	42,000		322,000.0.0
	1970	December ..	15	1,400,000		35,000		35,000.0.0
35	1971	June	15	1,400,000	280,000	35,000		315,000.0.0
	1971	December ..	15	1,120,000		28,000		28,000.0.0
36	1972	June	15	1,120,000	280,000	28,000		308,000.0.0
	1972	December ..	15	840,000		21,000		21,000.0.0
37	1973	June	15	840,000	280,000	21,000		301,000.0.0
	1973	December ..	15	560,000		14,000		14,000.0.0
38	1974	June	15	560,000	280,000	14,000		294,000.0.0
	1974	December ..	15	280,000		7,000		7,000.0.0
39	1975	June	15	280,000	280,000	7,000		287,000.0.0
TOTAL					£5,656,000	£7,538,000	£441,667.4.0	£13,635,667.4.0

* Not including commission and additional commission payable.

TABLE 55. AMORTIZATION TABLE OF TREASURY NOTES OF 1919 CHICAGO BANK LOAN UNDER AGREEMENT OF 1937

Date	*Principal Outstanding*	*Principal Repayment*	*Interest Payment*	*Payment of Scrip*	*Total Payment*
1937 May 1	G$5,500,000	—	68,750	—	68,750
1937 Nov. 1	5,500,000	—	68,750	—	68,750
1938 May 1	5,500,000	—	68,750	—	68,750
1938 Nov. 1	5,500,000	—	68,750	—	68,750
1939 May 1	5,500,000	—	68,750	—	68,750
1939 Nov. 1	5,500,000	—	68,750	—	68,750
1940 May 1	5,500,000	—	137,500	—	137,500
1940 Nov. 1	5,500,000	—	137,500	—	137,500
1941 May 1	5,500,000	—	137,500	—	137,500
1941 Nov. 1	5,500,000	—	137,500	—	137,500
1942 May 1	5,500,000	—	137,500	—	137,500
1942 Nov. 1	5,500,000	275,000	137,500	55,275	467,775
1943 May 1	5,225,000	—	130,625	—	130,625
1943 Nov. 1	5,225,000	275,000	130,625	55,275	460,900
1944 May 1	4,950,000	—	123,750	—	123,750
1944 Nov. 1	4,950,000	330,000	123,750	66,330	520,080
1945 May 1	4,620,000	—	115,500	—	115,500
1945 Nov. 1	4,620,000	330,000	115,500	66,330	511,830
1946 May 1	4,290,000	—	107,250	—	107,250
1946 Nov. 1	4,290,000	385,000	107,250	77,385	569,635
1947 May 1	3,905,000	—	97,625	—	97,625
1947 Nov. 1	3,905,000	385,000	97,625	77,385	560,010
1948 May 1	3,520,000	—	88,000	—	88,000
1948 Nov. 1	3,520,000	440,000	88,000	88,440	614,440
1949 May 1	3,080,000	—	77,000	—	77,000
1949 Nov. 1	3,080,000	440,000	77,000	88,440	605,440
1950 May 1	2,640,000	—	66,000	—	66,000
1950 Nov. 1	2,640,000	495,000	66,000	99,495	660,495
1951 May 1	2,145,000	—	53,625	—	53,625
1951 Nov. 1	2,145,000	495,000	53,625	99,495	648,120
1952 May 1	1,650,000	—	41,250	—	41,250
1952 Nov. 1	1,650,000	550,000	41,250	110,550	701,800
1953 May 1	1,100,000	—	27,500	—	27,500
1953 Nov. 1	1,100,000	550,000	27,500	110,550	688,050
1954 May 1	550,000	—	13,750	—	13,750
1954 Nov. 1	550,000	550,000	13,750	110,550	674,300
TOTAL	—	5,500,000	3,121,250	1,105,500	9,726,750

TABLE 56. ESTIMATED EXPENSES FOR LOAN AND INDEMNITY DURING THE 26TH FISCAL YEAR

*(July, 1937–June, 1938)**

I. Sinking Fund for Internal Loans		$142,207,410
1. 17th Year Long Term Currency Loan	$ 3,150,000	
2. Haiho Loan (Hopei)	467,200	
3. 25th Year Consolidated Loan	102,387,500	
4. 25th Year Recovery Loan	23,477,000	
5. First Issue Railway Construction Loan	1,974,966†	
6. Second Issue Railway Construction Loan	3,925,050†	
7. Third Issue Railway Construction Loan	5,090,850†	
8. Nanking-Kiangsi Railway Construction Loan	1,236,344†	
9. Revolutionary Loans, Conversion Bonds	498,500	
II. Sinking Fund for Foreign Loans		65,849,524
1. Anglo-German Second Loan	14,198,944	
2. Reorganization Loan	25,430,691	
3. Crisp Loan	7,772,230	
4. Anglo-French Loan	4,536,875	
5. Hukuang Railway Loan (Interest only)	2,403,800	
6. Marconi-Vicker's Loan (Interest only)	714,952	
7. The American Cotton and Wheat Loan	10,310,782	
8. Chicago Bank Loan (Interest only)	481,250	
III. Boxer Indemnity		39,604,736
1. British Share	10,140,182	
2. American Share	6,719,885	
3. Japanese Share	6,696,250	
4. French Share	14,100,786	
5. Belgian Share	1,687,908	
6. Portuguese Share	18,480	
7. Spanish Share	7,973	
8. Dutch Share	220,688	
9. Swedish and Norwegian Shares	12,584	
IV. Other Loans		65,225,790
1. Loans from Sino-French Savings Society, etc.	1,200,000	
2. Sino-French Industrial Loan	168,000	
3. Sino-French Educational Commission Gold Loan	55,650	
4. Sino-French University Loans Additional Interest Payments	150,000	
5. Hwangho Flood Relief Loan from the Sino-British Boxer Indemnity Commission	43,700	
6. Repayment of Advance, Mausoleum Commission	396,000	
7. China Finance Corporation Loan	61,500,000	
8. Hwa-ning Mining Co. non-interest Bearing Notes	188,000	
9. "An Lee" Company non-interest Bearing Treasury Notes	120,000	
10. 8th Year Hankow Paper Mill Loan	180,000	
11. Repayment of the Fourth Route Army loan	1,200,000	
12. Tientsin Merchandise Testing Bureau Loan	24,440	
V. Commissions on Principal and Interest		304,794
1. Commissions on Domestic Loans	126,449	
2. Commissions on Foreign Loans	178,345	
VI. Special Sinking Fund for Readjustment of International and External Loans		5,000,000
VII. First Reserve Fund		6,501,500
TOTAL		$324,693,754

* According to the National Budget, 1937-1938, Official Gazette, National Government, July 3, 1937. Figures represent both capital and interest payments, obligations in foreign currencies being converted into Chinese dollars.

† Including commission charges.

TABLE 57. QUOTATIONS OF CHINESE GOVERNMENT BONDS IN LONDON (1924–1937)

	4.5% 1898 British Isles			*4.5% 1908*			*5% 1912 Crisp Loan*		
Face Value	*£ 100*			*£ 100*			*£ 100*		
	High	*Low*	*Av.*	*High*	*Low*	*Av.*	*High*	*Low*	*Av.*
1924	81.50	75.00	—	—	—	—	71.38	63.25	—
1925	84.75	70.00	—	79.50	65.50	—	73.50	66.00	—
1926	77.19	53.00	—	69.25	55.50	—	69.50	59.00	—
1927	75.00	51.40	—	48.00	35.50	—	48.75	31.00	—
1928	80.75	66.00	—	62.25	36.00	—	55.00	39.50	—
1929	80.50	74.50	—	61.75	45.00	—	45.00	42.50	—
1930	89.00	77.50	83.14	65.50	42.50	54.41	54.50	28.00	44.32
1931	90,50	72.00	85.37	70.00	46.00	61.26	52.00	33.50	43.71
1932	98.50	77.00	89.54	76.00	50.50	62.40	47.50	33.00	40.00
1933	102.50	94.00	99.32	91.00	60.00	79.55	66.00	37.00	52.74
1934	103.25	100.75	101.62	99.00	89.00	93.92	86.50	61.00	72.84
1935	105.00	100.00	102.09	100.00	96.00	98.41	90.25	71.50	81.92
1936	104.00	95.25	101.68	101.00	93.50	98.48	84.00	67.00	78.64
1936									
July	103.00	100.00	101.84	100.00	96.00	97.87	78.50	72.00	74.75
Aug.	103.25	103.00	103.14	100.00	99.50	99.80	84.00	77.50	80.83
Sept.	101.25	99.50	100.89	101.00	100.00	100.57	82.75	78.50	81.75
Oct.	101.25	99.50	100.78	100.50	98.50	99.82	80.00	76.50	79.20
Nov.	101.50	101.00	101.25	99.75	99.50	99.68	80.00	79.00	79.57
Dec.	102.00	101.00	101.35	100.00	99.50	99.91	82.75	77.50	79.97
1937									
Jan.	102.50	102.00	102.26	100.50	100.00	100.05	86.50	82.00	83.43
Feb.	104.00	102.50	103.16	100.75	99.50	100.19	91.25	86.50	88.21
March	102.50	102.50	102.50	100.50	100.50	100.50	94.30	90.50	92.82
April	102.50	102.50	102.50	100.50	99.50	99.64	90.50	89.50	90.18
May	103.00	102.50	102.75	99.50	99.50	99.50	91.75	89.00	90.38
June	103.00	102.50	102.75	100.00	99.50	99.75	94.25	93.00	93.63

TABLE 57. QUOTATIONS OF CHINESE GOVERNMENT BONDS IN LONDON (Continued)
(1924–1937)

Face Value	*Hukuang Ry. 5% 1911 London*			*Lung-Hai Ry. 1913*			*Canton-Kowloon Ry. 5%*		
	£100			*£100*			*£100*		
	High	*Low*	*Av.*	*High*	*Low*	*Av.*	*High*	*Low*	*Av.*
1924	58.83	45.00	—	—	—	—	—	—	—
1925	55.25	41.75	—	34.50	17.64	—	—	—	—
1926	52.50	42.75	—	40.00	26.13	—	—	—	—
1927	31.50	22.00	—	20.88	13.75	—	—	—	—
1928	42.00	25.13	—	34.00	18.75	—	—	—	—
1929	47.50	23.38	—	41.00	16.00	—	—	—	—
1930	35.50	20.00	—	29.00	10.00	—	—	—	—
1931	31.50	10.20	—	20.75	5.00	—	—	—	—
1932	26.30	11.16	—	19.00	5.00	—	—	—	—
1933	35.00	18.24	—	15.19	8.25	11.72	—	—	—
1934	47.00	28.50	—	19.00	11.00	16.09	—	—	—
1935	49.50	35.00	—	19.32	11.50	16.23	—	—	—
1936	56.00	44.00	50.61	36.00	16.00	28.05	42.25	32.50	38.29
1936									
July	51.50	44.00	46.89	32.00	28.50	29.98	—	—	—
Aug.	54.75	51.00	52.58	32.00	29.50	30.78	42.25	32.50	35.70
Sept.	56.00	53.50	54.60	30.50	28.00	29.38	40.00	36.50	39.38
Oct.	54.00	51.50	52.68	28.50	27.00	28.07	39.00	34.50	37.80
Nov.	51.50	50.50	51.31	28.25	28.00	28.04	40.50	37.50	39.21
Dec.	55.75	51.50	53.77	31.00	28.50	29.65	41.00	38.00	39.34
1937									
Jan.	59.50	55.00	57.11	35.00	31.75	32.69	44.50	41.00	42.50
Feb.	66.25	59.50	63.68	37.50	34.75	36.18	50.50	45.00	47.53
March	71.25	66.50	69.65	42.00	37.75	40.88	58.00	52.50	56.02
April	71.00	66.63	70.47	41.50	39.50	41.15	56.00	53.00	54.75
May	72.50	68.50	70.50	41.50	39.50	40.50	55.00	52.50	53.75
June	75.50	72.50	74.00	46.00	41.25	43.63	57.00	53.50	55.25

TABLE 57. QUOTATIONS OF CHINESE GOVERNMENT BONDS IN LONDON (Continued)
(1924–1937)

Face value	T. P. Rly. 5% Ger.			T. P. Rly. 4% Ger. (Supl. Loan)			Honan Rly. 5% 1905		
	£100			£100			£100		
	High	Low	Ave.	High	Low	Ave.	High	Low	Ave.
1924	—	—	—	—	—	—	80.00	68.00	—
1925	—	—	—	—	—	—	76.50	64.50	—
1926	—	—	—	—	—	—	76.00	32.00	—
1927	—	—	—	—	—	—	35.50	23.00	—
1928	—	—	—	—	—	—	39.75	22.00	—
1929	—	—	—	—	—	—	37.00	18.00	—
1930	—	—	—	—	—	—	28.00	22.50	—
1931	—	—	—	—	—	—	24.00	8.00	—
1932	—	—	—	—	—	—	13.00	5.00	—
1933	—	—	—	—	—	—	20.00	5.00	10.17
1934	—	—	—	—	—	—	32.00	20.00	28.01
1935	—	—	—	—	—	—	35.75	24.00	29.02
1936	55.00	40.00	47.45	55.00	40.00	47.25	74.25	28.00	52.29
1936									
July	48.00	42.00	44.48	47.00	42.00	44.09	59.50	52.00	55.43
Aug.	48.50	46.00	47.28	48.50	46.00	47.15	68.00	59.50	63.50
Sept.	49.00	48.00	48.39	49.00	48.00	48.39	66.00	62.50	64.36
Oct.	48.00	46.00	47.70	48.00	41.00	47.61	66.50	61.00	63.86
Nov.	55.00	50.50	52.32	55.00	50.50	52.27	72.75	66.50	70.40
Dec.	50.00	48.00	49.40	50.50	48.00	49.40	74.25	71.00	72.70
1937									
Jan.	59.00	56.00	57.65	59.00	56.00	57.65	74.50	72.00	73.18
Feb.	64.00	59.00	61.95	64.00	59.00	61.95	80.00	75.50	77.33
Mar.	70.50	64.50	68.81	70.50	64.50	68.83	88.00	81.00	86.27
Apr.	69.50	68.00	68.95	69.50	68.00	68.95	87.00	85.00	86.05
May	69.50	68.00	68.75	69.50	68.00	68.75	86.50	85.00	85.75
June	74.50	69.50	72.00	74.50	69.50	72.00	87.50	86.50	87.00

TABLE 57. QUOTATIONS OF CHINESE GOVERNMENT BONDS IN LONDON (1924–1937) (Continued)

Face value	Gold Bonds 5% 1925			S. N. Rly. 5% 1903			T. P. Rly. 5% 1908 Brit.			T. P. Rly. 1910 Brit. 5% (Supl. Loan)			Reorg. 1913 5% (London Is)		
	£100			£100			£100			£100			U. S. $500		
	High	Low	Ave.	High	Low	Ave.	High	Low	Ave.	High	Low	Ave.	High	Low	Ave.
	£			£			£			£			£		
1924	—	—	—	75.00	61.50	—	68.88	55.00	—	65.63	54.50	—	—	—	—
1925	—	—	—	68.50	54.50	—	56.88	52.00	—	51.50	50.00	—	—	—	—
1926	—	—	—	60.50	53.25	—	52.00	39.50	—	44.00	33.00	—	72.50	51.00	—
1927	—	—	—	48.25	34.00	—	33.00	18.00	—	30.00	18.00	—	58.25	43.25	—
1928	—	—	—	67.50	38.25	—	40.00	22.50	—	37.50	17.50	—	69.25	52.25	—
1929 ..	—	—	—	67.25	58.00	—	43.75	18.50	—	38.50	11.50	—	69.50	59.50	—
1930 ..	81.00	67.50	72.74	63.00	42.00	57.07	30.35	10.20	21.26	26.30	10.20	18.23	69.50	55.00	62.69
1931 ..	92.25	75.00	80.29	60.00	33.38	46.35	30.35	5.10	17.22	24.29	5.15	15.21	70.50	59.00	65.15
1932 ..	110.50	77.50	91.94	43.48	27.50	35.49	27.32	5.10	12.18	25.30	5.10	10.17	78.50	53.50	64.21
1933 ..	108.75	77.50	93.06	55.00	30.35	41.27	27.32	12.22	18.25	23.28	12.17	16.23	90.75	69.00	82.88
1934 ..	98.25	80.00	89.84	80.50	55.00	67.92	38.42	20.25	33.08	28.50	17.22	24.90	99.75	88.25	94.51
1935 ..	101.25	90.00	95.30	86.75	65.00	76.63	36.00	22.00	29.56	32.00	20.00	26.16	99.75	86.00	93.89
1936 ..	101.00	88.50	95.47	79.00	65.50	73.04	55.00	32.00	46.39	55.00	31.00	45.19	95.50	81.50	91.16
1936															
July	96.00	91.25	93.67	75.00	69.00	71.13	49.50	42.00	44.85	47.50	41.00	44.02	90.50	85.00	87.79
August	96.50	94.75	95.95	79.00	74.00	76.30	50.00	48.00	48.60	49.00	47.50	47.75	93.75	89.50	91.73
September	95.75	93.00	94.83	78.50	75.50	77.82	50.00	48.00	49.45	48.50	47.00	47.93	93.50	89.75	91.95
October..	98.00	94.00	96.48	76.00	74.00	75.32	49.00	46.00	48.32	48.00	46.00	47.84	92.50	88.50	91.03
November	98.25	97.50	97.81	76.50	75.00	76.10	52.00	49.00	50.63	51.50	48.00	49.94	92.75	92.00	92.30
December	101.00	97.50	98.67	76.50	72.50	74.22	55.00	52.00	53.95	55.00	51.00	52.72	95.50	92.00	93.61
1937															
January ..	101.75	99.00	100.38	79.50	75.00	77.04	60.00	56.00	58.35	59.00	56.00	57.73	95.25	94.00	94.59
February	101.50	99.25	100.14	85.50	79.50	82.51	66.00	60.00	63.90	64.50	59.00	62.05	96.50	95.00	95.44
March	101.75	101.00	101.35	90.00	86.25	88.54	71.50	66.00	69.81	71.00	65.00	69.02	97.00	96.00	96.58
April	102.00	101.25	101.84	88.00	87.00	87.82	69.50	68.50	69.23	69.50	68.50	69.23	98.00	96.25	97.16
May	104.00	102.00	103.00	89.50	72.50	84.00	72.50	70.50	71.50	69.50	67.00	68.25	100.50	97.50	99.00
June	104.50	104.00	104.25	90.50	88.50	89.50	74.50	73.00	73.75	74.50	69.50	72.00	101.50	100.75	101.13

TABLE 58. QUOTATIONS OF CHINESE DOMESTIC BONDS MARCH 1936, TO JUNE, 1937

	96 Million Loan		*17th Year Long Term Currency Loan*		*Consolidation Loan A*		*Consolidation Loan B*		*Consolidation Loan C*		*Consolidation Loan D*		*Consolidation Loan E*	
	High	*Low*	*High*	*Low*	*High*	*Low*	*High*	*Low*	*High*	*Low*	*High*	*Low*	*High*	*Low*
1936														
March Near	12.60	10.30	51.80	50.50	66.50	65.00	65.50	62.85	62.15	61.30	62.65	61.50	62.05	61.15
Forward	11.60	10.35	50.60	50.00	66.90	64.80	65.45	62.50	64.40	61.50	65.70	61.70	63.90	61.10
April Near	10.55	9.85	51.90	50.50	68.40	64.60	66.10	62.10	64.55	60.30	64.80	60.00	64.00	59.80
Forward	10.85	10.00	52.40	—	68.40	64.20	66.50	61.85	64.85	60.65	65.10	60.30	63.95	59.95
May Near	10.60	9.10	52.00	51.50	69.20	67.25	66.50	64.60	64.50	62.50	64.90	62.85	63.65	61.85
Forward	10.70	9.35	—	—	69.00	67.20	66.80	65.10	64.80	62.55	65.30	62.70	64.00	62.00
June Near	9.50	7.50	51.00	—	67.75	63.80	64.95	61.15	62.75	57.70	63.10	57.60	62.40	57.35
Forward	9.55	7.70	—	—	67.35	61.20	64.90	58.20	62.70	55.15	62.80	54.80	62.15	54.15
July Near	9.65	8.40	53.00	50.50	64.00	58.70	64.65	58.50	71.00	64.75	67.10	61.65	63.90	58.35
Forward	9.65	8.50	—	—	62.35	56.00	62.60	55.60	69.35	61.70	65.95	58.85	61.65	55.50
August Near	10.25	9.00	53.70	52.70	69.35	66.80	65.90	62.85	61.95	59.85	62.25	60.30	61.40	59.40
Forward	10.25	9.00	—	—	69.20	66.80	65.60	62.80	62.00	59.80	62.20	60.35	61.40	59.40
September Near	10.15	9.25	53.70	53.20	69.00	67.50	65.35	62.70	61.85	59.40	62.10	60.80	61.10	58.40
Forward	10.30	9.35	—	—	68.70	67.05	65.35	62.65	61.90	59.25	62.00	60.00	61.15	58.90
October Near	9.65	8.25	53.50	51.00	68.70	65.20	64.30	60.40	60.90	57.20	62.00	57.70	60.65	56.45
Forward	9.75	8.35	—	—	68.75	65.00	64.20	60.45	61.20	56.95	61.80	57.40	60.75	56.30
November Near	9.85	8.85	56.00	54.50	71.80	68.50	66.30	63.45	63.30	60.45	64.50	61.20	63.70	60.15
Forward	9.95	8.95	—	—	73.65	68.70	66.60	63.75	63.50	60.70	64.65	61.15	63.65	60.35
December Near	9.00	6.00	60.00	56.00	73.60	69.00	66.20	61.50	62.90	58.50	64.10	59.50	62.70	58.30
Forward	9.50	7.00	—	—	76.25	69.00	67.35	61.50	64.00	58.50	65.70	59.50	63.80	58.50
1937														
January Near	9.55	8.50	57.00	57.00	76.05	73.70	68.50	66.20	65.10	63.05	65.60	64.00	64.95	62.80
Forward	9.70	9.00	59.00	57.80	73.15	70.85	66.25	63.80	63.95	60.60	63.95	61.45	63.40	60.35
February Near	9.50	9.10	60.80	58.20	75.05	72.25	69.30	65.75	68.00	63.30	67.40	63.05	66.90	62.75
Forward	9.65	9.15	—	—	75.25	72.50	69.40	66.00	67.35	63.70	67.65	63.40	66.55	62.90
March Near	10.80	9.15	65.00	62.00	76.50	73.15	72.90	67.90	71.70	66.15	73.30	66.00	70.95	65.35
Forward	12.50	9.20	64.00	63.80	79.15	73.50	74.80	68.10	72.20	66.25	72.90	66.20	72.00	65.70
April Near	15.80	11.15	64.00	63.00	79.45	76.45	75.65	72.25	73.60	70.05	73.75	70.45	72.50	69.60
Forward	15.70	11.30	64.90	64.00	79.80	77.10	76.25	72.65	74.00	70.50	74.00	70.50	73.00	70.10
May Near	16.00	14.30	64.80	64.50	79.45	78.05	75.80	74.50	73.90	72.55	73.70	72.15	72.85	71.40
Forward	16.00	13.60	—	—	80.45	78.70	76.60	75.20	74.70	73.10	74.50	72.60	73.45	71.95
June Near	17.60	14.35	70.00	65.00	87.00	80.30	83.20	76.40	81.95	74.40	81.80	73.85	82.00	73.25
Forward	17.50	14.60	70.50	69.90	88.75	80.85	86.60	76.95	84.80	75.00	83.30	74.40	82.80	73.85

TABLE 59. INDEX NUMBERS OF DOMESTIC BONDS IN SHANGHAI

Base	*10% interest=100**	*End of July,* 1931=*100*†	
	Average	*Highest*	*Lowest*
1928..	69.64		
1929..	80.98		
1930..	68.03		
1931..	62.88	106.81	54.70
1932.. ..	49.05‡	77.68	49.48
1933..	71.39	92.86	58.66
1934.. ..	96.82	109.80	80.05
1935..	92.43	110.44	86.08
1936.. ..	—	106.55	81.52
1936..			
June..	101.80	90.29	81.52
July..	103.03	93.09	85.49
August	106.71	90.23	87.50
September ..	105.59	89.94	85.91
October	102.86	89.12	84.14
November ..	105.80	93.05	88.65
December	105.72	94.83	86.59
1937..			
January	109.66	95.17	90.92
February..	114.20	97.36	92.50
March	117.43	103.16	95.29
April	124.49	103.58	100.30
May..	125.28	104.76	101.85
June	137.41	116.09	104.13

* Compiled by Sinhua Trust and Savings Bank.
† Compiled by Swan, Culbertson, & Fritz.
‡ The average of January and May-December, 1932.

*TABLE 60. RAILWAY LOANS GRANTED TO THE MINISTRY OF RAILWAYS BY THE TRUSTEES OF THE BRITISH BOXER INDEMNITY FUND**

Particulars	*Balance of the Loans Outstd. on June 30, 1937*
Nanking-Pukow Train Ferry	—
Surveying Expenses, Chuchow-Shaokwan Section of Canton-Hankow Railway	$ 176,000.00
Engineering Expenses, Shao-Lo Section, Canton-Hankow Railway	427,392.19
Consolidation Contract for Completion of Canton-Hankow Railway (Item 3)	—
Consolidation Contract for Completion of Canton-Hankow Railway (Item 4)	11,149,500.00
Consolidation Contract for Completion of Canton -Hankow Railway (Item 5)	9,224,000.00
Chu-Shao Section of Canton -Hankow Railway	456,085.60
Hunan-Hupeh Section of Canton-Hankow Railway (I)	1,745,063.22
Kiaochow-Tsinan Railway	355,559.95
Tientsin-Pukow Railway	2,850,000.00
Peiping-Mukden Railway	1,883,753.37
Hangchow-Kiangshan Railway	3,214,406.70
Consolidation Contract for Completion of Canton-Hankow Railway (Items 1 and 2)	£ 1,494,492-19- 4 (Ending Mar. 1937)
Canton-Shaokwan Section, Canton-Hankow Railway	$ 1,532,030.92
Hunan-Hupeh Section, Canton-Hankow Railway (Uncompl.) (II)	£ 57,250-17- 5 (Ending Mar. 1937)
Hunan-Hupeh Section, Canton-Hankow Railway (III)	$ 1,729,661.70
Hsuchen-Kweichi Section, Nanking-Kiangsi Railway	£ 10,341- 1- 8 (Ending Mar. 1937)
Hsuchen-Kweichi Section, Nanking-Kiangsi Railway (Loan Item No. 2)	$ 207,387.30
Supplementary Contract for Canton Hankow Rly. (Loan Item No. 4)	1,436,000.00
Canton Hankow Railway, A (Uncompleted)	£ 61,751-13- 5 (Ending Mar. 1937)
Canton Hankow Railway, B	$ 2,487,330.36
Tsishuyen Repair Workshop	600,000.00
Tsishuyen Repair Workshop (Material Loan)	£ 117,344- 9-10 (Ending Mar. 1937)

* Figures supplied by courtesy of British Boxer Indemnity Board.

TABLE 61. CREDITS GRANTED FOR RAILWAY CONSTRUCTION *

Yushan-Nanchang Railway Loan, granted in 1934 by Otto Wolff, Koeln, for railway materials, and by a Chinese Banking Syndicate headed by Bank of China, for cost of construction†.	$16,000,000	As security the lenders hold $12,000,000 of 6% 23rd year Railway Reconstruction and $12,000,000 of Yushan-Pinghsing Railway Loan cited above.
Nanchang-Pinghsiang Railway of 1936, granted by a Chinese Banking Syndicate headed by Bank of China, for cost of construction, and Otto Wolff, Koeln, for supply of material.	$20,000,000	This credit is secured by $27,000,000 Second-term Railway Construction Bonds of 1936.
Hangchow-Yushan Railway Line, for replacing light rails. Credit granted by Witcovice Iron and Steel Works in November, 1936.	C. G. U. 2,331,000	Redeemable within seven years. First instalment due end of February, 1937, next one December, 1937, thereafter half-yearly. Connected with the advance for $2,800,000, granted by Chinese banks.
Paochi-Chengtu Railway (Shensi-Szechwan) 600 km., granted by the Societe de Chemins de Fer et de Tramways en Chine, in August, 1936, 6% interest.	Frs. Belge 450,000,000	Redeemable within seven years. Credit available in railway material only. Guaranteed by Ministry of Railways, and an important bank, subject to approval by the lenders. Besides a first charge on the net revenue of the new line and also on the revenues of the Lunghai and Pienlo Railways, ranking after the present bond-holders lines.
Chuchow (Hunan)-Kweiyang (Kweichow) Railway, 1,000 km. granted by a German Syndicate consisting of Ferrostaal, Krupp, Stahlunion and Otto Wolff, November, 1936, 6%.	$30,000,000	Redeemable through the Peiping-Hankow Railway Sinking Fund within 10 years. The new line, which will take three years to build, is a westward extension of the Nanchang Pinghsiang line and will connect Kweiyang with the Canton-Hankow line.

Huang-Ho Bridge Loan (on Peking-Hankow Line), granted by the same syndicate of German industrialists in November, 1936, 6% interest.	$10,000,000	Redeemable within 12 years through the Peiping-Hankow Railway Sinking Fund.
Chengtu-Chungking Railway, granted by a syndicate headed by the Banque Franco Chinoise in December, 1936, interest 7%. Sinking fund to be created by diverting the annual appropriation of $6,200,000 to be made by the Ministry of Railways from 1937 to 1946 to meet the service of the Canton-Hankow Construction Loan (Sino-British Boxer Indemnity Fund). In addition $2,000,000 to be set aside annually from the revenue of the Hsuancheng-Kweichi section of the line between 1939 and 1946.	$34,500,000	Construction to be started in February, 1937, and to be finished in August, 1939. The line is being constructed by the "Chuan Chien Railway (Special Charter) Co., Ltd." which has a capital of $20,000,000, supplied to the extent of $4,500,000 each by the Ministry of Railways and Szechwan Province, and to the extent of $11,000,000 by the China Development Finance Corporation. The French group is to supply material for $27,500,000 and $7,000,000 in cash for construction. Security: the railway's revenues and the guarantee of the Ministry of Railways; also $10,000,000 Third-term Railway Construction bonds out of the $120,000,000 railway loan. Duration 15 years.
Nanking-Kiangsi Railway (1937) Hsuancheng-Kuichi Section.†	Local $14,000,000	Granted by a Chinese banking consortium at an interest rate of 10.8% per year. Repayable in 10 years, beginning 1937, in 20 semi-annual instalments, June 30 and December 31. Secured on $14,000,000 Nanking-Kiangsi bonds.

N. B.—In most cases the credits represent approximate amounts and their equivalent is to be supplied in the shape of material.

Another credit was granted by Material Technique for the extension of the Lunghai Railway, particulars, of which, however, are not made available.

† These items are merely counterparts of the two loans for $12,000,000 (23rd Year, 1st issue, of 6 per cent. Railway Reconstruction Loan) and $27,000,000 (Second-term Railway Construction 6 per cent. Bonds of 1936) and not separate engagements. They are mentioned here merely for record.

* Table compiled by E. Kann, and published in *Finance & Commerce* Magazine, July 7, 1937.

TABLE 62. THE RAILWAY LOANS OF CHINA AS OF JULY 1, 1937

By E. Kann

C. = Capital.
I. = Interest.

Under Care of Ministry of Railways.

Name of Loans	*Amount Issued*	*Interest payable*	*Balance outstg. on July 1, 1937*	*Redeemable in 1937*	*On June 30 Overdue and unpaid. Last payment made*	*Remarks*
†Imperial Chinese Railways 5% Gold Loan of 1899. (Peking-Mukden)	£2,300,000	Feb. 1 Aug. 1	£460,000	C. £57,500 I. £23,000	—	Redeemable in equal annual instalments of £57,500 ending August 1, 1944. Secured on properties and earnings of Peking-Mukden railway.
†Imperial Chinese Railways, Shanghai-Nanking Line, 5% of 1904 and 1907.	£2,900,000	June 1 Dec. 1	£2,784,000	C. £116,000 I. £139,200	C. £ 812,00 since June 1, 1929 £208,800 since 1/12/35 Coupon 63	Repayable by 25 annual equal instalments of £116,000 each, from December, 1929 to December, 1953. Secured on the properties and earnings of railway. Issued in 1904 £2,250,000. subscribers receiving one net-profit subcertificate to bearer for every bond allotted, conferring the right to participate in the net profits of the railway. A second issue of £650,000 was made in 1907.
‡Imperial Chinese Government Honan Railway 5% Gold Loan of 1905.	£800,000	Jan. 1 July 1	£475,500	C. £ 10,000 I. £ 12,392	—	Readjusted in May, 1936 on the following basis: repayable within 27 years, starting from July, 1936. Four-fifths of interest in arrears to be canceled. Non-interest bearing scrips to be issued for the remaining one-fifth, payable after the complete redemption of the original loan. Interest according to new arrangement, 2½% per annum for 1936–38; thereafter 5% per annum.

‡Honan Railway Loan (1936) Supplementary (From Scrip)	£49,570	—	£49,570	—	—	Representing scrip. For explanation see foregoing loan. Not calling for interest and beginning to be redeemable after 27 years.
*Imperial Chinese Government 5% Gold Loans of 1903 and 1907 (Pienlo Railway)	Frs. 41,000,000	Jan. 1 July 1	Frs. 23,500,000	I. Frs. 1,175,000	C. Frs, 23,500,000 I. Frs. 7,050,000 Coupon 52 since 1/6/31	Redeemable by drawings commencing in 1915 and terminating in 1935. Redemption started actually in 1920, seven instalments of Frs. 2,500,000 each having been paid. Secured on railway's properties and its earnings. Line from Kaifeng to Loyang.
†Imperial Chinese Railways 5% Canton - Kowloon Railway Loan of 1907	£1,500,000	June 1 Dec. 1	£1,106,500	C. £ 5,000 I. £ 27,787	—	Amortization, to begin on June 1, 1937, and principal to be repaid within a maximum period of 50 years. Interest from June 1, 1937 at the rate of 2½% per annum for the first 20 years, but if railway net earnings amount to over $200,000 a year, surplus to be used for increasing interest to a maximum of 5% and then for additional amortization. As from June 1, 1936, an annual loan service fund of $550,000 will be provided, of which $350,000 is to come from funds available to the Ministry and $200,000 from earnings. From June 1941 this fund is to be increased to $800,000 by the Ministry to be used for amortization of principal. (New arrangement made in August, 1936).
Canton-Kowloon Railway Loan of 1936 (Supplementary) (From Scrip)	£127,822	—	£127,822	—	—	Representing scrip. Not calling for interest and becoming redeemable after repayment of principal, i.e. after 50 years. This loan is one-fifth of interest in arrears; four-fifths canceled.

†Imperial Chinese Government 5% Tientsin-Pukow Railway Loan of 1908 and 1909.	British £1,850,000 German £3,150,000 £5,000,000	April 1 Oct. 1	British £1,156,250 German £2,442,740 £3,598,990	I. £ 84,031	—	Readjusted in February 1936; redemption of principal to start in 1940 and to be completed in about 40 years. Interest on British portion resumed on April 1, 1936, and on German part on October 1, 1936; 2½% per annum until 1938 and 5% thereafter. Four-fifths of interest in arrears to be waived and one-fifth to be converted into non-interest bearing scrip. Interest guaranteed by Customs, if revenue from railway insufficient.
†Imperial Chinese Government 5% Tientsin-Pukow Railway Supplementary Loan of 1910.	British £1,110,000 German £1,890,000 £3,000,000	May 1 Nov. 1	British 888,000 German £1,662,780 £2,550,780	I. £ 62,363	—	Terms exectly as the foregoing, except different dates for payment of coupons.
Additional issue of 5% Tientsin-Pukow Railway Loan, German Issue, 1910.	£1,134,000	—	£678,000	I. £ 16,950	—	The balance of the 1910 issue, amounting to £1,800,000, could no more be placed abroad because of the European War. The Deutsch Asiatische Bank was there fore asked to grant advances in 1910–1916, holding £1,134,000 unissued bonds as securtiy. In December, 1936, a final arrangement was made, the D. A. Bank accepting £900,000 as recognized debt obligation, secured partly by £678,000 bonds of the German 1910 issue of the Tientsin-Pukow Railway. These bonds are not to be issued to the public. The balance of bonds £456,000 was to be destroyed.
†Tientsin-Pukow Railway Loan of 1936 from Scrip (Re 1908 issue).	British £115,855 German £362,956 £478,811	No Interest	British £115,855 German £362,956 £478,811	—	—	Representing one-fifth of interest coupons in arrears, converted into a non-interest bearing loan, redeemable from 1941 within about 20 years.

†Tientsin-Pukow Railway Loan of 1936 from Scrip (Re 1910 issue)	British £193,240 German £240,961 £434,201	No Interest	British £193,240 German £240,961 £434,201	—	—	Remarks exactly as the foregoing.
Imperial Chinese Government 5% Railway Loan of 1911	Y.10,000,000	June 1 Dec. 1	Yen 10,000,000	I. Yen 500,000	C. Yen 10,000,000 from the start I. Y. 7,500,000 since 1/6/22	Redemption by 15 drawings from June 1, 1922 to 1935, Yen 660,000 yearly; final amortization on June 1, 1936 for Yen 760,000. Secured on the revenues of the Peking-Hankow Railway and further by tribute grain conversion tax of Kiangsu.
Imperial Chinese Government 5% Hukuang Railway Sinking Fund Gold Loan of 1911	£6,000,000	June 15 Dec. 15	£5,656,000	I. £141,000	—	Terms readjusted in April 1937: Interest in 1937/38 at 2½%; thereafter at 5% per annum. Interest payable from railway earnings, but guaranteed by salt revenue; from January 1, 1941 also guaranteed by Customs, subject to prior charges. Amortization to begin in 1931 and to be terminated in 1975, coming from railway earnings; if insufficient Ministry of Finance to make good. Interest in arrears at 1% per annum (until including 1938) to be capitalized by non-interest bearing scrip, redeemable beginning from 1942 over approximately 20 years).
5% Hukuang Railway Loan (1937) From Scrip.	£441,667	None	£441,667	—	—	Representing 20 %of interest in arrears. Repayable between 1942 and 1961.
*Chinese Republic Government 5% Gold Loan of 1913 (Lunghai Railway)	£4,000,000	Jan. 1 July 1	£4,000,000	1. £ 60,000	—	Readjustment made in August, 1936. Interest at 1½% for year commencing July 1, 1936, increasing annually by ½%, until 4% is reached in 1941/2 and to remain 4% until the end. For first five years interest paid annually; there after, half-yearly on January 1 and July 1. Redemption of principal to begin July 1, 1947 and to be completed at a ma-
*Chinese Government 3 % Treasury Notes of 1920 (Lunghai Railway)	Belgian Frs, 137,743,000	Jan. 1 July 1	Belgian Frs. 137,743,000	I. Belgian Frs. 2,066,145	—	

*Chinese Government 8% Treasury Notes of 1920 (Lunghai Railway)	Glds. 30,750,000	Jan. 1 July 1	Glds. 30,750,000	I. Glds. 461,250	—	ximum of 35 years. After repayment of outstanding balance of Pienlo Railway Loan this line to be embodied into the Lunghai Railway, so that earning then serving as additional security.
*Chinese Government 8% Treasury Notes of 1925 (Lunghai Railway)	Frs. 21,250,000	Jan. 1 July 1	Frs. 21,250,000	I. Frs. 318,750	—	
*Lunghai Railway, 8% Loan of 1925.	Local $5,000,000	Jan. 1 July 1	Local $5,000,000	I. $125,000	—	
8% Treasury Notes of the Republic of China 1922/23 for the Supply of Railway Material	£800,000	June 1 Dec. 1	£800,000	I. £ 64,000	C. £800,000 I. £736,000 C. from start I. since 15/4/25	Redeemable in 5 annual instalments of £160,000 each, from 1928–1932. Security: first charges on Paotou-chen-Ninghsia Railway, and besides available revenues of the Peking-Hankow Railway.
6% Treasury Notes of the Tsingtao - Tsinan Railway (of 1923)	Yen 40,000,000	June 30 Dec. 31	Yen 40,000,000	I. 2,400,000	—	Secured on the properties and revenues of the line from Tsingtao to Tsinan. Date of repayment, 1938.
‡Ching Meng Railway Loan, 5%, of 1920.	£120,742	June 30 Dec. 31	£100,616	C. £ 10,063	—	Readjusted in May, 1936 on the basis of 3% interest in arrears. Redeemable within 12 years in equal instalments, at £10,063 starting July, 1936. No further interest available.
‡Taoching Railway Loan for the Purchase of Rolling Stock, 7½% (of 1919).	£126,839	June 30 Dec. 31	£48,515	C. £ 4,852	—	Readjusted in May, 1936, redeemable within 12 years in equal instalments, at £4,852 commencing July 1936, without further interest.

†Shanghai-Fengching Railway Mortgage Redemption Loan of 1913, 6%.	£375,000	Feb. 20 Aug. 20	£262,500	I. £ 15,750	C. £300,000 I. £141,750 C. since 20/2/27 I. since 20/2/28	Advanced by British and Chinese Corporation to repay a loan for Y. 3,000,000 made by Okura & Co. to the Provisional Government at Nanking. Secured on surplus of Peking-Mukden line. Reedemable in 10 equal instalments of £37,500 each, ending in 1934.
†Chinese National Government 6% Shanghai-Hangchow-Ningpo Railway Completion Loan of 1936.	£1,100,000	June 15 Dec. 15	£1,100,000	I. £ 66,000	—	Secured on the revenues of the Shanghai-Hanchow-Ningpo Railway. Made for completing the Hangchow-Ningpo section and for repayment of existing advances. Repayment within 25 years starting 1941.
23rd Year 6% Yushan-Pinghsiang Railway Loan	Ch. $ 12,000,000	May 31 Nov. 30	Ch. $ 9,600,000	C. $ 1,200,000 I. $594,000	—	Redemption semi-annually: From 30/11/-35 to 31/5/39 $600,000, From 30/11/39 to 31/5/41 $840,000, From 30/11/41 to 31/5/43 $960,000 Secured on $1,-930,000 yearly salt tax from Kiangsi Province.
23rd Year first issue of the 6% Railway Reconstruction Loan	Ch. $ 12,000,000	June 30 Dec. 31	Ch. $ 8,250,000	C. $ 1,500,000 I. $517,500	—	Issued on January 1, 1934, secured on the surplus of all government railways. Redeemable within eight years, commencing June 30, 1935, by 16 half-yearly instalments @ $750,000. To serve as security, together with $12,000,000 Yushan-Pinghsiang Rail-Loan Bonds, for a loan of $8,000,000 given by a Chinese Banking Syndicate headed by the Bank of China, for cost of construction of the Yushan-Nanchang Railway, and for advances in the shape of material totaling $8,000,000 for building and equipping the Yushan-Nanchang Railway.

Second-term Railway Construction 6% bonds of 1936	Ch. $ 27,000,000	June 30 Dec. 31	Ch. $ 23,145,000	C. $ 2,570,000 I. $ 1,427,250	—	Issued on February 1, 1936 to serve as security for a loan of $10,000,000 given by 8 Chinese banks for the construction of the Nanchang-Pinghsiang Railway; headed by Bank of China and Otto Wolff, Koeln, as security for an advance in the shape of material, approximating $10 million in value. Redemption within 10½ years by semi-annual drawings. Secured on the surplus of all government railways.
Third-term Railway Construstion Bonds 6% of 1936	Ch. $ 40,000,000	Feb. 28 Aug. 31	Ch. $ 39,000,000	C. $ 2,000,000 I. $ 2,400,000	—	Part of Railway Reconstruction Loan of $120,000,000, meant for the Hunan-Kweichow, Szechwan-Kwangsi trunk lines and extension of other lines. Redeemable by 20 annual drawings of $2,000,000 each beginning in 1937, The bonds are to serve as security for a loan for $32,000,000, granted jointly to the extent of $8,000,000 by each of the three government banks and $8,000,000 together by the Four Banks Joint Syndicate.
Nanking-Kiangsi Railway Construction Loan, 6% of January 1, 1937	Ch. $ 14,000,000	June 30 Dec. 31	Ch. $ 14,000,000	I. $840,000	—	Granted by 8 Chinese Banks for construction of the Hsuancheng-Kweichi Section. Redeemable within 10 years.
26th Year Kwangtung Provincial Railway Reconstruction Loan, 6% of May 1, 1937	£2,700,000	April 30 Oct. 31	£2,700,000	I. £81,000	—	Redemption by 25 annual drawings starting 1942 and ending 1957. Secured on receipts from Canton-Meishien line; interest secured on increased salt revenue of Kwangtung province.

Advances to Railways (For Which Bonds Have Not Been Iseued)

Name of Loan	*Amount issued*	*Amount outstanding*	*Amount overdue*	*Remarks*
†Pukow-Sinyang Railway, 6% of 1913	£198,792	£198,792	I. £238,252 since 31/10/24	No specific security. 7% interest charged on arrears. To be repaid from loan funds when issued.
†Pukow-Sinyang Railway, 7% of 1916	£8,464	£8,464	I. £ 12,632 since 31/10/24	No specific security. 8% interest charged on arrears. To be repaid from loan funds when issued.
†Nanking-Hunan Railway, 7% of 1914	Ch. $3,745,456	Ch. $3,745,456	$5,254,466 since 30/4/25	No specific security. 8% interest charged on arrears. To be repaid from loan funds when issued.
*Tatung-Chengtu Railway, 6% of 1913	£770,217 and F. Frs. 5,798,518	£588,480 and F. Frs. 4,334,887	—	Readjusted in 1935; rate of interest reduced and held on separate account. Principal redeemable by semi-annual instalments in about 25 years.
**Chuchow-Chingchow Railway, 8% of 1916	—	U. S. $2,334,598	—	No specific security; further interest to consider.
Kaomi - Hsuchow -Shunte--Tsinan Railways, 8% of 1918	—	Yen 25,600,000	—	No specific security; further interest to consider.
Kiukiang-Nanchang Railway Loan of 1935 at 6%	Yen 18,000,000	Yen 18,000,000	—	From the original loans of Yen 10,000,000 readjusted in April, 1935, inciuding interest of Yen 8,000,000. The principals are the Japan Industrial Bank and the East Asia Industrial Co.

Nanking-Chaoan Railway 10% Loan of 1935	Ch. $1,600,000	Ch. $1,600,000	—	Granted by Bank of Communications, Bank of China and Shanghai Commercial and Savings Bank, to the Kiangnan Railway Co. for completing the Nanking-Holichi Section.
Hangchow-Yuhan Truck Relaying Loan of December, 1936	Ch. $2,800,000	Ch. $2,800,000	—	Granted by Bank of China, $1,800,000, and Farmers Bank of China and Chekiang Provincial Bank, $500,000 each at 10% interest per annum. Redeemable within 6 years.
Tientsin-Pukow Railway Advance	Ch. $1,300,000	Ch. $1,300,000	—	Granted by China Development Finance Corporation; redeemable within 30 years.

Note:—This table is prepared by E. Kann and published in "Finance and Commerce" Magazine, July, 7, 1937.
*Under care of Société Belge de Chemins de Fer en Chine.
†Under care of The British and Chinese Corporation, Ltd.
‡Under care of Peking Syndicate, Ltd.
**Under care of American International Corporation.

Total of princpal outstanding on July 1, 1937:

£	28,649,408
F. Frs.	49,084,887
B. Frs.	137,743,000
Glds.	30,750,000
U.S. $	2,334,598
Ch. $	208,440,456

PART IV

BUSINESS FINANCE AND TRADE

BANKING

JU-LIN FOO (傅汝霖)

I. THE CENTRAL BANK OF CHINA

In 1924 the Central Bank of China was founded in Canton for the purpose of carrying out the Nationalist monetary policy. It was transferred to Hankow in December, 1927, after the Northern Punitive Force had occupied that city. In the winter of 1928 the Punitive Force completed its military campaign and the country began to resume normal conditions. The National Government promulgated the charter of the Central Bank of China in October, 1928, and on October 25 of that year regulations governing the bank were passed and promulgated. In accordance with the charter, the National Government appropriated $20,000,000 as the initial capital, and the bank formally established its head office in Shanghai on November 1, 1928.

The bank is granted the following special rights:

1. to issue bank notes;
2. to issue and circulate coins of the National Currency;
3. to act as fiscal agent of the Government;
4. to underwrite domestic and foreign loans.

The bank is also authorized to conduct the following kinds of business:

1. to receive money for deposit;
2. to safeguard legal reserves of other banks;
3. to act as clearing bank for other banks;
4. to rediscount interest coupons of treasury notes and bonds, issued or guaranteed by the National Government;
5. to rediscount domestic bankers' acceptances, domestic trade bills of exchange and time drafts;
6. to buy and sell, discount and rediscount drafts and bills of exchange payable abroad;
7. to buy and sell bills of exchange, drafts and cheques drawn on reliable foreign and domestic banks;
8. to buy and sell treasury notes and bonds issued or guaranteed by the National Government;
9. to buy and sell silver and gold bullion and foreign currencies;
10. to make domestic and foreign remittances and issue cashier's orders;
11. to grant loans secured by silver and gold bullion or coins;
12. to grant loans with treasury notes or bonds issued or guaranteed by the National Government as securities;
13. to undertake trust business of the National Government.

Since its establishment the bank has proved to be successful in conserving the currency reserves of the country, in maintaining the stability of the money market, and in the unification of the monetary system. During recent years the Central Bank of China has played a predominant rôle in the national finance and its capital was increased in January, 1935, to $100,000,000.

A. Organization of the Central Bank.—The bank is organized upon the basis of three separate powers, namely, the legislative function, exercised by the board of directors, the supervisory function, discharged by the supervisory committee, and the executive function, performed by the governor and two

deputy governors. The board of directors consists of from 11 to 15 members, to be appointed by the National Government. Among the directors at least one represents the industrial, one the commercial and one the banking interests. The directors' tenure of office is fixed for a term of three years but they are to be eligible for reappointment. Seven of the directors are designated by the National Government as managing directors.

The functions of the board of directors are as follows:

1. to formulate the business policy of the bank;
2. to fix the amount of notes to be issued;
3. to decide upon the amount of reserve;
4. to examine and approve the budget and financial statements of the bank;
5. to decide on the question of capital increase;
6. to establish or abolish branches and agencies;
7. to draft rules and regulations;
8. to decide on other questions submitted by the governor to the board.

The supervisory committee of the bank consists of seven members, who are appointed by the National Government. Among the members two represent the industrial, two the commercial, two the banking interests and one the Audit Organ of the Government.

The functions of the Supervisory Committee are as follows:

1. to audit the accounts of the bank;
2. to examine the reserves of the bank;
3. to examine and audit the budget and financial statements of the bank.

The executive functions are performed by the governor and two deputy governors who are appointed by the National Government from among the managing directors. The term of office for these important officers is fixed in the laws governing the Central Bank. The bank is designated as an organization independent from government control, in order that the banking business may not be affected by political changes.

The bank is composed of the following departments:

1. The Banking Department,
2. The Issue Department,
3. The Treasury Department,
4. The Auditing Department,
5. The Secretarial Department,
6. The Economic Research Department.

In each department there is a general manager or director who is appointed by the governor of the bank with the consent of the Board of Directors.

1. The Banking Department is divided into the following divisions:

a. Correspondence Division,
b. Accounting Division,
c. Deposit Division,
d. Loan and Discount Division,
e. Domestic Exchange Division,
f. Cashier's Division,
g. Foreign Exchange Division,
h. Custodian's Division.

2. The Issue Department is divided into the following divisions:

a. Correspondence Division,
b. Accounting Division,
c. Bank Notes Division,
d. Cashier's Division.

3. The Treasury Department is divided into the following Divisions:

a. Correspondence Division,
b. Accounting Division,
c. Depository Division,
d. Bond Division,
e. Custodian's Division.

4. The Auditing Department is divided into the following divisions:

a. Auditing Division,
b. Statistics Division,
c. Correspondence Division.

5. The Secretarial Department is divided into the following divisions:

a. Confidential Document Division,
b. General Correspondence Division,
c. General Affairs Division,
d. Storage Division.

6. The Economic Research Department has a research committee, the members of which are either invited or engaged by special arrangement, or appointed by the governor. The

committee divides its work into the following sections:

a. Section on Agriculture,
b. Section on Industry,
c. Section on Commerce,
d. Section on Finance.

This department has the following divisions:

a. General Affairs Division,
b. Editing and Translation Division.

In the past few years a number of branches have been established in different centers throughout the country. Each branch has the following divisions:

1. Correspondence Division,
2. Accounting Division,
3. Business Division,
4. Exchange Division,
5. Treasury Division,
6. Cashier's Division.

B. Recent Development of the Central Bank in Relation to the Money Market.—Ever since its establishment, the bank has been endeavoring to fulfill its duties as a state bank by constantly helping the Government in financial matters and in stabilizing the money market. The chief functions devolving upon the bank are as follows:

1. *Stabilizing Foreign Exchange and Imposing Equalization Charges.*—Formerly the foreign exchange market in China was entirely under the control of foreign banks. In October, 1934, the Foreign Exchange Stabilization Committee, composed of one representative from each of the three government banks, (the Central Bank, the Bank of China and the Bank of Communications), was formed in order to fix the equalization charge and to prevent undue fluctuations of exchange rates. The quotations of the Central Bank gradually became dominant. On November 3, 1935, the Government decreed that the notes of the Central Bank of China, the Bank of China and the Bank of Communications should be full legal tender, that holders of silver should surrender it in exchange for legal tender notes, and that the exchange value of the Chinese dollar should be maintained at its then level, 1s. 2½d. and/or U. S. $0.29½ through the unlimited purchase and sale of foreign exchange by the three banks. Ever since the formation of the Foreign Exchange Stabilization Committee and the adoption of the monetary reform, the Central Bank of China has been placed in a position to prevent the exodus of silver, to maintain the stability of the Shanghai money market and to control foreign exchange.

2. *Customs Gold Unit as Standard Unit of Gold Bars.*—The Shanghai gold bar market is the largest gold bar market in the Orient. The purchase and sale of gold bars have a great bearing on the fluctuation of China's foreign exchange. Before the World War gold bar transactions were based upon the pound sterling, but after the war the pound sterling greatly depreciated and could not be used as the unit of calculation. At first the Japanese yen was adopted instead, but in 1931, as Japan went off the gold standard, the American dollar was taken as the unit. As a result of the adoption of the silver purchasing policy and abandonment of the gold standard by the U. S. Government the price of silver was pushed up drastically, and consequently the world silver market and the Shanghai money market were both seriously affected. In order to stabilize foreign exchange the Chinese Government immediately prohibited gold bar speculation and ordered the gold bar exchange to use the Customs gold unit as the unit of calculation. Ever since the Central Bank of China has issued daily quotations on the Customs gold unit and the gold bar. The Customs gold unit contains 0.01935 oz. of pure gold and is calculated according to the following formula:

$$\frac{\text{London gold price} \times 0.01935}{\text{Shanghai sterling quotation}} = \text{Customs gold unit quotation}$$

Beginning from September 17, 1934, the valuation of the Shanghai gold bar has been changed into 507.79 Customs gold units and is calculated as follows:

$$\text{Customs gold unit quotation} \times 507.79 = \text{gold bar quotation}$$

In view of the above formula, it is true that if London-Shanghai exchange rates were to remain stable there would be no reason for the Customs gold unit to fluctuate in price, and consequently the quotation of the Shanghai gold bar would remain stable. Maintaining the stability of the Customs gold unit and indirectly stabilizing the Shanghai gold bar market is the main purpose of the Central Bank's foreign exchange stabilization program. Both the gold bar market and the foreign exchange market in Shanghai are now entirely under the control of the Central Bank of China.

3. *Concentration of Security Reserves on Savings Deposits.*—Saving deposits are usually made by people with moderate means and in case of bankruptcy a large number of people would be greatly affected. Hence in 1934 the National Government promulgated the Law of Savings Banks, requiring that a reserve of one fourth of the total savings deposits in the form of government bonds or other guaranteed securities should be kept in the custody of the Central Bank of China. In order to carry out this policy successfully, a Savings Deposit Security Committee was formed on September 8, 1934, consisting of seven members, one representing the Ministry of Finance, two the Central Bank of China, two the Bankers' Association and two representing other banks and savings societies. This committee was to supervise and examine the statements of all savings banks. Up to the middle of 1935 the security reserves amounted to $93,000,000.

4. *Unification of Note Issue and Centralization of Reserves.*—On November 3, 1935, the new monetary policy was adopted and notes of the Central Bank of China, the Bank of China and the Bank of Communications were made full legal tender. Notes issued by other banks were authorized to remain in circulation, but no further issues were allowed. Holders of such notes were required to exchange them within a date to be fixed by the Ministry of Finance for notes issued by the Central Bank of China. At the same time other commercial and provincial banks were ordered to hand over to the Currency Reserve Board for custody their note reserves, the old notes withdrawn from circulation and newly-printed notes which had not been put into circulation. In accordance with the new monetary decree, the Central Bank of China is shortly to be reorganized as a Central Reserve Bank with the exclusive right of note issue.

5. *Consolidation of the Banking System.*—A study of the history of the Shanghai money market will show that financial aid was obtained from three different sources in three different periods. Before the Republic of China was formed the foreign banks played a predominant rôle in the Shanghai money market and in the event of a financial crisis the money shops in Shanghai would go to these foreign banks for assistance. Since the establishment of the Republic Chinese banks have gradually gained importance and nowadays whenever there is any crisis they co-operate with each other in order to provide adequate assistance to those who need it. Since the end of 1934 great changes in China's banking system have been witnessed; in 1935 practically all of the Chinese banks came to the government banks for assistance, especially to the Central Bank of China. Being the bank of banks, the Central Bank fulfilled its most important function in financing and adjusting the money market, and this completed the third stage of development in the Shanghai money market. Last year bankers and financiers in Shanghai proposed the establishment of an acceptance market in order to accommodate the public demand and, at the same time, preparations were made for development of the rediscount business by the Central Bank of China. Under these circumstances the open market operation and rediscount policy of the Central Bank of China is likely to be realized in the near future and the position of the bank in the financial market will be strengthened accordingly.

C. Note Issue.—By the new monetary decree of November 3, 1935, the bank notes of the Central Bank of China were made full legal tender. Since

then the amount of notes in circulation has been greatly increased, while the Customs gold unit notes have remained at the same figure. A brief account of the condition of the note issue in the years 1935 and 1936 follows:

1. *Notes in Circulation.*—At the end of 1934 the dollar notes in circulation amounted to $79,128,238, subsidiary notes to $6,211,064, and Customs gold unit notes to $373,324.70.

The bandit-suppression campaign in the interior having been nearly completed in 1935, the National Government began to turn its attention to the task of remedying the chaotic financial conditions of the interior provinces, and branch banks were established by the Central Bank in Szechwan, Hunan, Kweichow and Shensi for facilitating business transactions. In that year dollar notes increased to the amount of $159,138,639, and subsidiary notes to the amount of $16,926,730, but the Customs gold unit notes remained unchanged (still amounting to $373,342.70). As compared with the figure of 1934 there had been an increase of $90,726,069. In retiring the notes of commercial and provincial banks and nationalizing silver the volume of notes in circulation in 1936 was rapidly increased. The volume of dollar notes in circulation was $299,672,795 and that of subsidiary notes $39,769,426.70 the total issue in 1936 amounted to $339,433,221, compared with $160,368,322 in the preceding year.

2. *Reserve of Note Issue.*—In the early part of 1935 both the cash and security reserves of bank notes were examined once in every 10 days by the Supervisory Committee and a report on the condition of reserves published in popular newspapers. Since the promulgation in July, 1935, of the Law Governing the Central Bank of China inspection of reserves has been carried out once a week. These inspections have shown that the cash reserve has always been above 60% and the security reserve below 40%. The legal requirements, therefore, have been fully satisfied. Moreover, if there were any drop in the market price of securities, the difference has at once made up.

On May 17, 1936, the Ministry of Finance further announced that "the cash reserve shall consist of gold, silver and foreign exchange, and the minimum amount of silver reserve shall not be less than 25% of the total note issue in circulation." As to the security reserves, since the consolidation of government bonds, they have figured at an average discount of 30% of their face value.

The following table shows the amount of notes issued and the conditions of reserves in the years 1934, 1935, and 1936:

TABLE 1. AMOUNT OF NOTES ISSUED BY THE CENTRAL BANK OF CHINA AND CONDITIONS OF RESERVE

Date	*Silver Dollar*	*Subsidiary*	*Total*	*Reserve in Cash*	*Reserve in Security*	*Total Reserve*	*Cash Reserve %*
1934 Dec. 31	$79,128,236	$ 6,211,064	$85,339,300	$66,901,300	$18,438,000	$85,339,300	78.39
1935 Mar. 28	159,138,639	16,926,730	176,065,369	116,463,369	59,602,000	176,065,369	66.15
1936 Dec. 26	286,140,952	39,451,517	325,592,469	212,238,769	113,353,700	325,592,469	65.18

TABLE 2. AMOUNT OF CUSTOMS GOLD UNITS ISSUED BY THE CENTRAL BANK OF CHINA AND CONDITIONS OF RESERVE

Date	*Amount Issued*	*Cash Reserve*	*Security Reserve*	*Percentage of Cash Reserve*
1934				
December 31 ..	373,324.70	373,324.70	—	100
1935				
March 6 ..	373,324.70	373,324.70	—	100
1936				
December 26	409,630.70	409,630.70	—	100

D. Deposit and Loan.—The Central Bank of China is a bank of banks. Its business greatly improved from 1935 to 1936, the total assets increasing from $931,542,769.20 to $1,231,236,272.57. These have been the two most prosperous years experienced since the establishment of the bank in 1924.

The bank deposits for 1935 showed an increase of $210,000,000 as compared with those of 1934. The increase came largely from the demand deposits of other banks. Since business conditions were unfavorable, bankers were reluctant to extend loans to business enterprises, preferring to deposit their idle funds with other banks. Thus bank deposits were to a phenomenal degree augmented. The 1936 figure was even higher, due largely to the increase of such deposits from other banks.

TABLE 3. AMOUNT OF DEPOSITS OF THE CENTRAL BANK OF CHINA FOR 1934, 1935, AND 1936

Name	*1934*	*1935*	*1936*
Fixed Deposit	25,214,829.34	30,155,571.52	57,658,236.70
Current Deposit	156,923,707.65	260,904,911.13	344,834,386.74
Deposit from Other Banks..	3,808,661.28	141,074,448.01	229,415,631.50
Staff Deposit	278,970.56	366,476.03	479,007.57
TOTAL	222,226,168.83	432,501,406.69	632,387,262.51

The following table shows that among the various deposits of the Central Bank of China deposits from the National Government are the most important, while deposits from other banks come next:

TABLE 4. ANALYSIS OF DEPOSITS, 1934–1936

Kinds	*1936*	*1935*	*1934*
The National Government	316,688,060.84	223,179,339.91	160,564,665.64
Local Governments	24,342,863.70	21,417,249.81	15,803,466.33
Deposit from Other Banks	273,263,242.30	159,786,234.04	35,385,041.36
Business Enterprises and Individuals	17,607,114.28	16,943,702.25	10,451,904.44
Central Bank Head Office and Branches	485,981.39	11,174,880.68	21,091.06
TOTAL	632,387,262.51	432,501,406.69	222,226,168.83

In 1935 most of the loans granted by the Central Bank of China were for the purchase of government bonds and the assistance of other financial institutions. Secured loans declined as compared with other types of loan and advances to banks increased, due to the banking crisis of 1935, which was soon liquidated by the co-operative efforts of the Central Bank of China and other banking institutions.

E. Revenue Collection.—During recent years the Central Bank of China has made material progress in developing its business as a fiscal agent of the Government. The revenue collection in 1935 was about $73,420,000 more than that collected in 1934. The salt revenue showed the highest increase for the year, $11,800,000, while other revenue receipts were enhanced by $6,200,000.

TABLE 5. REVENUE COLLECTION FOR 1934 AND 1935

Kinds	*1935*	*1934*	*Increase or Decrease*	*Percentage*
Customs Revenue ..	257,467,202.37	263,204,354.71	− 5,737,152.34	− 2.18
Salt Revenue	127,063,757.63	115,246,853.87	+ 11,816,908.76	+ 10.25
Consolidated Tax ..	72,577,217.44	77,586,074.00	− 5,008,856.56	− 6.46
Others	4,373,715.72	35,120,242.80	+ 6,253,472.92	+ 17.81
TOTAL	498,481,893.16	491,157,525.38	+ 7,324,367.74	+ 1.49

TABLE 6. REVENUE COLLECTION FOR 1935 AND 1936

Kinds	*1936*	*1935*	*Increase or Decrease*	*Percentage*
Customs Revenue ..	262,586,536.64	257,467,202.37	+ 5,089,384.27	+ 1.98
Salt Revenue	163,057,116.97	127,063,757.63	+ 35,993,359.34	+ 28.32
Consolidated Tax ..	65,897,934.39	72,577,217.44	− 6,679,283.05	− 9.20
Others	48,486,051.56	41,373,715.75	+ 7,112,335.81	+ 17.19
TOTAL	539,997,689.56	498,481,893.16	+ 41,515,796.40	+ 8.33

Judging from the business condition of the Central Bank of China, it is safe to say that the institution has been very prosperous during recent years. A condensed statement of assets and liabilities for 1935 and 1936 is given below:

Assets

	1935	*1936*
Cash:		
Cash in Vault	$ 44,675,547.21	$43,155,087.20
Cash in Transit	42,733,870.11	6,623,212.36
Cash on Call with Banks	176,063,992.03	225,417,151.85

Reserve Against Notes in Circulation:		
Cash	119,115,545.81	221,886,271.61
Security	60,808,000.00	118,498,100.00
Loans, Discounts and Overdrafts	154,313,340.66	477,470,088.95
Securities Owned	252,904,406.16	37,571,773.32
Advance of Capital to the Centra lTrust of China	10,000,000.00	10,000,000.00
Bank Premises	14,549,509.17	16,699,849.90
Furniture and Fixtures	656,732.84	720,909.64
Accrued Items and Accounts Receivable	8,049,807.90	15,166,102.22
Bills Received for Collection as Per Contra	1,524,056.31	7,936,208.73
Customers' Liabilities for Letters of Credit Issued and Acceptances and Guarantees Given as Per Contra	33,293,452.30	28,689,777.21
Other Assets	12,854,508.70	21,410,739.58
TOTAL	$931,542,769.20	£1,231,236,272.57

Liabilities

	1935	*1936*
Capital	$100,000,000.00	$ 100,000,000.00
Reserves	3,845,136.17	9,242,885.45
Notes in Circulation	179,923,545.81	340,375,371.61
Deposits	595,940,737.27	713,795,252.68
Accrued Items and Accounts Payable	3,241,849.45	6,621,937.38
Bills for Collection as Per Contra	1,524,056.31	7,936,208.73
Letters of Credit Issued and Acceptances and Guarantees Given as Per Contra	33,293,452.30	28,689,777.21
Other Liabilities	4,725,652.25	7,478,971.42
Net Profit	9,048,339.64	17,095,868.09
TOTAL	$931,542,769.20	$1,231,236,272.57

Up to the end of 1936 more than 40 branches and agencies of the Central Bank of China had been established with the object of facilitating the economic reconstruction and adjusting the money market. The following table shows the number of branches and agencies already established in different parts of the country:

Name	*Location*
Amoy Branch	Amoy, Fukien
Anking Branch	Anking, Anhwei
Canton Branch	Canton, Kwangtung
Changsha Branch	Changsha, Hunan
Chengchow Branch	Chengchow, Honan
Chengtu Branch	Chengtu, Szechwan
Chian Agency	Chian, Kiangsi
Chinkiang Branch	Chinkiang, Kiangsu
Chuangchow Agency	Chuangchow, Fukien
Chuhsien Agency	Chuhsien, Chekiang
Chungking Branch	Chungking, Szechwan
Foochow Branch	Foochow, Fukien
Fuchow Agency	Fuchow, Kiangsi
Hangchow Branch	Hangchow, Chekiang
Hankow Branch	Hankow, Hupeh
Hsiakwan Agency	Hsiakwan, Nanking
Hsuchow Branch	Hsuchow, Kiangsu
Kaifeng Branch	Kaifeng, Honan
Kienow Agency	Kienow, Fukien
Kiukiang Branch	Kiukiang, Kiangsi
Kweiyang Branch	Kweiyang, Kweichow
Lanchow Branch	Lanchow, Kansu
Loyang Agency	Loyang, Honan
Nanchang Branch	Nanchang, Kiangsi
Nancheng Agency	Nancheng, Shensi
Nanking Branch	Nanking
Ningpo Agency	Ningpo, Chekiang
Panpoo Branch	Panpoo, Kiangsu
Peiping Branch	Peiping
Pengpu Branch	Pengpu, Anhwei
Pucheng Agency	Pucheng, Fukien
Santai Agency	Santai, Szechwan
Santuao Agency	Santuao, Fukien
Shihkiachwang Agency	Shihkiachwang, Hope
Sian Branch	Sian, Shensi
Sinpu Agency	Sinpu, Kiangsu
Swatow Branch	Swatow, Kwangtung
Tientsin Branch	Tientsin, Hopei
Tsinan Branch	Tsinan, Shantung
Tsingtao Branch	Tsingtao, Shantung
Wanhsien Agency	Wanhsien, Szechwan
Wuchang Agency	Wuchang, Hupeh
Wuhu Branch	Wuhu, Anhwei
Yangchow Branch	Yangchow, Kiangsu
Yenping Agency	Yenping, Fukien

II. SPECIAL CHARTERED BANKS

In 1928 the National Government promulgated regulations governing the organization of the Bank of China and the Bank of Communications respectively, the former being designated as an international exchange bank and the latter as an industrial bank. Subsequently the reorganization program was launched, following the increase of Government shareholding in the two banks, and thereby the special features of both banks have become more conspicuous. When the introduction of the new monetary system was announced on November 3, 1935, the Government made the notes of these two banks, together with those of the Central Bank, full legal tender and, in addition, both institutions were authorized to assist the Central Bank of China in the stabilization of foreign exchange. Remarkable results have already been achieved, and there is every possibility for the further development of their respective functions when the Central Reserve Bank comes into existence. Below is given an account of the history of these two banks and of the latest developments in connection with them.

A. Bank of China.—The Bank of China is a successor to the Ta Ching Bank of the Ching dynasty. Following the establishment of the Republic of China in 1912, the Ta Ching Bank was renamed the Bank of China. Shortly afterwards, the government authorities decided that the Ta Ching Bank should undergo a complete liquidation, that the Bank of China should be organized with appropriations from the Ministry of Finance as its capital so as to take the place of the Ta Ching Bank, and that the Bank of China should be held responsible for the installment redemption of the deposits and the private shareholdings in its predecessor bank. Therefore the Republic of China and the Bank of China came into being simultaneously. The regulations governing its organization and functions having been formulated, the Bank of China established its head office at Peiping, with branches and subbranches scattered throughout various provincial capitals and other leading commercial cities. It was also granted the special privilege of issuing notes and of acting as fiscal agent of the National Treasury.

Up to 1916 the new bank was favored with prosperity, due to the hopes entertained for the unification of the country and the improved financial conditions. But these long-cherished hopes were shattered by the political repercussions which followed the ill-fated attempt to restore the monarchy which was staged by Yuan Shih-kai in the spring of 1916. Unwisely, the Peking Government issued a decree in May proclaiming the notes of the Bank of China irredeemable. The Shanghai branch refused, however, to observe the order and, acting upon the decision of a shareholders' meeting which was held to discuss this matter, redeemed the notes as usual, with the co-operation of persons from various walks of life in Shanghai, including the gentry, bankers, industrial magnates, etc. This resolute action on the part of the Shanghai branch strengthened to a very large extent the confidence of the public in the Bank of China.

The regulations of the bank were revised in 1917, stipulating that besides government capital, private shares to a total amount of $10,000,000 should be subscribed while, in accordance with the company's ordinance, a general shareholders' meeting was to be held to vote for the directors, from whom the governor and the deputy-governor would be elected. But in the meantime, the Peiping branch, on account of various difficulties, failed in its attempt to resume the redemption of its notes, and it was not until the flotation of the 7th Year Long- and Short-Term Bonds that full redemption was effected.

In 1921 not only were the private shares increased, but government capital was gradually converted into private shares, the paid-up capital amounting to a total of over $19,000,000. In the winter of the same year, under the influence of the exchange crisis at Shanghai, there were runs on the Peiping and Tientsin branches lasting for about a month. After the occupation by the Northern

Punitive Troops of the provinces in the lower valley of the Yangtze River in 1927, the control of cash at Hankow was taken over by the Government, with the result that all of the cash and notes in the vault of the Hankow branch of the Bank of China was either sealed up or taken away. It was quite evident that the loss sustained by the Bank of China ran into a considerable figure, although the National Government compensated it for part of its loss by issuing the Long-Term Currency Bonds in the spring of 1929.

With a view to meeting the needs of the day, the head office of the Bank of China was removed to Shanghai in 1927, devoting itself to the financing of China's foreign trade. Government capital to the amount $5,000,000 was added which, together with the private shares, made a total of $25,000,000. There were 15 Directors, of whom three were to be nominated by the Government. Mr. Chang Chia-ngau, the former deputy-governor, was elected general manager of the bank. Upon his return from abroad in 1930, after he had made an inspection tour of the banking business in foreign countries, Mr. Chang lost no time in introducing such improvements as reform of the accounting system, establishment of a trust department and extension of exchange business.

In March, 1935, the Ministry of Finance effected a further revision of the regulations of the bank by increasing the Government's share of the capital from $5,000,000 to $20,000,000, which now increased the total amount of capitalization to $40,000,000, equally divided between the Government and private subscribers. The affairs of the bank were to be left under the control of the board of directors. The number of directors was increased from 15 to 21, while the number of supervisors was augmented from five to seven. Mr. T. V. Soong was appointed chairman of the bank, and, in place of Mr. Chang Chia-ngau, who had been appointed deputy-governor of the Central Bank of China, Mr. Sung Han-chang, a managing-director and an officer of many years' meritorious service in the bank, was appointed general manager. In accordance with the Savings Bank Law, the bank established in June of the same year a savings department which, with a separate capital of $5,000,000, operates under separate accounts. As a result of the new monetary policy put into operation by the Ministry of Finance on November 3, 1935, which provided regulations for making the notes of the Central Bank of China, the Bank of China and the Bank of Communications sole legal tender, the note issue of the bank has increased by leaps and bounds, indicating the important position the bank occupies in the financial superstructure of China. The Bank of China, together with the other two banks above mentioned, is also charged with the duty of stabilizing foreign exchange and regulating the money market.

With a view to expanding its foreign exchange business, the bank has established branches and agencies in London (1929), Osaka (1931), New York (1936) and Singapore (1936).

BUSINESS CONDITIONS OF 1932–1935

ASSETS	*1932*	*1933*	*1934*	*1935*
Cash on Hand	$ 66,723,019	$ 54,187,477	$ 24,704,020	$ 49,080,043
Various Kinds of Loan ..	455,023,226	599,284,430	673,852,400	962,871,078
Securities	64,544,446	32,018,846	25,364,331	41,888,742
Reserve against Notes in Circulation..	184,426,937	183,726,994	204,713,465	286,245,042
Bank Premises and Furniture	8,150,459	899,200	1,268,436	2,427,313
Assets Not Otherwise Classified	26,124,950	40,212,442	45,747,708	40,778,868
TOTAL	$804,993,037	$910,329,392	$975,650,360	$1,383,291,086

LIABILITIES	1932	1933	1934	1935
Paid-Up Capital	$ 24,711,700	$ 24,712,200	$ 25,000,000	$ 40,000,000
General Reserve and Surplus	2,937,877	3,056,007	3,250,128	3,453,591
Various Kinds of Deposit ..	557,196,987	648,707,844	685,381,656	991,941,429
Drafts Issued	7,746,645	7,989,927	9,624,086	16,172,090
Notes in Circulation	184,426,937	183,726,997	204,713,465	286,245,042
Liabilities Not Otherwise Classified	26,124,950	40,212,442	45,747,708	40,778,868
Net Profit for the Year ..	1,847,950	1,923,975	1,933,317	3,700,070
TOTAL	$804,993,037	$910,329,392	$975,650,360	$1,383,291,086

PROFIT & LOSS	1932	1933	1934	1935
Total Expenses for the Year	$ 9,440,703	$ 9,118,148	$ 8,796,898	$ 9,936,134
Net Profit for the Year ..	1,847,950	1,923,975	1,933,317	3,700,070
Gross Profit for the Year ..	11,288,653	11,042,123	10,730,215	13,636,204

B. Bank of Communications.—Upon the recommendation of the Ministry of Communications, the Manchu régime established the Bank of Communications in 1907 on a joint ownership basis. The total capitalization was fixed at 10,000,000 Kuping taels, only half of which was to be paid up at first. Besides handling general banking transactions, the Bank of Communications was authorized to act as an agent for the collection of government revenue from railways, telegrams, posts and navigation. It was also given the right of note issue. The head office of the bank was established at Peiping, with branches and sub-branches in various localities. The general manager and the assistant general manager, who were to be elected by the general shareholders' meeting, were to look after the bank's affairs. In 1914 the President of the Republic of China promulgated regulations providing that, in addition to general banking business, the Bank of Communications should be given the right to keep in custody the special funds of the National Treasury, to act as an agent for the flotation of government bonds, and to issue notes.

In 1922, Messrs. Chang Chi-chih (張季直) and Chien Yung-ming (錢新之) were elected general manager and assistant general manager respectively. Regional issuing offices were established to take charge exclusively of note issue. The bank then began to maintain an independent note-issuing system and the reserves against notes in circulation were kept open. In 1925 Mr. Liang Yen-sen (梁燕孫) resumed the office of general manager, while Mr. Lu Chien-chuan (盧鑑泉) was elected assistant general manager. In March, 1927, when the Nationalist Army arrived at Shanghai, Mr. Lu was appointed acting general manager upon resignation of Mr. Liang.

In 1928 the National Government promulgated the revised regulations designating the bank as an industrial bank to finance all kinds of industries. The business franchise was fixed at 30 years. The total amount of capitalization was fixed at $10,000,000 but the paid-up capital aggregated only $8,715,600, of which the Government subscribed 20% while the remainder was offered for private subscription. The head office of the bank was then removed to Shanghai, and Messrs. Lu Chien-chuan (盧鑑泉), Hu Meng-chia (胡孟嘉), Wang Tse-sung (王子崧), Chen Kwan-fu (陳光甫), Li Fou-sun (李馥蓀), Chow Tso-min (周作民), Tan Tan-yai (談丹崖), Yang Yin-sun (楊蔭蓀), Chen Ying-sun (陳楹生), Chang Kia-ngau (張公權) and Li Fei-hou (李菲侯) were elected directors and Messrs. Liang Ting-chi (梁定蔚), Yen Tsun-hsun (葉崇勛), Chia Ku-pai (賈果百) and Yu Tsu-ang (于志昂) supervisors. Furthermore, the Ministry of Finance appointed Messrs. Ku I-kuo (顧詒穀), Hsu Chi-ching (徐寄廎) and Tang Shou-ming (唐壽民) government directors and

Mr. Hsu Hsiu-chih (許修直) standing supervisor. Among those who were elected managing directors by the Board of Directors were Messrs. Chien Yung-ming (錢新之), Lu Chien-chuan (盧鑑泉), Hu Meng-chia (胡孟嘉) Ku I-kuo (顧詒穀) and Li Fei-hou (李菲侯), who in turn chose Mr. Hu Meng-chia to be general manager. Again, the Ministry of Finance appointed Mr. Lu Chien-chuan chairman of the Board of Directors. In 1930 savings and trust departments were established, each operating under separate accounts.

In April, 1935, the Ministry of Finance again revised the regulations concerning the bank and increased the government capital, almost at the same time as similar action was taken in connection with the Bank of China. The total capitalization, fixed at $20,000,000, was divided into 200,000 shares, of which government capital was represented by 120,000 shares and private capital by 80,000 shares. The number of directors was increased to 21 and the number of supervisors to seven. The monetary decree of November 3, 1935, made the notes of the Bank of Communications, together with those of the Central Bank of China and the Bank of China, sole legal tender and jointly charged these three banks with the nationalization of silver, redemption of notes of other commercial and provincial banks, and stablization of foreign exchange.

BUSINESS CONDITIONS OF 1932–1935

ASSETS	*1932*	*1933*	*1934*	*1935*
Cash on Hand	$ 27,039,917	$ 14,193,519	$ 12,564,387	$ 15,073,491
Various Kinds of Loan	172,880,890	221,754,916	263,655,285	370,642,586
Securities	26,033,357	29,901,697	29,309,951	47,203,311
Reserve against Notes in Circulation	94,500,925	93,004,611	112,512,472	180,825,650
Bank Premises and Furniture	5,935,981	6,138,387	6,913,761	7,846,402
Assets Not Otherwise Classified	—	—	—	1,582,385
TOTAL	$326,391,070	$364,993,130	$424,955,856	$623,173,825

LIABILITIES	*1932*	*1933*	*1934*	*1935*
Paid-Up Capital	$8,715,600	$ 8,715,600	$ 8,715,650	$ 19,715,650
General Reserve and Surplus	6,899,261	6,935,224	7,393,116	7,864,139
Various Kinds of Deposit	314,339,405	253,528,583	239,203,141	398,951,343
Drafts Issued	1,484,675	1,828,284	2,137,514	12,832,744
Notes in Circulation	94,500,925	93,004,611	122,512,472	180,825,650
Liabilities Not Otherwise Classified	—	—	—	—
Net Profit for the Year	451,204	980,828	993,963	1,401,814
TOTAL	$326,391,070	$364,993,130	$424,955,856	$623,173,825

PROFIT & LOSS	*1932*	*1933*	*1934*	*1935*
Total Expenses for the Year	$ 4,126,363	$ 4,366,507	$ 4,572,780	$ 5,455,949
Net Profit for the Year	451,204	980,828	993,963	1,401,814
Gross Profit for the Year	4,577,567	5,347,335	5,566,743	6,857,763

III. COMMERCIAL BANKS

The modern bank in China dates back 40 years. In the latter part of Emperor Kuang Hsu's reign the reform of financial institutions was held by most Chinese to be essential to industrial development and as a result the first modern Chinese bank—the Commercial Bank of China—came into

existence in 1896. In 1906 the Hupu (or Ministry of Finance) established the Hupu Bank, the name of which was later changed to the Ta Ching Bank. From 1896 to 1910, as many as 17 banks were established in various parts of China.

TABLE 7. EARLY COMMERCIAL BANKS

Year of Establishment	*Name of Banks*	*Head Office*	*Remarks*
1896	Commercial Bank of China	Shanghai	
1904	Chihli Provincial Bank	Tientsin	Closed
1906	Hupu Bank	Peking	Reorganized as Ta Ching Bank in 1908
,,	Tsuen Chuan Yuan Bank	Chengtu	Closed
,,	Hsin Chen Bank	Peking	,,
1907	Sze Hai Tung Bank	Singapore	
,,	National Commercial Bank of China	Shanghai	
1908	Ta Ching Bank	Peking	Liquidated
,,	Bank of Communications	Peking, later Shanghai	
,,	Ningpo Commercial and Savings Bank ..	Shanghai	
,,	Hsin Yih Bank	Not known	Closed
,,	Yu Shang Bank	,, ,,	,,
1909	Chekiang Bank	Hangchow	Reorganized as Chekiang Industrial Bank in 1915
1910	Commercial Guarantee Bank of China ..	Peiping	
1911	Fukien Bank	Foochow	Closed
,,	Szechwan Bank	Chengtu	,,
,,	Cultivation Bank	Tientsin	

After the establishment of the Republic in 1911, the development of commercial banking in China was very rapid. The following table gives a list of banks established since 1912:

TABLE 8. COMMERCIAL BANKS, 1912–1936

Year	*Number of Banks Increased*	*Number of Banks Closed*	*Number of Banks Established*
1912	14	11	3
1913	2	1	1
1914	3	1	2
1915	7	5	2
1916	4	3	1
1917	10	9	1
1918	11	6	5
1919	15	9	6
1920	16	14	2
1921	29	18	11
1922	25	18	7
1923	25	18	7
1924	7	5	2
1925	8	7	1
1926	7	7	0
1927	2	1	1
1928	16	5	11
1929	11	2	9
1930	17	5	12
1931	15	4	11
1932	14	3	11
1933	16	3	13
1934	20	1	19
1935	15	0	15
1936	4	0	4
TOTAL	313	156	157

The development of commercial banking since the establishment of the Republic has been closely related to Chinese political and economic trends. The Republican régime ushered in a new era. In the single year of 1912, 14 new banks were established and the number gradually increased from year to year. During the period 1921–22, soon after the end of the World War, trade and industry were in a state of prosperity and commercial banking was marked by an exceptionally rapid rate of development.

Within these two years more than 50 new modern banks came into existence. During the period 1926–27, due to unsettled political conditions, trade and industry were brought to a standstill, with the result that only two new banks were established in these years.

After the establishment of the National Government at Nanking in 1927 political and economic conditions both showed signs of progress. The National Government has issued bonds to the extent of $1,000,000,000. The commercial bank is both an aid to trade and industry and is the issuing agent for government bonds. The large profit derived from underwriting and distributing government bonds has been a strong reason for the rapid growth of commercial banks in China, especially in 1930 and the first half of 1931. During that period European and American countries suffered from an acute business depression. The decline in silver value made it profitable to ship silver into China. The influx of foreign capital stirred Chinese trade and industry into activity. Banking business prospered and Shanghai real estate values in Shanghai soared. During July and August, 1931, the total real estate transactions for the month amounted to $20,000,000, an unprecedentedly high record.

At the same time the Chinese Government strove to maintain the credit of its bonds and bond values rose rapidly. Both investment and speculation in government bonds grew in volume. For 1930 the total bond transactions in Shanghai aggregated $2,345,643,800 from which figure the activity of the bond market at that time can be readily seen.

In addition the disturbed condition in the interior brought into trading centers huge funds for safe-keeping rather than for profit-making. The concentration of idle funds in cities like Shanghai caused the growth of bank deposits and the birth of new banks. Following the great flood and the foreign invasion of 1931 and 1932 the business outlook became dark. Rich people took the chance, by organizing small banks, to carry banking activity in a limited way. This was a new phase in the development of commercial banking in China.

The silver-purchase policy of U. S. A. attracted an enormous amount of silver from China causing an immediate shortage of currency and credit. Real estate value in Shanghai dropped heavily. The whole country was confronted with a financial panic of the first magnitude so that during 1934 and 1935 40 Chinese banking firms closed their doors.

The new monetary policy came into force on November 3, 1935. Speculative risks in foreign exchange were reduced to a minimum. In 1936 the government bonds were consolidated, resulting in the abatement of yields.

Under these two measures of financial reconstruction the commercial banks in China have turned their attention to trade and industry. There is a bright outlook for banking reform.

The following tables show the important assets and liabilities of commercial banks in China:

TABLE 9. COMMERCIAL BANKING CONDITIONS, 1933–1936
(*Unit: Dollar*)

	1933	*1934*	*1935*	*1936*
Cash in Vault	72,674,197	73,951,335	81,657,852	61,573,264
Surplus	18,422,557	23,773,270	30,568,975	31,022,876
Deposits	716,935,843	848,357,218	1,006,454,383	942,353,333
Loans	624,418,804	729,563,219	856,484,915	809,345,150
Eligible Papers	78,811,189	111,018,405	149,499,238	149,042,948
Notes Issued	35,698,782	55,683,084	75,695,000	27,694,246
Loss and Profit	20,521,098	22,818,588	29,877,958	30,068,280
Total Expenses	13,259,518	15,128,138	20,731,081	21,317,566
Net Profit	7,398,216	7,696,457	9,242,219	8,838,225
Total Assets	896,258,747	1,074,282,956	1,319,865,018	1,231,471,447

NOTE: The above table is confined to the conditions of commercial banks and does not include government banks, provincial and municipal banks, savings banks, agricultural and industrial banks, etc.

TABLE 10. COMPOSITE BALANCE SHEET OF LEADING COMMERCIAL BANKS IN CHINA, 1935–1936

Liabilities

Banks	*Paid-up Capital*	*Temporary Deposits*	*Deposits*	*On Account with Savings Department*	*Note Issued*	*Notes Issued Under the Name of Other Banks*	*Accounts Payable*	*Other Liabilities*	*Net Profit for the Current Year*	*Total Liabilities*
Oversea-Chinese Banking Corp. Ltd.	10,000,000.00	—	33,520,760.31	—	—	—	1,686,265.05	—	988,113.78	46,195,139.14
The China & South Sea Bank, Ltd.	7,500,000.00	2,000,000.00	100,581,801.85	—	—	17,645,000.00	2,509,593.98	5,538,458.01	926,086.88	136.700,940.72
Yien Yieh Commercial Bank.. ..	7,500,000.00	5,497,977.91	99,227,575.48	—	—	—	2,218,249.72	419,460.49	549,644.59	115,412,908.19
Kincheng Banking Corporation	7,000,000.00	3,020,000.00	116,020,558.63	8,989,822.28	—	—	8,454,786.62	6,318.30	875,670.93	144,367,156.76
The Shanghai Commercial & Savings Bank, Ltd.	5,000,000.00	8,261,354.92	114,647,906.83	—	—	37,796,300.00	32,725,921.31	12,618,720.84	412,354.15	211,462,558.05
The Manufacturers Bank ofChina,Ltd.	5,000,000.00	930,746.09	39,329,600.57	—	—	9,730,000.00	2,928,015.21	1,629,129.99	786,584.93	60,334,076.79
The National Commercial Bank, Ltd.	4,000,000.00	2,429,164.94	56,722,002.20	382,999.78	—	8,610,000.00	2,053,122.00	4,315,919.03	380,756.73	78,893,964.68
The Continental Bank	3,920,000.00	2,500,001.39	89,151,555.24	—	—	—	1,869,056.22	7,369.70	433,677.92	97,881,660.47
The China State Bank, Ltd.	2,632,100.00	457,700.81	38,016,784.61	—	—	10,829,000.00	4,599,669.03	1,270,778.57	413,381.42	58,219,414.44
The Chekiang Industrial Bank, Ltd.	2,000,000.00	2,500,000.00	37,626,836.61	—	—	2,190,000.00	828,793.00	2,961,917.99	401,857.44	48,509,405.04
TOTAL	54,552,100.00	27,596,946.06	724,845,382.33	9,372,822.06	—	86,800,300.00	59,873,472.14	28,768,072.92	6,168,128.77	997,977,224.28

Assets

Banks	Cash on Hand and in Other Banks	Loans	Investments	Sinking Fund for Savings Department (000 Omtd.)	Reserves for Notes Issued	Reserves for Notes Issued Under the Name of Other Banks	Accounts Receivable	Other Assets	Land, Bldg. and Fixtures	Expenses on Opening	Total Assets
Oversea-Chinese Banking Corp. Ltd.	17,609,396.18	11,502,677.48	9,453,167.43	—	—	—	2,725,086.34	—	4,904,811.71	—	46,195,139.14
The China & South Sea Bank, Ltd.	18,683,711.83	75,314,098.04	9,749,435.37	500	—	17,645,000.00	8,486,231.96	3,541,828.48	2,780,635.04	—	136,700,940.72
Yien Yieh Commercial Bank ..	31,714,669.61	68,437,470.78	6,144,814.41	2,000	—	—	2,421,689.56	341,000.00	4,331,880.37	21,383.46	115,412,908.19
Kincheng Banking Corporation	28,935,001.16	77,704,951.99	18,219,392.61	500	—	—	12,521,337.44	250,000.00	6,015,307.52	221,166.04	144,367,156.76
The Shanghai Commercial & Savings Bank, Ltd.	34,591,365.29	96,018,284.47	8,622,273.29	500	—	37,796,300.00	21,569,019.72	3,178,371.25	9,186,944.03	—	211,462,558.05
The Manufacturers Bank of China, Ltd.	12,739,903.69	27,693,742.94	4,613,565.39	200	—	9,730,000.00	1,692,219.11	3,051,920.10	605,702.41	7,023.15	60,334,076.79
The National Commercial Bank, Ltd.	11,301,954.92	39,682,679.75	9,031,857.64	500	—	8,610,000.00	1,015,399.29	6,225,473.08	2,520,100.00	6,500.00	78,893,964.68
The Continental Bank	20,790,830.34	50,611,499.41	18,758,429.35	600	—	—	1,755,189.18	3,981,739.38	1,360,505.02	23,467.79	97,881,660.47
The China State Bank, Ltd.... ..	12,232,173.51	22,315,626.25	7,282,471.79	200	—	7,030,252.50	5,572,422.18	36,761.91	3,476,305.41	73,400.89	53,219,414.44
The Chekiang Industrial Bank, Ltd.	5,935,696.00	31,457,036.57	5,835,547.56	200	—	2,190,000.00	168,814.65	2,452,305.26	270,005.00	—	48,509,405.04
TOTAL ..	194,534,702.53	500,738,067.68	97,710,954.84	200	—	83,001,552.50	57,927,409.43	23,059,399.46	35,452,196.51	352,941.33	997,977,224.28

IV. NATIVE BANKS ("CHIEN CHUANG," 錢莊)

Native banks are the traditional Chinese monetary organizations, the origin of which can be traced back to an ancient date. In the North where they were known as *P'iao Hao* (票號, literally "bill shops") they prospered most under the financial genius of Shansi merchants, while in the South they developed largely in Kiangsu and Chekiang Provinces. These two groups of *Chien Chuang* differ slightly from each other in matters of organization and scope of business, but they both accept deposits, extend loans, act as agents for receipts and payments, and handle transactions in gold and silver as their main business. Native banks differ from modern banks in the following respects: (1) they are partnerships, with the partners jointly and severally assuming unlimited liability; (2) their loans are not necessarily granted against securities, but very often against personal credit; (3) they cannot issue notes; and (4) their system of bills has a very extensive function all its own. Native banks in various cities have generally organized themselves into guilds which undertake clearing of papers, and fix the daily rate on call loans.

During the early years of the Republic, native banks enjoyed great prosperity. But, due to internal strife and external menace, and to the rise of modern banks, their volume of business began sharply to decline. These facts, coupled with the prevailing rural bankruptcy which reduces both deposits and loans, have frequently brought about suspensions of business. According to a general survey, there are now only half as many native banks in Shanghai as there were 10 years ago. The decreases in other cities range from one half to one fifth; cases of failures are not infrequent. The voluntary reorganization of native banks into modern banks will be a logical tendency in the future.

TABLE 11. DISTRIBUTION OF NATIVE BANKS, 1935

Localities	*No. of Native Banks*	*Total Capital Paid-Up*
KIANGSU:		
Shanghai	80	25,400,000
Tanyang	8	242,000
Luho	2	32,000
Kiangyin	3	105,000
Tungtai	3	150,000
Panpoo	1	30,000
Nanking	12	174,000
Nantung	9	388,000
Taihsien	4	50,000
Changchow	3	160,000
Changshu	7	800,000
Shingtzeh	5	209,000
Yangchow	7	172,000
Hwaian	2	50,000
Wusih	9	640,000
Chinkiang	5	300,000
Soochow	20	950,000
Yencheng	3	95,000
CHEKIANG:		
Shihpu	8	86,000
Siashih	8	140,000
Shenkiamen	16	257,500
Kinhwa	6	167,600
Hangchow	34	623,000
Haimen	13	362,000
Huchow	7	412,000
Wenchow	30	595,000
Shaohsing	41	513,600

Kashing	3	30,000
Ningpo	60	3,250,000
Yuyao	16	255,000
Lanchi	12	570,000
Aokiang	1	30,000
Chuchow	14	292,000
SHANSI:		
Taiyuan	28	1,385,000
Sinkiang	7	107,500
Yutze	4	95,000
SHANTUNG:		
Chefoo	26	350,200
Changtien	5	45,000
Weihaiwei	4	343,000
Poshan	4	170,000
Tsinan	25	944,000
Tsining	2	50,000
Lingtsing	2	30,000
Weihsien	8	360,000
HONAN:		
Chenchow	1	50,000
Kaifeng	10	1,810,000
Hsuchang	9	520,000
Loho	2	80,000
Chumatien	3	150,000
SHENSI:		
Sian	6	155,000
HOPEI:		
Taming	3	30,000
Tientsin	51	3,645,000
Peiping	12	790,000
Shihkiachwang	18	1,518,000
Paoting	10	400,000
Tangshan	1	20,000
Chinwangtao	1	5,000
Koyang	2	290,000
Chowhsien	1	20,000
SZECHWAN:		
Neikiang	4	26,000
Tseliutsing	6	278,900
Chengtu	19	1,350,000
Sufu	3	90,000
Chungking	19	2,085,000
Kiating	1	200,000
Luhsien	1	32,000
ANHWEI:		
Tatung	5	65,000
Tunki	2	70,000
Anking	2	20,000
Wuhu	7	290,000
Chuhsien	1	—
KIANGSI:		
Kiukiang	8	165,000
Kian	2	70,000
Nanchang	38	1,392,000
Kingtehchen	13	365,000
Fuchow	12	140,000
HUPEH:		
Shansi	6	88,000
Ichang	3	110,000
Wusueh	2	30,000
Hankow	44	2,696,000

HUNAN:		
Changsha	39	1,102,000
FUKIEN:		
Chuanchow	11	590.000
Amoy	47	4,025,000
Foochow	27	1,340,000
KWANGTUNG:		
Swatow	100	5,555,000
Canton	64	2,357,000
Kiungchow	10	203,000
SUIYUAN:		
Paotow	10	1,047,000
Kweisui	10	329,000
LIAONING:		
Dairen	35	3,588,000
Antung	5	113,000
Kaiyuan	2	40,0000
Yingkow	2	52,500
Kinchow	5	53,000
Mukden	16	430,000
KIRIN:		
Kirin	4	80,000
Harbin	13	2,800,000
HEILUNGKIANG:		
Heilungkiang	1	80,000

V. PROVINCIAL BANKS

A. Nature.—Categorically, the provincial banks in China may be roughly classified into three groups:

1. Provincial government institutions with capital advanced by the provincial treasury. For instance, the $13,000,000 capital of the Provincial Bank of Kwangtung is entirely paid out of the provincial treasury. However, the capital of some provincial banks is shared by both the provincial treasury and the different hsien or district governments in the province, or only by the different hsien governments of the province. The latter case may be illustrated by the Provincial Bank of Shensi and the former the Ming-Sun Bank of Shantung Province.

2. Joint government and commercial institutions. The Yu-ming Bank of Kiangsi Province may be taken as an example. This bank has a capital of $1,000,000 equally subscribed by the provincial government and commercial organizations.

3. Commercial institutions under government supervision. In the year 1909 the Provincial Bank of Chekiang was established as a commercial bank under the supervision of the Chekiang provincial government. In 1924 a meeting of shareholders resolved to demarcate commercial and government shares. This was the case also with the Shansi Bank before 1932. In a word, most of the provincial banks have come under government control and management, and all of the provincial banks established by commercial interests have been reorganized into either government or joint government and commercial institutions.

B. Name.—There are altogether 18 provincial banks in China. Ten of these are in the name of provincial banks, two in the name of different local banks, and the rest are named in other ways.

C. Locality.—For the sake of convenience in obtaining direction and supervision from the provincial government, most of the provincial banks have been located in the capital city of the province. However, the provincial banks of Szechwan, Kiangsu,

Anhwei, Hopei, and Hupeh are all situated in the leading business centers or ports of their respective provinces.

D. Capital.—The capital of provincial banks is mostly subscribed by the provincial treasury, but sometimes it is shared jointly by different hsien or district governments in the province. If it is a joint government and commercial institution its capital is usually shared equally by government and commercial interests. The paid-up capital of provincial banks in most cases exceeds $1,000,000, with the exception of the Fukien Provincial Bank, which has a paid-up capital of only $600,000. There are five provincial banks with a paid-up capital of more than $3,000,000. The total amount of paid-up capital of all of the provincial banks in China is estimated to be a little less than $50,000,000, which equals approximately 50% of the capital of Central Bank of China.

E. Duties. — Generally speaking, the chief duties of provincial banks are "to regulate the money market in the province, to act as fiscal agent of the provincial treasury, and, in some cases, to make receipts and payments on behalf of the National Treasury." In some provinces where banking business is not well developed, the provincial banks are authorized in many cases to operate "trust and savings" transactions. Owing to the fact that provincial banks are regarded as institutions of the provincial government, they enjoy special privileges besides freedom to undertake general banking business. The general banking transactions of the Provincial Bank of Kwangtung, for instance, are as follows:

1. to buy and sell bonds and commercial bills; to discount or rediscount bills and drafts;
2. to deal in exchange and to issue drafts;
3. to buy and sell gold and silver bullion and foreign currencies;
4. to accept deposits and to take into safe custody objects of value, commercial bills, securities, etc;
5. to extend long and short term loans on reliable collaterals;
6. to act as agent for the collection and payment of money for customers;
7. to buy and sell securities guaranteed by the Government.

But besides the above functions the Provincial Bank of Kwangtung is also granted the special rights of raising funds for the provincial government by underwriting loans and bonds, note issuing, acting as agent of provincial treasury and acting temporarily as agent of the National Treasury for the collection of taxes.

In recent years provincial banks have been paying more attention to the extension of agricultural loans in order to facilitate rural reconstruction. They concentrate especially upon the improvement of production and sales of native products, as in the case of the Provincial Bank of Anhwei which finances the tea trade, the Provincial Bank of Hunan, which deals in rice, and the Provincial Bank of Yunnan which finances the tin merchants and miners. In short, the function of the provincial banks is to adapt itself to the special environment in which they are located and to meet the demands therein whenever possible.

VI. FARMERS' BANKS

Of all the rural financing institutions in China, more than 20 in number, including agricultural banks and commercial banks operating a farm loan department, the Agricultural and Industrial Bank of China is the oldest and the Farmers' Bank of China the largest. The Farmers' Bank of Kiangsu does the largest volume of business among all the agricultural banks in China, and the rural banks of Chekiang cover practically all of the districts of the province, including notably such districts as Pingyang (平陽), Tsungteh (崇德), Shaohing (紹興), Haining (海寧), Chenghsien (嵊縣), Yuyao (餘姚), Yungshui (永瑞), Chuhsien (衢縣), Kinwu (金武), Yungyi (永義), and Tungpu (東浦).

In addition there are a number of rural banks in other provinces which also are making a rapid progress in financing agricultural development. A

brief account of each of the above-mentioned organizations follows:

A. The Agricultural and Industrial Bank of China.—During the years 1914 and 1915, the Peking Government originally intended to organize an industrial bank in Peiping and an agricultural and industrial bank in each district. But later on, for some reason or other, only a few agricultural and industrial banks were founded in the districts of Tawan (大宛), Tunghsien (通縣), Changping (昌平), etc. The present Agricultural and Industrial Bank of China is but a transformation from the Agricultural and Industrial Bank of Tawan, the capital of which was originally fixed at $200,000 but later was increased to $1,000,000. In 1917 the name of the bank was changed into the Agricultural and Industrial Bank of China and the institution was granted the special privilege of issuing notes. In 1919 the capitalization of the bank was further increased to $10,000,000.

The original idea of the founders of the bank was to make it purely a land mortgage institution somewhat different from an ordinary agricultural bank with the sole object of extending rural loans through co-operative societies. But it was recognized that until land registration was put into practice, it would be difficult to identify the *bona fide* ownership of land in China and to develop the functions of a land mortgage bank. The business of the said Agricultural and Industrial Bank, therefore, was made practically identical with that of an agricultural bank. A few so-called agricultural and industrial banks were also transformed into commercial banks.

The Agricultural and Industrial Bank of China has since its establishment made many contributions in the way of financing agricultural and educational developments. For instance, its Hangchow Branch has been authorized to act as an agricultural bank for Chekiang Province. Immediately after the reorganization of the bank in 1919 a Commission for the Educational Sinking Fund was created with the main object of fostering educational development in China. Dr. Li Nyyin (李煜瀛) was elected the chairman of the Board of Directors of the Bank, numerous branches of which bank were subsequently opened in Hangchow, Hankow, Nanking, Peiping, Tangshan (唐山), Tinghai (定海), Chengchow, Changsha, Shihkiachwang (石家莊), etc. Towards the end of 1919, Dr. Li Nyyin owing to certain urgent call from abroad, tendered his resignation, and Mr. Chang Chia-ngau one of the managing directors of the bank, was elected to take Dr. Li's place. Since then the business of the bank has continued to improve and many remittance offices have been opened in Shasi (沙市), Hengchow (衡州), Hengyang (衡陽), Ningtsin (寧晉), and Tunki (屯溪).

B. The Farmers' Bank of China.—The Farmers' Bank of China was transformed from the Farmers' Bank for Four Provinces, namely, Honan, Hupeh, Anhwei and Kiangsi. Formerly, on account of the economic disorder in the four provinces which resulted from the activities of the communist-bandits, the Government Bandit-Suppression Headquarters had decided to organize the Farmers' Bank for the four provinces with capital originally fixed at $10,000,000, to be subscribed as follows: $3,000,000 from the Government Treasury, $500,000 from each of the four provincial treasuries and the remaining $5,000,000 from the public. However, owing to the difficulty of raising so large an amount of capital in a short time and the urgent need of funds for the immediate relief of sufferers, the Headquarters appropriated a sum of $1,000,000, and, in the meanwhile, looked to the public for free contributions. The Central Bank of China and other important banks were assigned as collectors and custodians of funds so contributed. The money thus collected was to be used to extend farm loans to the farming districts of the four provinces.

In order to carry out this project, it was decided to establish experimental rural co-operative societies in the bandit-stricken district. These societies, in turn, were to be responsible for extending loans to farmers. At the same time the Bandit-Suppression

Headquarters had established a Rural Finance Relief Office and a suboffice was to be organized in each district for the purpose of supervising the formation of such experimental societies and their business operations.

In the meantime the organization of the Farmers' Bank for Four Provinces was still in progress, and finally the bank succeeded in raising a sum of $2,500,000 just one-fourth of the original authorized capital. Accordingly, the bank was formally opened at Hankow on April 1, 1933. The bank, together with the Rural Finance Relief Office, was held jointly responsible for reorganizing all of the experimental co-operative societies into regular co-operative societies within one year, and it was expected to furnish funds to meet their requirements.

The operations of the Farmers' Bank for Four Provinces are as follows:

1. to issue bank notes;
2. to receive deposits;
3. to deal in foreign exchange;
4. to buy and sell precious metals and securities;
5. to extend loans against chattels or real estate, and guaranteed securities;
6. to manage agricultural warehouses;
7. to make advances to farmers for improving agricultural products, agricultural implements and rural co-operative societies;
8. to issue agricultural bonds;
9. to discount agricultural bills.

In 1935 the general business of the Farmers' Bank for Four Provinces was very promising, and consequently new branches and agencies were established respectively in Hankow, Nanchang, Wuhu, Chengchow, Sian, Foochow, Nanking, Shanghai, Changsha, Kweiyang, Chungking, Shasi, and Lanchow (branches); Ichang, Wuchang, Kiukiang, Anking, Kaifeng, Amoy, Hangchow, Chengtu (agencies), etc. As branches were scattered all over the country, the name of the bank was changed into the Farmers' Bank of China.

In the early part of 1936, a saving department was added and by government mandate on March 7, 1937, Mr. T. T. Yeh, supervisor of the bank, was appointed general manager. The head office of the bank, originally established in Hankow, is now in Shanghai.

C. The Farmers' Bank of Kiangsu.—The Farmers' Bank of Kiangsu is the oldest farmers' bank in China. Its capital was provided by the imposition of a special land surtax. General Sun Chuan-fang was Military Governor of Kiangsu from 1924 to 1926, he levied a land surtax of 20 cents per mow. Part of the tax had been collected and expended and if the other part was left uncollected, the tax burden on the landowners would not be equally distributed. Therefore in 1927 a proposal was submitted to and approved by the Kiangsu Provincial Assembly stipulating that the collection of the 20 cent land surtax should be completed and that the proceeds obtained therefrom should be used as a reserve fund for the establishment of a farmers' bank.

The project was as follows:

1. to abolish the scheme of borrowing land tax in advance, as had been done by General Sun Chuan-fang;
2. the method and amount of collection for building up the reserve fund should not be different from the process of collecting the land tax;
3. receipts for surtax payments issued by General Sun Chuan-fang should be recognized as contributions toward the reserve fund of the bank;
4. after one fourth of the reserve fund had been collected, preparatory measures for the organization of the farmers' bank should be undertaken.

The Farmers' Bank of Kiangsu was formally established. Its organization is composed of two bodies—executive and legislative. The former includes the head office, branches and agencies; the latter is composed of the board of directors and the supervisory committee. The establishment of

branches and agencies must have the approval of the board of directors and supervisors. The province is divided into 16 districts with a branch bank in each district. An agency may be established in a hsien of the same district under the direction of the district branch bank, provided the paid-up reserve fund of that hsien is above 60%. All district branches are under the direction and supervision of the head office.

According to recent statistical reports the bank's volume of business amounts to approximately $689,000,000 per year. The total amount of deposits is about $15,000,000, and the working capital is $7,000,000. Advances made to co-operative societies, mutual productive organizations, farmers, etc., amount to more than $20,000,000.

The maximum rate of interest on loans to the co-operative societies is 12% per annum and the highest rate of interest on other loans is in the neighborhood of 18% per annum. The longest term of loan is two years, but in special cases the period may be extended. Loans for a term of one year are the most common. Besides relieving the rural districts by extending loans, the Farmers' Bank of Kiangsu also endeavors to improve the condition of agricultural economy by such means as organizing agricultural warehouses, enhancing the sale of agricultural products and improving co-operative societies.

D. The Farmers' Bank of Chekiang.—When the 25% reduction of land rent was effected in 1927, disputes between tenants and landowners became more serious, and the farmers faced more difficulties in securing loans. The Provincial Government of Chekiang therefore decided to organize a farmers' bank to be operated by the Provincial Government with a capital of $2,000,000, and hsien farmers' banks with a capital of $200,000 each. The provincial farmers' bank was to open for business when one fourth of the capital had been paid in. The Provincial Government effected a bond issue of $500,000, secured by 20% surtax on the tobacco and wine tax. The proceeds were to be used for the organization of a provincial farmers' bank. However, so small an amount of money was insufficient to start a bank, so the $500,000 was transferred to the Agricultural and Industrial Bank of China as its capital, and the latter was authorized to act as an agricultural bank for Chekiang. Although some district farmers' banks exist in different districts of Chekiang, up to now the province has not established a provincial farmers' bank of its own.

In connection with the establishment of hsien farmers' banks in Chekiang, the original plan was that a surtax of from 10 cents to 50 cents per picul per tael should be levied in each hsien or district, to be used as the reserve fund for the bank. Subsequently, owing to the insufficiency of funds collected, it was found impossible to start business. With a view to solving this difficult problem the Commission of Reconstruction of Chekiang deliberately passed resolutions providing: (1) that those hsien which have collected an amount of $5,000 may first establish a farmers' loan office; (2) that those hsien which have collected less than $5,000 may petition the Commission of Reconstruction of Chekiang for advances; (3) that those hsien which have collected more than $50,000 may establish a farmers' bank; (4) that the Provincial Government shall order the hsien or districts, which have failed to collect a sufficient amount of money to fulfill their requirements and organize district farmers' banks or farmers' loan offices at an early date.

As a consequence of these measures in addition to the districts of Haining, Kashing, Kashan, Chungteh, Yuyao, Shaohing, which have established district farmers' banks, the districts of Tehtsing, Wuhsing, Shachang, Chuki, Kiangshan, Sungsien, Haiyen, Shuian, and Yuka have organized farmers' loan offices. Credit Co-operative Societies also are well developed in various places, and, thus far, the foundation of the farmers' bank in Chekiang has been firmly laid.

The statement of the various farmers banks for the 25th fiscal year (1935–36) shows remarkable expansion and development in their business, especially

that of the Farmers' Bank of China, which has made notable progress and is taking the lead among farmers' banks. The Farmers' Bank of China has been authorized by the Ministry of Finance to make advances to the farming districts for the rehabilitation of rural economy and the improvement of agricultural productivity, especially in such remote regions as Shansi, Kansu, Szechwan, and Yunnan. It is gratifying to note that in these provinces remarkable achievements have been witnessed in developing rural co-operation, expediting chattel mortgages, and in managing agricultural warehouses. According to the bank's statement, the Farmers' Bank of China made a total advance of approximately $78,000,000 in 1936 as compared with the total advance of $25,000,000 in 1935. This threefold expansion of rural activities speaks well for rural banking.

TABLE 12. THE STATEMENT OF ASSETS AND LIABILITIES OF VARIOUS FARMERS' BANKS

(From 1934–36) (Units: $1,000)

Name of Bank	*Date*	*Capital*	*Sinking Fund*	*Deposits*	*Loans*	*Net Profit*
Agricultural and Industrial Bank of China	1934	10,000	569	22,953	19,065	501
	1935	10,000	634	24,087	18,156	490
	1936	10,000	834	25,685	18,668	526
Farmers' Bank of China	1934	10,000	28	15,571	11,255	107
	1935	10,000	70	52,989	25,779	387
	1936	10,000	1,147	155,444	78,207	537
Farmers' Bank of Kiangsu Province	1934	2,599	191	5,797	7,957	101
	1935	4,000	380	12,103	10,349	142
Farmers' Bank of Pinyang-hsien	1934	200	—	33	20	1
	1935	200	1	12	38	1
Farmers' Bank of Yungjui	1934	—	—	—	—	—
	1935	200	2	56	95	1
Farmers' Bank of Peipeh-hsien	1934	40	2	75	134	6
	1935	40	3	17	78	8
Agricultural & Industrial Bank of Kiangchinhsien	1934	40	—	24	176	22
	1935	40	—	98	182	24
	1936	—	—	—	—	—
Agricultural & Industrial Bank of Kiangfeng	1934	200	30	1,388	1,626	18
	1935	200	50	1,263	1,172	18
	1936	200	11	1,086	1,292	20
Local Farmers' Bank of Kiangwuyung	1934	58	—	32	87	2
	1935	58	5	136	141	9
Farmers' Bank of Chunteh-hsien	1934	17	—	20	64	—
	1935	17	1	26	56	—
Farmers' Bank of Shaohing-hsien	1934	200	—	66	59	—
	1935	200	—	96	97	—
Farmers' Bank of Haining-hsien	1934	107	7	84	132	5
	1935	107	10	104	178	2
	1936	107	13	91	178	4
Rural Bank of Tanghsiang	1934	20	—	3	19	—
	1935	—	—	—	—	—
Local Farmers' Bank of Yi-tungpu	1934	49	—	2	38	1
	1935	49	—	3	24	—
	1936	49	1	32	46	—
Farmers' Bank of Shenhsien	1934	106	19	667	682	8
	1935	106	21	563	336	8
	1936	106	22	637	643	8
Local Farmers' Bank of Kashan	1934	53	—	22	41	—
	1935	58	—	41	85	1
Local Farmers' Bank of Kashing	1934	106	13	21	76	2
	1935	106	16	37	92	1
	1936	111	14	65	178	1
Farmers' Bank of Yuyao-hsien	1934	95	—	9	26	—
	1935	96	—	34	73	1
Local Farmers' Bank of Chu-hsien	1934	200	3	17	103	5
	1935	200	4	21	101	7

VII. SAVINGS BANKS

A. Evolution of Savings Banks.—The whole history of savings banks in China covers a period of a little more than 30 years. The first savings banks to be established in China was the Shanghai Sin-Chen Bank, founded in 1905. Two years later the Emperor Kwang Hsu issued a series of regulations known as the "Ta Ching Savings Bank Act" to govern the procedure and operations of savings banks. The regulations actually marked the beginning of a new era of governmental control over savings banks in China.

In the first year of the Republic (1912), the Internatinal Savings Society was established by French merchants in Shanghai, this being the first institution to be inaugurated for public savings through the offer of lottery prizes. The Chinese Government began to realize the significance of public savings, however, and in 1914 ordered the Bank of China and the Bank of Communications to organize with joint capital a subsidiary bank which was then known as the "Sin Hwa Savings Bank," but the name of which was changed in 1931 to the "Sin Hwa Trust and Savings Bank." In addition, for the purpose of inducing the public to save, the Government set up in 1919 the postal savings system. Since then savings organizations grew rapidly both in number and in kind until in about 1931 such organizations numbered more than 100. This development was due largely to the *laissez-faire* policy of the Government in those days which resulted in the establishment of many savings departments in various banks. In order to protect the interests of depositors and to promote savings banking in the country, the National Government undertook to formulate the Savings Bank Act, which was put into effect in July, 1934. In this act all essential features and requirements relating to the banking operations of savings banks and savings departments are emphasized. Under its terms banks operating savings business are required to set aside a portion of capital for their savings departments and a definite amount of reserve fund against savings deposits, and to set up an independent accounting system in the department. In addition sound principals regulating the investment of savings deposits are enumerated; savings on the basis of illegitimate lottery prizes are not allowed; and in case of insolvency, directors, supervisors and managers are subject to unlimited liability in court procedures. All these provisions and requirements undoubtedly assure for the depositors the safety of their accumulated funds. Future prospects are likely to be even more promising on account of the impetus offered by the strict supervision of the Government.

B. Variety of Savings Banks.—Some savings banks sanctioned by the law handle the savings transactions alone, while others operate such business along with some other banking functions. As banks of all sorts may carry on the savings bank business in one way or another, not many genuine savings banks are to be found in this country, and now only six are said to be in existence. Out of these six, only three—the Hwa-Nan, the Chia-Hwa, and the Hwei-Fung—were originally chartered under the name of "Savings Banks," while the other three—the South Industrial and Savings Bank, the Sun-Sin Local Savings Bank and the Sin-Hwa Trust and Savings Bank—were otherwise named. The reason why the South Industrial and Savings Bank is grouped in the family of genuine savings banks is that this bank has a very limited capital and is not fitted for industrial undertakings. The Sin Hwa Trust and Savings Bank is considered as the oldest of the savings banks now in existence; its savings deposits amount to $10,000,000, and the total amount of deposits in the other five banks is comparatively less. From the standpoint of the number of genuine savings banks and the volume of their business, banks specializing in savings operations in China must be considered as being still in their infancy. For this there may be attributed three causes: first of all, the capital fund of the savings banks is generally small so that they can hardly command the confidence of the

public; secondly, since the business scope of the savings banks is small, the investment fields for the deposited funds are limited; lastly other banks with much larger capital may freely operate the savings business and consequently, they offer a very keen competition to the genuine savings banks. In the face of such handicaps, the growth of genuine savings banks can hardly be accelerated. However, such banks as commercial banks, agricultural banks, industrial banks and others have done very well in serving the public through their savings departments. Such departments are usually under independent accounts.

C. Growth of Savings Deposits.—According to the annual reports of various savings institutions for 1936, up to that time there were 25 banks with savings departments as well as two savings associations and one savings corporation. The total savings deposits in these 28 savings institutions is given in the following table, which will help to demonstrate the rapid growth of savings deposits in recent years:

No.	*Name of Banks*	*Savings Deposits*
1	Bank of China	$ 85,601,629.95
2	Bank of Communications	61,100,042.16
3	The National Commercial Bank	19,984,160.53
4	The Chekiang Industrial Bank	12,887,054.83
5	Shanghai Commercial & Savings Bank	38,382,452.73
6	Yien Yieh Commercial Bank	15,676,193.90
7	Chung Foo Union Bank	3,538,338.76
8	Kincheng Banking Corporation	55,107,033.02
9	Sin Hwa Trust & Savings Bank	8,995,715.40
10	The Continental Bank	22,761,748.66
11	China & South Sea Bank	17,714,086.61
12	Kiangsu Bank	5,212,145.38
13	The China State Bank	6,857,703.42
14	The Land Bank of China	2,668,379.62
15	The Agricultural & Industrial Bank of China	2,087,607.64
16	The Manufacturers Bank of China	5,270,771.61
17	Shanghai Silk Industry Commercial Bank	837,573.54
18	The Shanghai Mercantile Bank	440,602.14
19	China Development Bank	1,348,350.84
20	The Chinese Industrial Bank	1,337,026.23
21	Chung Hwa Bank	576,770.47
22	The Chung Wai Bank	971,238.21
23	Chi-Chung Bank	373,494.41
24	Kwang-Sin Bank	127,160.43
25	Chen-Ming Bank	243,776.68
26	The Joint Savings Society of the Yienyieh, Kincheng, Continental and China & South Sea Bank	81,273,477.78
27	The Sze-Ming Savings Bank	3,721,715.87
28	Chun I Trust Corporation	6,125,649.47
	TOTAL	$456,222,902.27

The rapid increase in the savings deposits during recent years is amazing. These figures are merely representative in nature; the total would be still larger if all of the statistics were available. From the *Chinese Bankers' Year Book*, compiled by the Bank of China, the phenomenal increase of savings deposits in the 28 banks can be seen as follows:

Years	*Savings Deposits in 28 Banks*
1921	$ 13,221,322
1931	206,668,240
1932	246,117,664
1936	456,222,902

From the above figures it will be seen that the aggregate amount of savings deposits in 1921 was very small. They show also that the savings deposits did not grow rapidly until after 1931; in 1936 the amount was more than thirty-five times the total for 1921. According to annual report of the Bank of China for 1936 the total number of depositors in its savings department was 149,783 and of this number 73,919 were new depositors. This means that the depositors in the Bank of China doubled in number as compared with 1935. It seems, according to

The report, that the increased amount of savings deposits in 1936 came wholly from the new depositors. This indicates not only that the business of savings banks as a whole has greatly progressed, but also that the economic condition of the people in general has been much improved. Furthermore, it shows that the public has been taught to save against emergencies. For the progress recently made by the savings banks several reasons may be given: (1) the savings banks are distributed all over the country and are conveniently accessible to the people; (2) the savings deposits among government employees and various organizations have been increased; (3) the savings banks have gradually won the confidence of the people; (4) since the enactment of the Legal Tender Policy, hoarding has been gradually decreased; (5) the laws regulating the activities of the savings banks safeguard both the interests of the depositors and the development of the business. The outlook for the savings bank is, in short, most favorable.

D. Investment of Savings Deposits.—Though the methods of employing and operating savings funds are numerous and complicated, the basic principles may be summarized in three words: safety, profitableness and utility. Investigation as to the ways in which the funds have been invested in the last two years seems to show that the prescribed requirements have been gradually fulfilled. The following table analyzes such investments:

TABLE 13. INVESTMENT OF SAVINGS DEPOSITS IN VARIOUS SAVINGS BANKS

Items of Banking Assets	*Amount in 1935*	*Percentage*		*Amount in 1936*	*Increase*	*Decrease*
		1936	*1935*			
Loans on Collateral ..	$259,009,140.06	50.3%	34.9%	$156,309,149.51	102,699,990.50	—
Investments on Securities	136,501,496.24	26.5%	28.2%	126,460,801.00	10,040,695.24	—
Cash and Deposits with Other Banks	109,765,474.35	21.3%	27.4%	122,430,878.99	—	12,665,404.64
Other Assets .	9,978,781.47	1.9%	9.5%	42,404.875.96	—	32,426,094.49
TOTAL ..	$515,254,892.12			$447,605,705.46	67,549,186.61	—

The above table shows that loans on collateral have been greatly increased, while the figures for investments on securities were larger in 1936. Yet the percentage decreased in comparison with that of the previous year. In 1936 not only was there a contraction in the figures for cash and deposits in banks, but the relative percentage was also reduced from 27.4% in 1935 to 21.3% in 1936.

VIII. TRUST COMPANIES

For years literature on "trust" organizations has been published in China, but no such undertakings were established until 1921. At that time there was a craze for the establishment of various kinds of commodity exchange markets. In the district of Shanghai alone more than 100 commodity exchanges were organized one after another. There could be found exchange markets even for such commodities as cigarettes, matches, kerosene oil and so on. There was also the "night exchange" and the "Sunday exchange." The idea had become so popular that it seemed impossible for a trade to carry on without adopting it.

It was then that the trust companies began to spring up, and in few months' time the following institutions were established:

The Chinese Commercial Trust Company
The Shanghai Transport Trust Company
Great China Trust Company
The Central Trust Company of China, Ltd.
The Trust Company of China
Domestic and Foreign Trust Company
Chung Yi Trust Company
The Commercial Trust Company
Tung Yi Trust Company
Sheng Chow Trust Company
Shanghai Trust Company
Hua Sheng Trust Company

These companies pretended to be strongly capitalized, claiming as much as $10,000,000, while the total capital of all trust companies was supposed to aggregate more than $80,000,000. This state of affairs could not last very long, however, and among all of the trust companies listed above only a few have survived.

A study of the sudden rise and fall of the trust companies reveals that during the days when numerous commodity exchanges were coming to the fore, turst companies followed suit and sprang up like mushrooms, but few were built on a solid economic foundation. Mostly they served merely as a means of speculation, with neither concrete far-reaching plans nor actual transactions in the nature of trust business. Some of the companies even went to the extreme of trading the company's stocks on a speculative basis before the completion of their organization. Using their stocks as a gambling commodity on the commodity exchanges and making loans with the stocks of the commodity exchanges as security, the trust companies threw the control of their own activities into the hands of the exchanges. These companies therefore ruined their standing at the very start and their stockholders lost no time in seizing opportunities to sell out their holdings so as to get back whatever they possibly could. Names of the stockholders changed everyday, and a designated legal body to shoulder the responsibility was lacking. With the collapse of the commodity exchanges, it was but natural that the trust companies should follow them into oblivion.

After the "trust and exchange crisis" the general public lost confidence in trust company undertakings and investors became shy about taking up trust enterprises. The development of the trust idea was further hindered by the unstable political situation, rural bankruptcy and general business depression. Luckily, however, the First Trust Company of China, Ltd., and a few others sternly abided by the "strictly business" principle and thus avoided being dragged into the mud. It was through sheer hard effort on the part of the few remaining trust companies that the activities of trust enterprises were placed on the right track during the past decade, gradually gaining the confidence of the general public. The public then began rightly to understand the principle and purpose of trust enterprises and became willing to invest in them. Furthermore, since 1928 the political situation in China has gradually become stable and the general economic outlook has taken a turn for the better. Trust companies have met with further encouragement and new ones have rapidly been formed. The new trust companies established during the past decade are as follows:

Kohan Trust Company
The China Trust Company, Ltd.
The Shanghai Trust Company, L d.
Heng Shun Trust Company
The Southeast Trust Company, Ltd.
Tung Wei Trust Company, Ltd.
Intermediate Credit Trust Corporation
Woo Brothers Trust Company, Ltd.

At the same time such noted banking institutions as the Bank of China, the Bank of Communications, the Shanghai Commercial and Savings Bank, the China State Bank, Ltd., the Hsin Hua Trust and Savings Bank, the Continental Bank, the Chekiang Industrial Bank, Ltd., and the National Commerical Bank, Ltd. etc., have also established trust departments to undertake all kinds of trust business.

In the meantime the National Government has also realized the close economic relationship between the trust enterprises and the general economy of the people. Funds were allotted for the establishment of government trust companies and in October, 1933, the Greater Shanghai City Trust was instituted by the municipal government of Greater

Shanghai. In October, 1935, the National Government formally inaugurated the Central Trust of China in Shanghai. Although their original purpose was to undertake trust business on behalf of the Government these two trust institutions have gradually expanded the scope of their business and extended services to the general public as well.

Most of the trust companies have had their origin in Shanghai. Besides the four companies, namely, the First Trust Company of China, Ltd., the China Trust Company, Ltd., the South-east Trust Company, Ltd., and the Tung Yi Trust Company, Ltd., which have branches in other localities, there are only the Chungking Trust Company in Chungking, Szechwan, and the Canton Trust Company in Canton, Kwangtung. The following is a list of companies together with their paid-up capital:

Name	*Paid-Up Capital*
The Central Trust of China	$10,000,000.00
The First Trust Company of China, Ltd.	3,000,000.00
The Greater Shanghai City Trust	1,500,000.00
The Shanghai Trust Company, Ltd.	1,360,000.00
The Southeast Trust Company, Ltd.	1,000,000.00
Heng Shung Trust Company	750,000.00
Kohan Trust Company, Ltd.	500,000.00
Tung Wei Trust Company, Ltd.	500,000.00
Woo Brothers Trust Company, Ltd.	500,000.00
The China Trust Company, Ltd.	480,000.00
The Canton Trust Company	277,300.00
Intermediate Credit Trust Corporation	100,000.00
The Chungking Trust Company	100,000.00

Since their recovery during the past few years, trust enterprises have taken long and rapid strides forward, and the future prospects of the trust business seem to be quite promising. A few trust companies failed, however, to escape the economic depression. In 1934 the Eastern Trust Company and the Overseas Trust Company, Inc., met with fatal reverses, while in 1936 the Tung Yi Trust Company, Ltd., went into liquidation. Leaving out of account the causes responsible, their action in suspending business undoubtedly created an unfavorable impression with regard to the trust companies as a whole. But the fact that all of the other companies have safely struggled through the depression period well attests to the sound standing of present day trust companies as compared to those which existed during the days of the "trust and exchange crisis."

IX. FOREIGN BANKS

In 1843 Shanghai was opened as a trading port under the terms of the Treaty of Nanking. After that foreign traders came to China in increasing numbers and the trade between China and foreign countries began to expand. In order to facilitate foreign business foreign banks came into existence.

The earliest foreign bank in China was the Oriental Banking Corporation—a British Bank—which established a branch at Shanghai in 1848. Next the Chartered Bank of India, Australia and China (British) opened a branch office at Shanghai in 1853. The Shanghai branch of the British Mercantile Bank of India was established in 1854. The Hongkong & Shanghai Banking Corporation opened its branch office at Shanghai in 1867. Subsequently the Commercial Bank of India, the Central Bank of West India, the Agra Bank (British), the Comptoir d'Escompte de Paris (French). and the Deutsche Bank (German) also opened branches at Shanghai.

After 1889 there were established in Shanghai the Deutsch-Asiatische Bank (German), the Bank of China, Japan and the Straits, Ltd. (British), the National Bank of China (British), the Yokohama Specie Bank (Japanese), and the Banque de l'Indo-Chine (French).

After 1902, the National City Bank of New York (American), the Banque Belge pour l'Estranger (Belgian), the Nederlandsche Handel-Matschappij, (Dutch), the Credit Foncier d'Extreme-Orient (Franco-Belgian), the Bank of Taiwan (Japanese), the Sumitomo Bank (Japanese), the Mitsubishi Bank (Japanese), the Mitsui Bank (Japanese), the Shanghai Bank (Japanese), and the Bank of Chosen (Japanese) opened for business.

In about 1918 the American Oriental Banking Corporation (American), the American Express Company, Inc. (American), the Asia Banking Corporation (American), the Philippine National Bank and the Park Union Foreign Banking Corporation were established.

Since 1920 the Nederlandsche Indische Handels Bank (Dutch), the Banca Italiana per la Cina (Italian), the Chase Bank (American), the P. & O. Banking Corporation (British), the Far Eastern Bank (Russian) and the Union Mobiliere Francaise de Banque Placements (French) have been established.

After 1927, the Thriftcor Bank (American), the Underwriters Savings Bank for the Far East, Inc. (American), the E. D. Sassoon Banking Company (British), the Finance Banking Corporation (British), the Hankow Bank (Japanese) and the Pintos' Finance Bank were established. Banks whose date of establishment is unknown were the Bank of China & Japan and the Societa Coloniale Italian.

In short, during the 80 years between 1848 to 1932, an average of one foreign bank established in China every year and the influence of foreign banks spread all over the big cities. The foreign banks in China may be classified on basis of nationality as Table 14.

Foreign banks issuing their own notes included the Hongkong & Shanghai Banking Corporation, the Chartered Bank of India, Australia, and China, the Mercantile Bank of India, the National City Bank of New York, the Banque de l'Indo-Chine, the Yokohama Specie Bank, the Bank of Taiwan, the Bank of Chosen, the Banque Belge pour l'Estranger, the Deutsch Asiatische Bank, and the defunct American Oriental Banking Corporation.

During the last decade the note issues of foreign banks have declined; in any case these notes were in circulation only in frontier cities and in places under foreign influence, such as Tientsin, Shanghai, Canton, Yunnan, Sinkiang, etc. In 1935 the total value of foreign bank notes in circulation dropped to about $3,000,000.

The new monetary policy of November 3, 1935, aims at centralizing note issues and in a spirit of co-operation all of the foreign banks have now ceased to issue notes.

The Shanghai Foreign Exchange Bankers' Association.—The Foreign Exchange Bankers' Association of Shanghai is the only foreign bankers' organization. It was organized by the Chartered Bank of India, Australia & China, the Hongkong & Shanghai Banking Corporation, the Mercantile Bank of India, the Yokohama Specie Bank, the Banque de l'Indo-Chine, the National City Bank of New York, the Banque Belge pour l'Estranger, the Nederlandsche Handel-Matschappij, the Bank of Taiwan, the Sumitomo Bank, the Mitsui Bank, the Mitsubishi Bank, the Nederlandsche Indische Handes Bank, the Banca Italiana per la Cina, the Chase Bank, the American Express Company, the P. & O. Banking Corporation, the Societe Francaise de Banque et de Placement and the Deutsch-Asiatische Bank. The office of this association is located in the Chartered Bank of India, Australia & China. Its chief purpose is to facilitate the operation of foreign exchange business.

The regulations of the association, embodying 13 articles, deal with the following questions: (1) business hours, (2) brokers, (3) commission, (4) rate on bills of exchange (5) export bills on silks and silk goods, (6) cashier's checks, (7) telegraphic transfer rates, (8) import bills, (9) advance payment, (10) payment on bills of exchange, (11) discount, (12) agency, and (13) interest on late telegraphic transfers.

TABLE 14. PRINCIPAL FOREIGN BANKS AND BANKS IN WHICH FOREIGN CAPITAL PARTICIPATED

Name of Bank	*Year of Establishment*	*Total Assets*	*Capital*	*Reserve Fund*	*Unit*	*Location of Head Office*	*Branches in China*
BRITISH BANKS:							
Chartered Bank of India, Australia & China	1853	59,557,929	3,000,000	3,000,000	£	London	Shanghai, Tientsin, Hankow, Peiping, Canton, Harbin, Tsingtao, Hongkong.
Mercantile Bank of India	1854	17,160,163	1,050,000	1,075,000		,,	Hongkong, Shanghai.
Hongkong & Shanghai Banking Corporation	1867	1,051,501,314	20,000,000	100,000,000	Hk. $	Hongkong	Shanghai, Canton, Amoy, Chefoo, Dairen, Tientsin, Foochow, Hankow, Harbin, Mukden, Peiping, Tsingtao.
P. & O. Banking Corp.	1920	16,461,810	2,594,100	180,000	£	London	Hongkong, Shanghai.
E. D. Sassoon Banking Co... ..	1930	7,859,613	500,000	150,000	,,	Hongkong	Shanghai.
Finance Banking Corp.	1932	—	200,000	—	Taels	Shanghai	
AMERICAN BANKS:							
Chase Bank	1921	36,123,035	5,000,000	1,000,000	U. S. $	New York	Shanghai, Tientsin, Hongkong.
Underwriters Savings Bank for the Far East	1930	3,604,004	500,000	125,000	Mex. $	Shanghai	Hongkong.
Tientsin Commercial & Credit Corp. Inc.	1932	—	50,000	—	,, ,,	Tientsin	
National City Bank of New York	1902	1,880,679,850	127,500,000	30,000,000	U. S. $	New York	Tientsin, Hankow, Shanghai, Peiping, Hongkong, Harbin, Dairen, Canton.
American Express Co.	1917	34,811,334	6,000,000	897,613	,, ,, ,,	,, ,,	Shanghai, Hongkong, Tientsin, Peiping.
Thriftcor Bank	1929	5,679,000	511,000	—	Mex. $	Shanghai	
JAPANESE BANKS:							
Mitsui Bank	1917	1,009,062,408	60,000,000	57,800,000	Yen	Tokyo	Shanghai, Dairen.
Mitsubishi Bank	1917	888,379,937	62,500,000	48,015,934	,,	,,	Shanghai.
Shanghai Bank	1918	1,235,238	100,000	35,000	Mex. $	Shanghai	
Bank of Tientsin	1920	2,500,000	625,000	—	Yen	Tientsin	Peiping.
Sumitomo Bank	1916	1,121,999,028	50,000,000	36,500,000	,,	Osaka	Shanghai.
Bank of Chosen	1918	876,670,698	25,000,000	6,901,027	,,	Seoul	Tientsin, Tsingtao, Shanghai, Lungchingtsun, Fuchiatien, Harbin, Changchun, Szepingkai, Kaiyuan, Tiehling, Mukden, Liaoyang, Yingkow, Port Arthur, Dairen, Antung.

Hankow Bank	1920	3,129,000	250,000	—	Yen	Hankow	Shanghai.
Bank of Taiwan	1911	414,760,477	13,125,000	4,004,000	Yen	Taipeh	Shanghai, Foochow, Amoy, Swatow, Hongkong, Canton, Dairen, Hankow.
Bank of Tsinan	1920	—	250,000	—	Yen	Tsinan	Tsingtao.
Yokohama Specie Bank ..	1893	1,659,063,540	100,000,000	127,450,000	Yen	Yokohama	Shanghai, Hankow, Tsingtao, Tientsin, Peiping, Hongkong, Canton, Dairen, Mukden, Changchun, Yinkow, Harbin.
SINO-JAPANESE BANK:							
Seiryu Bank	1906	133,040,064	5,624,375	667,134	Yen	Dairen	Tientsin, Tsingtao, Port Arthur, Yinkow, Anshan, Fushun, Mukden, Kaiyuan, Szepingkai, Kungchuling, Changchun, Harbin, Antung.
GERMAN BANK:							
Deutsch Asiatische Bank ..	1889	42,082,239	5,705,000	2,044,000	Taels	Berlin	Peiping, Hankow, Tientsin, Tsingtao, Canton, Shanghai.
FRENCH BANK:							
Banque de l'Indo-Chine	1899	2,502,605,641	120,000,000	121,096,252	Frs.	Paris	Shanghai, Tientsin, Peiping, Hankow, Hongkong, Canton, Yunnan.
Societe Francaise de Banque et de Placement	1921	4,377,131	2,000,000	299,442	Mex. $	Shanghai	Tientsin.
SINO-FRENCH BANK:							
Banque Franco-Chinoise pour le Commerce et l'Industrie	1922	485,018,918	50,000,000	32,847,000	Frs.	Paris	Peiping, Tientsin, Shanghai, Hongkong.
NETHERLANDIAN BANKS:							
Nederlandisch Indische Handels bank	1920	145,277,628	33,000,000	13,200,000	Fls.	Amsterdam	Shanghai, Hongkong, Amoy.
Nederlandsche Handel Matschappij	1902	268,999,168	35,030,000	5,000,000	Frs.	Amsterdam	Shanghai, Hongkong.
BELGIAN BANK:							
Bank Belge pour l'Etranger ..	1902	785,323,722	200,000,000	100,000,000	Frs,	Brussels	Shanghai, Tientsin, Hankow, Hongkong.
ITALIAN BANK:							
Banca Italiana per la Cina ..	1920	4,944,543	1,000,000	199,081	U. S. $	Shaughai	Tientsin.
RUSSIAN BANKS:							
Moscow Narodny Bank ..	1934	7,458,545	1,635,000	200,000	£	London	Shanghai.
Dalbank..	1924	69,273,000	—	—	Yen	Harbin	
FRANCO-BELGIAN BANK:							
Credit Foncier d'Extreme-Orient	1907	105,615,743	70,000,000	11,909,289	Frs.	Brussels	Tientsin, Hankow, Shanghai, Hongkong.

TABLE 15. AMOUNT OF CLEARINGS THROUGH

1933–

Period	BALANCE OF CLEARINGS							
	Dollars				Transfer Dollars			
	Total	H.	L.	Daily Av.	Total	H.	L.	Daily Av.
	$	$	$	$	$	$	$	$
1933	293,791,375	9,215,846	390,243	1,172,005	293,382,289	6,787,357	279,844	1,136,710
1934	486,640,026	6,123,467	565,310	1,618,219	645,083,227	12,545,972	670,105	1,961,935
1935	542,299,294	31,262,475	588,650	1,816,554	542,989,930	15,846,024	309,386	1,814,051
1936	1,105,578,344	32,889,685	890,008	3,762,333	667,133,682	12,653,549	589,932	2,244,704
1936								
Jan.	79,244,927	32,889,685	1,127,089	3,773,568	48,626,622	12,653,549	589,932	2,315,553
Feb.	86,938,021	13,067,708	1,556,568	3,477,521	52,318,990	8,262,559	713,996	2,092,760
Mar.	81,428,038	6,333,108	890,008	3,131,848	49,249,824	5,346,147	1,056,734	1,894,224
Apr.	78,242,883	9,081,700	1,574,267	3,401,864	44,841,173	6,321,893	928,803	1,949,616
May	91,239,089	12,300,297	1,211,675	3,509,196	49,300,663	6,571,760	805,694	1,896,179
June	134,672,149	19,686,228	2,028,802	5,886,886	56,682,083	7,128,901	1,085,314	2,267,238
July	98,760,374	25,032,199	1,449,728	3,950,415	50,374,385	4,609,163	750,936	2,014,975
Aug.	81,802,651	8,411,044	1,385,273	3,272,106	47,880,525	5,374,581	844,696	1,915,221
Sept.	79,258,874	7,011,637	1,882,284	3,170,355	54,462,571	10,369,636	996,825	2,178,503
Oct.	110,946,929	10,280,336	1,915,265	4,267,190	72,458,048	6,712,703	1,426,513	2,786,848
Nov.	83,266,774	8,020,346	1,582,923	3,469,449	63,836,760	7,852,945	1,469,228	2,659,865
Dec.	99,777,635	8,284,729	2,012,275	3,837,601	77,102,038	6,506,514	1,639,690	2,965,463
1937								
Jan.	86,903,174	9,140,676	2,261,655	3,778,399	74,456,069	18,073,253	1,562,639	3,237,220
Feb.	99,147,685	9,406,941	2,265,055	4,721,318	72,952,327	15,526,378	944,591	3,493,920
Mar.	93,253,225	7,997,049	2,372,981	3,885,155	75,501,833	15,565,178	1,220,209	3,145,910

THE SHANGHAI BANKERS' CLEARING HOUSE

–1936

TOTAL CLEARINGS								
Dollars				*Transfer Dollars*				*Total Daily Av.*
Total	*H.*	*L.*	*Daily Av.*	*Total*	*H.*	*L.*	*Daily Av.*	
$	$	$	$	$	$	$	$	$
1,023,529,061	29,105,934	1,295,696	4,093,638	831,732,031	17,673,326	725,637	3,224,705	7,323,343
1,582,373,902	29,564,350	1,839,989	5,261,627	1,657,733,711	34,687,770	1,422,202	5,444,198	10,705,825
1,857,578,935	51,549,949	2,318,946	5,697,374	1,858,249,389	53,359,284	939,178	6,201,951	11,899,325
3,740,491,792	152,271,136	3,212,381	13,448,085	2,243,816,281	42,980,142	1,489,345	7,555,006	21,003,091
305,857,191	152,271,136	4,153,136	14,564,628	174,226,336	42,980,142	1,489,345	8,296,492	22,861,120
292,541,866	51,348,211	5,012,799	11,701,675	161,973,996	35,197,425	2,278,392	6,478,960	18,180,635
288,386,027	39,841,129	3,212,381	11,091,770	159,785,825	13,177,349	3,757,279	6,145,609	17,237,379
268,867,672	36,020,298	6,457,616	11,689,899	148,073,832	20,644,148	3,294,693	6,437,993	18,127,891
280,472,717	25,704,074	4,622,650	10,787,412	153,652,624	18,929,185	3,330,665	5,909,716	16,697,128
358,310,855	47,367,295	7,477,467	14,332,434	181,788,154	20,805,392	3,734,686	7,271,526	21,603,960
320,189,412	74,474,522	6,505,293	12,807,576	179,536,623	16,548,299	3,448,012	7,181,465	19,989,041
268,160,794	32,337,573	5,968,424	10,726,432	161,123,166	18,070,369	3,536,073	6,444,927	17,171,359
298,880,244	35,948,905	8,013,142	11,955,210	175,415,109	27,425,488	3,415,973	7,016,604	18,971,814
389,957,749	28,640,995	8,560,896	14,998,375	253,542,075	19,034,219	5,375,289	9,751,618	24,749,993
312,296,639	26,739,805	8,723,718	13,012,360	217,869,310	18,373,306	5,102,933	9,077,888	22,090,248
356,570,626	39,593,663	7,327,757	13,714,255	276,829,231	23,988,830	5,385,274	10,647,278	24,361,533
288,571,254	22,262,009	7,585,097	12,546,576	227,491,321	36,162,698	4,945,865	9,890,927	22,437,503
316,200,809	31,761,004	8,036,223	15,057,181	229,643,766	36,013,847	2,926,017	10,935,417	25,992,598
338,275,318	44,493,993	7,373,832	14,094,805	265,318,173	49,132,583	6,352,722	11,054,924	25,149,729

TABLE 16. CLEARING THROUGH THE NATIVE BANKERS' ASSOCIATION

Period	Bills in Taels	Bills in Dollars	Bills in Taels Converted into $	Total
	Taels	Dollars	Dollars	Dollars
1925 ..	7,293,970,000	1,192,927,500	10,044,595,700	11,237,523,200
1926 ..	9,858,899,000	1,591,052,000	13,677,906,000	15,268,958,000
1927 ..	8,092,653,200	1,506,198,000	11,318,396,084	12,824,594,084
1928 ..	9,471,590,300	1,849,292,000	13,246,979,440	15,096,271,440
1929 ..	10,463,162,000	2,309,687,500	14,633,793,007	16,943,480,507
1930 ..	13,416,373,000	2,918,304,500	18,764,158,042	21,682,462,542
1931 ..	16,622,098,500	4,066,081,500	23,247,690,210	27,313,771,710
1932 ..	10,640,504,500	2,649,704,500	14,881,824,490	17,531,528,990
1933 ..	1,860,988,000	11,206,212,000	2,602,780,419	13,808,992,419
1934 ..	—	14,560,787,000	—	14,560,787,000
1935 ..	—	13,580,830,000	—	13,580,830,000
1936 ..	—	16,481,632,500	—	16,481,632,500
1936				
January	—	1,252,331,000	—	1,252,331,000
February	—	1,051,476,500	—	1,051,476,500
March	—	1,257,471,000	—	1,257,471,000
April	—	1,281,756,000	—	1,281,756,000
May	—	1,345,900,000	—	1,345,900,000
June	—	1,291,776,500	—	1,291,776,500
July	—	1,397,066,000	—	1,397,066,000
August	—	1,387,753,000	—	1,387,753,000
September	—	1,365,026,000	—	1,365,026,000
October	—	1,619,423,500	—	1,619,423,500
November	—	1,587,465,500	—	1,587,465,500
December	—	1,644,187,500	—	1,644,187,500
1937				
January	—	1,459,445,500	—	1,459,445,500
February	—	990,573,000	—	990,573,000
March	—	1,161,253,500	—	1,161,253,500

TABLE 17. AMOUNT OF CUSTOM GOLD UNITS ISSUED BY THE CENTRAL BANK OF CHINA AND CONDITIONS OF RESERVE

Year	Month	Date	Amount Issued	Reserve in Cash	% of Cash Reserve to Amount Issued
1935					
	December	28	373,324.75	373,324.70	100.00
1936					
	January	25	373,324.70	373,324.70	100.00
	February	29	373,324.70	373,324.70	100.00
	March	28	373,324.70	373,324.70	100.00
	April	25	373,324.70	373,324.70	100.00
	May	30	373.324.70	373,324.70	100.00
	June	27	409,630.70	409,630.70	100.00
	July	25	409,630.70	409,630.70	100.00
	August	30	409,630.70	409,630.70	100.00
	September	26	409,630.70	409,630.70	100.00
	October	31	409,630.70	409,630.70	100.00
	November	28	409,630.70	409,630.70	100.00
	December	26	409,630.70	409,630.70	100.00
1937					
	January	30	409,630.70	409,630.70	100.00
	February	27	409,630.70	409,630.70	100.00
	March	27	409,630.70	409,630.70	100.00

CURRENCY

W. Y. LIN (林維英)

The introduction of the new monetary policy in early November, 1935, after the months of prolonged and painful effort which followed the passage of the American Silver Purchase Act in June, 1934, marked the beginning of a new epoch in the history of the Chinese currency. In the world at large, and particularly in China, the currency developments of recent years have represented a veritable struggle between economic forces and monetary arrangements, leading sooner or later to a breakdown of the monetary standards. This chapter will deal briefly with the background and nature of China's new monetary policy, and the progress of monetary reform in 1936–1937.

I. BACKGROUND OF THE NEW MONETARY POLICY [1]

For some time prior to the introduction of the new monetary policy China had been going through a period of deflation, brought about first by the rapid abandonment of the gold standard in the principal countries of the world and aggravated later by the aggressive American silver policy, which had the object of "doing something for silver." As they were not justified by the state of China's balance of international payments, which began to turn against her at that time, the artificial and abrupt appreciation of silver prices, combined with a lag in the Chinese exchange rates, while definitely deflationary as regards domestic prices and bank credit, tended to widen the disparity between the world price of silver and the rate of Chinese exchange. The existence of this exchange disparity, combined with the anticipated advances in the world price of silver, encouraged an enormous export of silver, especially in the summer of 1934.

As a result of the large and continued outflow of silver, which seriously depleted the cash resources of the Chinese banking system and created fears of a financial crisis, the National Government decided on October 15, 1934, to impose a 10% tax and a variable equalization charge on the export of silver. True, silver exports had abated, but the disparity between the price of silver and the Chinese exchange had widened, making the smuggling of silver highly lucrative. The attempt, since October, 1934, to remain on the silver standard, even for internal circulation, had therefore become increasingly difficult.

With the world price of silver continuing to rise in 1935, and in the absence of any indication of willingness on the part of the American administration to modify in the interest of China's silver purchase program, an increasing burden of responsibility and anxiety was thrown upon the monetary authorities. In February, 1935, a Monetary Advisory Committee was created to study and devise measures for the improvement of the currency situation, the stabilization of exchange and the adjustment of the balance of international payments.

Fundamentally, by undermining the very basis of the currency, the artificial appreciation of exchange and the rampant smuggling of silver threatened to cause a complete collapse of the entire financial structure.

[1] For a fuller treatment of the subject, the reader is referred to the author's work, "The New Monetary System of China, a Personal Interpretation." (Published in English by Kelly and Walsh, Ltd., Shanghai, in Japanese by the Tokyo Bankers' Association, Tokyo, and to be published in Chinese by the Commercial Press, Ltd., Shanghai).

Realizing the potential difficulties in the situation, the Government decided in March, 1935, to increase the capitalization of the Central Bank of China from 40 to 100 million dollars and to increase its holding in the Bank of China and the Bank of Communications from 20% to 40%, thus bringing the two leading banks into a community of interest and a position of unparalled responsibility with the Central Bank. This arrangement was later to prove very valuable in connection with the attempted management of currency and credit.

Notwithstanding these important reforms, financial tension persisted owing to the rapid increases in the United States Treasury price for newly-produced domestic silver. Towards the end of April, through the good offices of Mr. T. V. Soong, Governor of the Bank of China, a gentlemen's agreement was reached with the foreign banks in Shanghai under which the latter undertook to refrain from exporting silver. This placed a virtual embargo on silver exports. In July, 1935, the smuggling of silver was made an offense punishable by death or life imprisonment, in accordance with the Emergency Law Governing the Punishment of Crimes Endangering the Republic. Despite these measures, the illicit export of silver continued unabated, especially from North China, where silver stocks were rapidly depleted and where bank notes became practically inconvertible.

In the meantime a fresh threat developed in connection with the native banks, which began to limit withdrawals of deposits to $500 on each account, many of them closing down. The Ministry of Finance appointed a Native Banks Supervisory Committee to examine the balance sheets of the 55 native banks and to assess the value of securities against which allotments from the $25,000,000 worth of Currency Bonds were to be made for the purpose of enabling them to borrow from the three government banks and other leading commercial banks in Shanghai.

At this crucial moment the prospect of monetary and financial deterioration in China seemed to gain wider attention abroad and talks of an international investigation began to figure prominently in the press. The idea of an investigation, in which Great Britain, in addition to the United States, France, Italy and other interested powers had at first signified their intention to participate, was not, however, fully carried out, as, for reasons not clearly indicated, the other countries silently withdrew their support. The result was the dispatch by the British Government to China of its Chief Economic Advisor, Sir Frederick Leith-Ross. The circumstances surrounding his visit aroused a strong, and yet, as later developments have shown highly unjustified, suspicion of a possible financial understanding between Great Britain and China and consequently it was regarded in certain quarters with ill-concealed resentment.

The financial uncertainties which had prevailed since the summer of 1934 continued in the autumn of 1935 and were aggravated by political disturbances in the North, with serious repercussions on the domestic bond market. The downward reaction in the price of silver brought about by more judicious purchases on the part of the American Government and the consequent liquidation of overbought positions and the recurrence of rumors concerning the prospect of devaluation had made the exchange market a veritable gambling quarter and this was highly detrimental to normal trading. Money remained very tight, as was indicated by the large discount on forward exchange, the interest equivalent of which averaged more than over 13% per annum, and, at one time, in an abnormally high native bank cash transfer rate. Reflecting in part the acute stringency of credit, outstanding call loans in the Shanghai real estate market could not be repaid and loans against real estate became largely frozen, reacting unfavorably upon the position of the commercial bank. The Shanghai Stock Exchange also experienced a slump in prices as well as in the volume of turnover. Commodity prices continued to decline in

the principal cities, especially in the case of raw materials and farm products which figured prominently in Chinese exports. Under the pressure of falling prices, restricted credit facilities and the general deterioration of business conditions, it was generally anticipated that a suspension of the silver standard would be quite inevitable. Various circumstances, such as the anticipated modification of the American silver policy, the hope of obtaining some foreign financial assistance, and the obstacles to co-ordinated control, which are inherent in the Chinese banking and currency system, inclines the Government to delay action until the strain should prove bearable.

In mid-October, 1935, the persistent uncertainty as regards the future of the currency, combined with the repeated rumors to which this gave rise, led to a renewed and more vigorous attack on the dollar. The speculative operations in gold bars and foreign exchanges and the feverish purchases of principal standard commodities traded on organized exchanges bore clear witness to the extensive flight from the currency. The value of the dollar began to weaken irresistibly in terms first of gold and foreign exchanges and, later, of sensitive commodities. Within two weeks of the actual announcement of the monetary policy the rates of exchange had dropped by 17%, while the prices of commodities had advanced by nearly 15% on the average. "Towards the end of October when the panic assumed alarming proportions, foreign currencies were bought in such overwhelming volumes that the downward movement in exchange became irresistible, and efforts to check it, even of a most determined character, seemed hardly effective. Domestic and international distrust gripped the Chinese currency and exerted unremitting pressure towards the liquidation of bank credit. The collapse was progressive and steadily gained momentum from day to day until November 1, when the attempted assassination of Mr. Wang Ching-wei aroused added political alarms and the financial markets became almost hysterical."[1] It was under these circumstances that the Government was impelled to announce on November 4 its new monetary policy "in order to conserve the currency reserves of the country and to effect lasting measures of currency and banking reforms."[2]

II. NATURE OF THE NEW CURRENCY SYSTEM

The Emergency Decree[3] which was issued on Sunday, November 3, 1935, and became effective on the following day provided that the bank notes issued by the Central Bank of China, the Bank of China and the Bank of Communications should be full legal tender in which payment of taxes and discharge of all public and private obligations should be effected and against which holdings of silver in the hands of banks, firms and all private and public institutions and individuals were to be exchanged at face value within a period of three months, later extended to six months. Other bank notes than those of the three government banks, when previously authorized by the Ministry of Finance, were permitted to remain in circulation, but their total amount outstanding was not to exceed the total for each bank as of November 3, 1935.

The control of the issue and retirement of legal tender notes and the custody of reserves against bank notes outstanding were to be vested in the Currency Reserve Board, to consist of representatives of the Ministry of Finance and of banking and commercial interests.

The exchange value of the Chinese dollar was fixed at the level it had reached at the time of the mandate,

[1] W. Y. Lin, "The New Monetary System of China," p. 77.
[2] Statement issued on November 3, 1935, by the Minister of Finance, Dr. H. H. Kung.
[3] For a compilation of official statements and regulations relating to the currency reform of November 3, 1935, the reader is referred to *The New Monetary Policy of China*, published by the Currency Reserve Board in January, 1936, and the second issue of the *Chinese Year Book*, 1936–1937, pp. 811–816.

and in order to keep the exchange value stable at that level the three government banks were to buy and sell foreign exchange in unlimited quantities. The rate which had been fixed at the time was shown by an announcement from the Central Bank of China on November 4 indicating its willingness to buy for cash, in any amounts, sterling at $\frac{1}{2}$–$\frac{5}{8}$d., and to sell it at $\frac{1}{2}$–$\frac{3}{8}$d., and the U. S. dollar at 30 and $29\frac{1}{2}$ respectively. This was slightly under the lowest level reached the previous week, which was $\frac{1}{2}$–$\frac{3}{4}$d. for sterling and $30\frac{1}{4}$ for the U. S. dollar.

Recognizing the dependence of the successful management of the new currency system upon the integrity of the budget and an efficient reserve bank which will effectively oppose demands for inflation in any form or disguise, it was further announced that plans had been completed by which the national budget would be balanced within a period of 18 months and that "the government-owned Central Bank is to be reorganized as the Central Reserve Bank of China and will be owned principally by banks and the general public, thus becoming an independent institution, devoting itself chiefly to maintaining the stability of the nation's currency. The Central Reserve Bank of China will hold the reserves of the banking system and act as depository of all public funds and will provide centralized rediscount facilities for the other banks."[1] In addition, a special institution was to be created to deal exclusively with mortgage business and steps were to be taken to amend the present legal code so as to improve the security of mortgage deeds, thereby giving increased liquidity to the commercial banks.

III. PROGRESS OF MONETARY REFORM, 1936-1937

The year 1936 provided a real test for the new monetary system established in November, 1935. Developments during the past year, while undoubtedly less eventful with the subsidence of the waves of speculation and excitement that had prevailed for some time prior to the monetary reform, represented steady progress towards extending the sphere of centralized monetary control and towards creating conditions essential to a genuine recovery of business.

The new monetary policy has been singularly successful—even more successful than was at first anticipated. The stability of exchange, which is the cardinal aim of the new policy, has been fully maintained in a way never before experienced in China. This stability is all the more remarkable when it is remembered that during the period under review neither has the exchange market been free from political uncertainties and bearish attacks on the dollar nor have all of the principal foreign currencies remained free from fluctuation. The Chinese authorities have not only augmented the resources in foreign currencies at their disposal but have also acquired invaluable experience and new technique in the delicate art of exchange management. In an effort to prevent arbitrage transactions being carried out at the expense of the monetary authorities, consequent upon a continued and substantial rise in the London–New York cross rate in early September, 1936, it was found expedient to widen the margin between the buying and selling rates, thereby protecting the stability of the Chinese currency against the repercussions of circumstances otherwise beyond control.

With the enforcement of the new monetary policy, the legal tender notes have now been widely accepted throughout China and their use has greatly extended into outlying areas previously served almost entirely by provincial and private note issues. The notes of banks other than the three government banks have been rapidly withdrawn from circulation, making possible a gradual improvement in the chaotic state of China's internal currency.

[1] Statement issued on November 3, 1935, by the Minister of Finance, Dr. H. H. Kung.

The result of the following survey conducted by the Postal Remittances and Savings Bank indicates the extent to which the legal tender notes, as compared with other bank notes, were in circulation in the different provinces.

LEGAL TENDER NOTES AS PERCENTAGES OF THE TOTAL CURRENCY IN CIRCULATION[1]

(*As of June, 1936*)

Name of District	*Central Bank of China* (1)	*Bank of China* (2)	*Bank of Communications* (3)	*Total of Columns 1, 2, and 3* (4)
Kiangsu	29%	28%	23%	80%
Shanghai	32%	27%	21%	80%
Chekiang	24%	33%	17%	74%
Anhwei	25%	39%	18%	82%
Kiangsi	52%	28%	8%	88%
Hupeh	33%	27%	24%	84%
Hunan	20%	24%	15%	59%
Eastern Szechwan	52%	23%	10%	85%
Western Szechwan	58%	17%	18%	93%
Shantung	23%	31%	30%	84%
Hopei	14%	33%	30%	77%
Peiping	16%	26%	22%	64%
Honan	27%	29%	17%	73%
Shansi	8%	1%	7%	16%
Shensi	24%	20%	19%	63%
Kansu	44%	8%	6%	58%
Fukien	33%	44%	15%	92%
Kwangtung	7%	13%	3%	23%
Kwangsi	2%	—	—	2%
Yunnan	12%	8%	—	20%
Kweichow	40%	16%	9%	65%

Soon after the enforcement of the decree of November 3, 1935, various banks in Shanghai and elsewhere turned over their silver holdings in exchange for legal tender notes. By January, 1936, practically all of the foreign banks had also surrendered their holdings, so that early in the year the Government was in a position to command large reserves of silver. As a matter of fact the Currency Reserve Board had acquired up to December, 1936, no less than 300 million dollars worth of silver, in addition to the previous holding of the three government banks.[2] Moreover, as a result of the visit of the Kodoma Economic Mission to China in the spring of 1937, an agreement was reached with the Japanese banks providing for the transfer of their holdings of silver to the Central Bank on terms similar to those upon which other foreign banks in Shanghai had surrendered their stocks early in 1936. Details of the Japanese stocks were as follow:

Name of Bank	*Silver Coins (in Dollars)*	*Mint Bars (in Bars)*	*Total (in Dollars)*
Yokohama Specie Bank	1,405,100	519	1,924,100
Bank of Chosen	1,175,300	1,799	2,974,300
Mitsui Bank	1,125,000	148	1,273,000
Bank of Taiwan	1,122,910	247	1,369,910
Mitsubishi Bank	392,300	125	517,300
Sumitomo Bank	674,700	193	867,700
TOTAL	5,895,310	3,031	8,926,310

[1] *Report* of the Postal Remittances and Savings Bank from July 1, 1935, to June, 30, 1936, Shanghai, 1937, p. 63.
[2] The *Annual Report* of the Bank of China, 1936, p. 6.

Serious attempts have also been made to extend the dollar currency system into the provinces of Yunnan, Kwangtung and Kwangsi. In Yunnan, legal tender notes were introduced on May 15, 1937, to replace the provincial bank notes at the rate of $2.00 provincial notes to $1.00 national currency. In Kwangtung, the following four measures were announced on June 20, 1937, making possible a more complete unification of the currency.

1. Beginning from January 1, 1938, all business, private, and public transactions shall be expressed in terms of national currency. Business and financial transactions expressed in terms of Kwangtung small coin currency after that date shall be considered illegal.
2. $337,849,000 Kwangtung small coin notes, which were issued by the Kwangtung Provincial Bank and the Canton Municipal Bank up to June 19 shall be converted into legal tender notes, at the rate of $144 Kwangtung small coin notes equal to $100 national currency. This rate shall be applied to all small coin notes in circulation before the end of the current year.
3. All small coin notes formerly issued by the Kwangtung Provincial Bank and the Canton Municipal Bank shall be retired by the government banks and the Kwangtung Provincial Bank.
4. The Kwangtung branch of the Currency Reserve Board shall retain a proportionate reserve for small coin notes still in circulation.

In Kwangsi, an attempt has also been made on November 1, 1936, to stabilize the provincial currency at the rate of $1.60 provincial bank notes to $1.00 national currency. So far this effort has not met with much success. With the solution of the Canton currency, however, the authorities are contemplating seriously to maintain a *de facto* stability of the Kwangsi exchange prior to any *de jure* stabilization.

These facts, while definitely indicating an increased measure of centralization system and control of note issue, also account in part for the great increase in the legal tender currencies issued by the three government banks. The note issues of the three government banks increased from about 427 million dollars to 1,171.8 millions during the period from November 3,1935, to the end of March, 1937. At the same time the notes of the Farmers' Bank of China increased from $29,847,000 at the end of 1935 to $200,053,247 at the end of March, 1937. This remarkable increase may easily be taken as a proof of inflation, but a closer analysis seems to suggest that it has been merely a normal consequence of the centralization of note issue, combined with the financing of good harvests in 1936 and an appreciable recovery of business in general.

In January, 1936, new regulations were promulgated governing the issue of subsidiary nickel and copper coinage strictly representative in value and bearing a fixed relationship to the standard dollar. The new nickel coins in denominations of 5, 10, and 20 cents and copper coins in denominations of 1 cent and ½ cent began to circulate on February 10, 1936, and in the 15 months ended March, 1937, over 46.6 million dollars worth of such subsidiary coins were minted. This new centralized issue of subsidiary coins has gradually replaced the medley of depreciated token coins formerly prevalent in China, and, in contrast to the frequent fluctuations previously experienced, the rates of the new coins have been maintained at par.

Whereas the stability of exchange has been remarkably well maintained, the resources available for the purpose have also been considerably augmented. While it may be recalled that soon after the introduction of the new monetary policy negotiations were completed for the sale of some 50 million ounces of silver to the United States at about 65 U. S. cents an ounce, a more definite working arrangement was reached in May, 1936, for the sale to the American Treasury of further substantial amounts of silver. In this connection, Dr. H. H. Kung, Minister of Finance, issued the following statement on May 17, 1936:

"During the past six and a half months the Government has earnestly devoted its efforts to developing and strengthening the measures of monetary reform adopted on November 3, 1935, which have resulted in the attainment of exchange stability at a level adapted to China's economic life. The Minister of Finance now announces that in the light of experience and additional knowledge of monetary conditions obtaining in China and abroad, the Chinese Government deems it desirable to make

known the following measures of monetary reform in accordance with the decree of November 3, 1935:

1. It will continue to be the policy of the Government to maintain adequate reserves against the note issue consisting of gold, foreign exchange, and silver, the silver proportion of the reserves to have a value equivalent to at least 25% of the note circulation.
2. For the purpose of completing the reform of the Chinese coinage system, the Government will issue silver coins of 50 cents and $1 denomination.
3. For the purpose of further strengthening the position of the Chinese currency, definite arrangements have been made to increase the gold and foreign exchange portion of the note issue reserve."

The minister expressed the firm belief that these supplementary measures of monetary reform and the arrangements made would assure the continued maintenance of an independent currency system not linked to any foreign monetary unit, and the permanent stability of the Chinese currency, which should inevitably lead to the greater economic improvement and prosperity of the Chinese people. On the day following this pronouncement the secretary of the United States Treasury, Mr. Henry Morgenthau, announced that an agreement had been reached under which the United States would commence the regular purchase of substantial amounts of Chinese silver, the purchases being intended to help the monetary program of the Chinese Government and also to fulfill the requirements of the United States silver purchase program under the Act of Congress of 1934.

In the task of currency management the importance of international co-operation in the exchange of information and in the co-ordination of policies certainly needs no emphasis. The King's regulation issued by the British ambassador in 1935 and the Silver Agreement concluded with the United States in 1936 have been exceedingly helpful in inspiring public confidence and in strengthening the currency position. On December 18, 1936, a further King's regulation—No. 1 of 1936, enacted under Article 209 of the China Order in Council and entitled "Payment in Silver Value Exemption Regulations"—stipulated for the discharge in Chinese legal tender only of any contractual obligation entered into by a British subject and expressed as payable in silver.

Though the Chinese dollar is not stabilized in terms of any particular foreign currency, the Government is seeking, as was announced at the very outset, to maintain a stability of exchange rates which is consistent with her financial and economic needs. This explicit declaration of policy and the subsequent evidence of complete fulfillment contributed largely to the restoration and strengthening of confidence which otherwise might easily have been shaken by political uncertainties. At the same time the normal conduct of international trade was greatly facilitated. The substantial gains in business confidence may be divined from the movement of security prices, which were steady almost throughout the year. The prices of domestic bonds, despite the conversion scheme effected in February, 1936, remained firm at a high level and showed an increasingly steady tendency following the easier money conditions. As a result of the readjustment of a series of railway loans in 1936 and the general improvement of China's credit standing abroad, China's external bonds also registered marked advances.

Internally, the currency reform has brought timely relief from the paralyzing effects of previous deflation. The Shanghai wholesale price index for March, 1937, stood at a level of 30.7% above that for October, 1935, while the index of the cost of living increased only by some 12.4%. Between October, 1935, and December, 1936, the prices of exports, which consisted largely of farm products and other raw materials, increased by 27.6% and those of imports by 19.3%, resulting in a marked improvement in China's barter terms of trade. Here it may also be noted in the greater increase of export prices over those of imports, and of the wholesale prices over the cost of living, a tendency towards correcting the price disequilibriums developed and accentuated during the depression years. It is to the restoration of a more balanced and equitable relationship between various

groups of prices rather than to indiscriminate advances that China should look for a sound basis of genuine business recovery.

More significantly, money rates have become definitely easier. The rates of native interest declined from 20 cents per $1,000 per diem on the eve of the currency reform to the level of eight cents, where it remained practically unchanged—notwithstanding the various settlement dates, on which they would usually have risen. At the same time, the discount on forward exchange, which stood at one time at nearly 30% per annum, has also declined to between 2% and 3%.

Externally, the stabilization of exchange at the existing level seems to have enabled China to regain her competitive price position in the international markets as Chinese exports for 1936 increased by 22.6% as compared with the previous year and imports by some 2.4%. Consequently the traditionally adverse balance of trade was reduced to less than 240 million dollars—the lowest since 1927. The balance of international payments also seems to have adjusted itself towards equilibrium through the improvements in trade, the repatriation of capital which took flight during the confidence crisis in 1934-35, and the increase in overseas remittances brought about by the prevailing financial stability at home and the rapid recovery of business abroad. The developments during the past year seem, therefore, to show clearly that by terminating a period of great uncertainty and relieving the country from the disastrous consequences of deflation, the effects of the currency change have been highly gratifying.

In the face of this favorable result it may reasonably be asked why the prospects of the new monetary policy were not infrequently viewed with serious forebodings both in China and abroad. These misgivings arose from the fear of a shock to public confidence, from the vivid memory of the misfortunes of postwar European experience of hyperinflation, from the widespread skepticism as regards the possibility of winning over the Chinese people from their traditional fetish of silver and from the general doubt as to the ability of the monetary authorities to control the value of a currency that had cut itself adrift from its metallic anchor. On the eve of the monetary reform these apprehensions might perhaps have been fully justified, but in the light of to-day they seem exaggerated. The experience of China in the past year has not only dispelled the fear that devaluation necessarily involves inflation, but also has shown conclusively that the primary attribute of a sound currency is a continued stability in the purchasing power of the monetary unit, be it paper or metal. Monetary management as undertaken to-day depends for its success, therefore, primarily on public confidence in the stability of the currency. Without it the resources, however large, may not suffice to meet the panicky flights from the currency which lack of confidence is apt to cause.

The lessons of the past year seem to indicate the essential requirements of a sound currency and the basic conditions essential for its successful management. Substantial as has been the progress to date, however, much constructive effort is required in maintaining the budgetary equilibrium and in organizing an independent Central Reserve Bank. There are still many problems with which the monetary authorities are confronted. The speculative raids on the Chinese dollar, the capricious movements of short-term funds and the possibility of an over-rapid rise of prices in China in relation to the rise in the principal foreign countries are real problems which the monetary authorities can ill afford to overlook. These problems cannot be successfully tackled without a centralization of financial control in the hands of the independent and powerful Central Reserve Bank into which the present Central Bank is to be reorganized. After having been carefully examined by the Techical Committees on Legislation, Finance and Economics of the Central Political Council, the draft Charter governing the Central Reserve Bank was adopted at a meeting of

the Central Political Council on March 23, 1937. The draft law was then referred to the Legislative Yuan for consideration and enactment.[1] According to the draft law, the capital of the Central Reserve Bank shall be fixed at 50 million dollars. Shares are to be of three classes, namely, Class A of 20 million dollars to be subscribed by the Central Government, Class B of 15 million dollars to be subscribed by Chinese banks, and Class C of 15 million dollars to be subscribed by Chinese nationals. The special powers and functions of the bank, such as the exclusive right of note issue and the centralization of banks' cash reserves are also specified.

[1] This law was approved by the Legistative Yuan on June 25, 1937.

APPENDIX

OFFICIAL FOREIGN EXCHANGE T. T. QUOTATIONS IN SHANGHAI, 1935–1937

Method of Quotation / Shanghai T. T. on / Period	*S. D. to C. S. $1*			*U. S. $ to C. S. $100*			*Frs. to C. S. $100*		
	London			*New York*			*Paris*		
	Highest	*Lowest*	*Average*	*Highest*	*Lowest*	*Average*	*Highest*	*Lowest*	*Average*
1935	1/8.375	1/2.375	1/5.761	41.5000	29.4380	36.2610	630.000	445.000	548.967
1936	1/2.469	1/2.250	1/2.377	30.0000	29.3750	29.7094	634.000	446.000	496.417
January..	1/2.375	1/2.375	1/2.375	29.5000	29.5000	29.5000	449.000	447.000	448.000
February	1/2.375	1/2.375	1/2.375	30.0000	29.5000	29.8800	450.000	446.000	448.000
March	1/2.375	1/2.375	1/2.375	29.8750	29.8125	29.8678	450.000	447.000	448.000
April	1/2.375	1/2.375	1/2.375	29.8750	29.7500	29.7853	450.000	448.000	448.700
May	1/2.375	1/2.375	1/2.375	29.7500	29.7500	29.7500	453.000	449.000	451.000
June	1/2.375	1/2.375	1/2.375	29.7500	29.7500	29.7500	455.000	451.000	453.200
July	1/2.375	1/2.375	1/2.375	29.8750	29.7500	29.7600	454.000	452.000	452.300
August	1/2.375	1/2.375	1/2.375	29.8750	29.8750	29.8750	456.000	454.000	455.500
September	1/2.375	1/2.250	1/2.287	30.0000	29.5000	29.9150	570.000	452.000	463.800
October	1/2.438	1/2.250	1/2.352	29.5000	29.5000	29.5000	632.000	587.000	624.600
November	1/2.469	1/2.438	1/2.464	29.5000	29.5000	29.5000	634.000	632.000	633.100
December	1/2.469	1/2.375	1/2.416	29.5000	29.3750	29.4300	633.000	629.000	630.800
1937									
January..	1/2.375	1/2.375	1/2.375	29.3750	29.3750	29.3750	630.000	626.000	629.100
February	1/2.375	1/2.375	1/2.375	29.3750	29.3750	29.3750	629.000	629.000	629.000
March	1/2.375	1/2.375	1/2.375	29.3750	29.3750	29.3750	646.000	629.000	636.300
April	1/2.375	1/2.375	1/2.375	29.3750	29.3750	29.3750	655.000	636.000	649.300
May	1/2.375	1/2.375	1/2.375	29.3750	29.3750	29.3750	655.000	655.000	655.000

OFFICIAL FOREIGN EXCHANGE T. T. QUOTATIONS IN SHANGHAI, 1935–1937

(Continued)

Method of Quotation / Shanghai T. T. on / Period	R. Mks. to C. S. $100			Rs. to C. S. $100			Fls. to C. S. $100		
	Hamburg			Bombay			Java		
	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average
1935	102.500	72.500	89.228	112.250	79.000	97.800	61.250	43.000	53.259
1936	74.500	71.750	73.203	79.750	78.500	79.189	54.625	42.250	46.134
January..	73.000	72.750	72.890	79.125	79.000	79.095	43.375	42.250	43.262
February	73.000	72.750	72.950	79.125	79.125	79.125	43.500	43.125	43.270
March	73.250	73.000	73.020	79.125	79.000	79.019	43.500	43.125	43.178
April	73.000	73.000	73.000	79.000	79.000	79.000	43.375	43.250	43.255
May	73.500	73.000	73.220	79.250	79.000	79.048	43.750	43.250	43.514
June	74.250	73.250	73.780	79.000	79.000	79.000	44.125	43.750	43.905
July	74.000	73.500	73.830	79.125	79.000	79.020	43.750	43.500	43.690
August	74.250	74.000	74.200	79.125	79.000	79.100	44.000	43.750	43.940
September	74.500	73.750	74.140	79.125	78.500	79.685	44.125	43.000	43.922
October..	74.250	71.750	72.240	79.500	78.750	79.115	54.625	51.250	53.990
November	72.750	72.500	72.570	79.750	79.500	79.700	54.500	53.875	54.115
December	73.000	72.500	72.620	79.750	79.700	79.360	53.875	53.250	53.570
1937									
January..	72.500	72.500	72.500	79.125	79.000	79.103	53.250	53.125	53.223
February	72.500	72.250	72.270	79.250	79.125	79.214	53.375	53.000	53.143
March	72.250	72.000	72.100	79.250	79.250	79.250	53.125	53.000	53.052
April	72.500	72.250	72.460	79.250	79.250	79.250	53.375	53.000	53.236
May	72.500	72.500	72.500	79.250	79.250	79.250	53.250	53.250	53.250

OFFICIAL FOREIGN EXCHANGE T. T. QUOTATIONS IN SHANGHAI, 1935–1937

(*Continued*)

Method of Quotation / Shanghai T. T. on / Period	Hk. $ to C. S. $100			St. $ to C. S. $100			Yen to C. S. $100		
	Hongkong			Singapore			Japan		
	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average
1935	92.000	67.000	75.938	72.500	51.000	63.164	143.750	102.250	125.151
1936	96.750	90.000	93.556	51.250	50.500	50.939	103.500	101.250	102.345
January..	92.500	90.000	91.510	51.000	51.000	51.000	102.375	102.125	102.292
February	91.000	90.000	90.680	51.000	51.000	51.000	103.125	102.375	102.535
March	91.500	91.000	91.320	51.000	51.000	51.000	103.125	102.375	102.659
April	91.250	91.250	91.250	51.000	51.000	51.000	102.500	102.375	102.397
May	91.750	90.750	91.130	51.000	50.875	50.962	102.375	101.750	102.063
June	92.750	91.750	92.430	50.875	50.750	50.755	102.000	101.500	101.770
July	95.500	92.500	93.120	51.000	50.750	50.790	102.375	101.875	102.160
August	96.000	95.500	95.920	51.000	50.875	50.965	102.375	102.000	102.230
September	96.250	95.500	95.990	50.875	50.500	50.605	102.125	101.250	101.650
October..	96.750	95.500	96.180	51.125	50.500	50.846	102.875	101.750	102.298
November	96.750	96.500	96.590	51.250	51.125	51.229	103.125	102.875	103.168
December	96.750	96.000	96.550	51.250	51.000	51.110	103.500	102.625	103.015
1937									
January..	96.750	96.750	96.750	51.000	51.000	51.000	103.625	102.375	102.788
February	96.750	96.750	96.750	51.000	51.000	51.000	102.875	102.625	102.649
March	97.000	96.750	96.960	51.000	51.000	51.000	102.625	102.625	102.625
April	97.000	97.000	97.000	51.000	51.000	51.000	102.625	102.625	102.625
May	97.000	97.000	97.000	51.000	51.000	51.000	102.625	102.625	102.625

DOMESTIC EXCHANGE RATES IN SHANGHAI, 1935–1937

Method of Quotation: Shanghai on: / Period	Shanghai Dollars to 1,000 Provincial Dollars											
	Mukden			Canton			Swatow			Wuchow		
	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average
1935	980.4	727.0	841.8	1,005.0	755.0	984.1	1,030.0	898.0	959.9	—	—	—
1936	984.3	954.2	973.0	828.5	540.0	687.6	1,002.0	714.8	859.3	—	—	—
January	975.6	969.9	973.2	828.5	770.4	786.6	1,002.0	970.9	989.5	—	—	—
February.. ..	976.6	963.4	971.6	787.4	735.3	764.3	977.5	943.4	966.5	655.7	643.1	651.0
March	974.7	963.4	968.0	732.1	700.8	723.3	943.4	888.9	921.3	662.3	625.0	646.0
April	973.7	966.2	969.9	719.9	713.3	715.9	892.9	854.4	872.5	662.3	655.7	658.8
May	982.3	970.9	977.6	713.8	685.9	707.1	886.5	861.3	874.3	657.9	595.2	634.1
June..	983.3	978.5	981.0	657.5	540.0	605.7	851.1	718.4	786.8	574.7	444.4	511.5
July..	979.4	972.8	976.7	651.9	546.1	607.3	851.1	729.9	797.3	452.5	279.3	337.3
August	977.5	973.7	975.7	680.7	651.9	668.6	658.4	807.8	835.4	344.8	274.0	314.5
September ..	984.3	976.6	979.2	678.9	665.3	671.0	838.9	815.0	827.4	555.6	335.6	461.7
October	978.5	969.9	972.1	669.3	664.0	666.1	811.7	794.9	802.3	534.8	510.2	521.4
November ..	969.9	964.3	965.7	675.7	665.8	668.3	823.7	808.4	812.7	537.6	526.3	531.6
December ..	975.6	954.2	965.3	673.4	650.6	667.3	837.5	816.3	825.1	529.1	434.8	495.2
1937												
January	961.5	949.7	955.6	668.2	667.1	667.5	820.3	808.4	815.8	485.4	460.8	472.9
February.. ..	964.3	952.4	958.2	681.0	667.1	671.3	829.9	803.2	811.9	476.2	465.1	469.2
March	961.5	957.9	959.7	682.2	671.1	676.5	829.2	805.8	820.7	478.5	458.7	469.5
April	965.3	959.7	962.1	671.1	666.7	670.9	814.3	803.2	807.5	471.7	446.4	459.8
May	966.2	963.4	965.0	673.4	666.2	669.8	814.3	804.5	809.7	446.4	400.0	422.4

STATISTICS OF CHINA'S GOLD MOVEMENT, SINCE 1912

(*Unit : Custom Gold Unit*)

Period	Imports				Exports			
	Bullion	*Coins*	*Total*	*Excess of Imports*	*Bullion*	*Coins*	*Total*	*Excess of Exports*
1912	526,208	16,672,369	17,198,577	13,797,495	3,380,444	20,638	3,401,082	—
1913	153,560	5,440,593	5,594,153	—	4,983,615	3,139,259	8,122,874	2,528,721
1914	18,602	1,423,852	1,442,454	—	21,369,217	1,849,494	23,218,711	21,776,257
1915	73,601	1,195,580	1,269,181	—	27,837,855	389,260	28,227,115	26,957,934
1916	16,684,794	22,623,862	39,308,656	23,306,678	15,756,514	245,464	16,001,978	—
1917	1,830,917	33,888,911	35,719,828	22,781,549	12,103,591	834,688	12,938,279	—
1918	1,288,208	2,581,069	3,869,277	—	7,131,855	55,371	7,187,226	3,317,949
1919	114,363,960	63,134,320	177,498,280	143,108,200	17,257,800	17,132,280	34,390,080	—
1920	71,368,670	86,628,650	157,997,320	—	109,207,260	103,047,740	212,255,000	54,257,680
1921	5,851,729	50,196,821	56,048,550	—	68,395,305	18,928,000	87,323,305	31,274,755
1922	3,213,393	17,137,751	20,351,144	8,555,032	2,973,136	8,822,976	11,796,112	—
1923	1,997,180	18,294,616	20,291,796	—	16,362,658	15,263,564	31,626,222	11,334,426
1924	525,511	3,619,179	4,144,690	—	15,912,152	7,946,854	23,859,006	19,714,316
1925	1,599,892	2,274,008	3,873,900	—	5,749,317	305,279	6,054,596	2,180,606
1926	1,782,973	1,155,843	2,938,816	—	16,694,647	694,680	17,489,327	14,550,511
1927	2,795,930	787,227	3,583,157	—	5,711,094	111,857	5,822,951	2,239,794
1928	5,569,139	5,665,551	11,234,690	10,755,393	90,170	389,127	479,297	—
1929	745,145	863,324	1,608,469	—	4,689,518	71,571	4,761,089	3,152,620
1930	1,970,282	990,469	2,960,751	—	21,310,491	665,873	21,976,364	19,015,613
1931	—	8,574	8,574	—	27,301,898	—	27,301,898	27,293,324
1932	53,015	83,024	136,039	—	59,404,433	—	59,404,433	59,268,394
1933	129,184	8,151	137,335	—	35,673,746	—	35,673,746	35,536,411
1934	4,856	1,000	5,856	—	26,222,399	—	26,222,399	26,216,543
1935	224,951	56,479	281,430	—	21,026,099	—	21,026,099	20,744,669
1936	778,371	313,204	1,091,575	—	19,064,851	—	19,064,851	17,973,276
1937 :								
January	—	35,127	35,127	35,127	—	—	—	—
February	800	18,759	19,559	19,559	—	—	—	—
March	—	—	—	—	—	—	—	—
April	—	—	—	—	—	—	—	—
May	—	—	—	—	—	—	—	—

STATISTICS OF CHINA'S SILVER MOVEMENT, SINCE 1912

(*Unit : Chinese Standard Dollar*)

Period	Imports				Exports			
	Bullion	*Coins*	*Total*	*Excess of Imports*	*Bullion*	*Coins*	*Total*	*Excess of Exports*
1912	44,259,314	26,003,833	70,263,147	29,989,400	17,363,129	22,910,618	40,273,747	—
1913	72,616,548	14,181,954	86,798,502	56,038,712	9,554,394	21,205,396	30,759,790	—
1914	11,937,165	13,767,878	25,705,043	—	8,952,491	37,977,107	46,929,598	21,224,555
1915	18,016,908	14,260,966	32,277,674	—	17,091,042	43,826,478	60,917,520	28,639,646
1916	20,722,477	37,061,126	57,783,603	—	66,610,528	35,853,595	102,464,123	44,680,520
1917	25,236,431	17,619,930	42,856,361	—	51,552,017	24,008,475	75,560,492	32,704,131
1918	35,256,255	21,025,294	56,281,549	36,605,096	8,502,711	11,173,742	19,676,453	—
1919	76,364,664	20,377,331	96,741,995	82,769,200	3,101,342	10,871,453	13,972,795	—
1920	156,739,139	40,120,998	196,860,137	144,331,528	15,604,673	36,923,936	52,528,609	—
1921	117,584,392	21,926,106	139,510,498	50,527,051	36,780,303	52,203,144	88,983,447	—
1922	92,683,535	25,236,045	117,919,580	61,653,195	10,344,910	45,921,475	56,266,385	—
1923	110,355,376	36,004,397	146,359,773	104,691,722	5,689,556	35,978,495	41,668,051	—
1924	53,442,379	23,723,971	77,166,350	40,511,954	8,548,695	28,105,701	36,654,396	—
1925	107,928,186	7,249,449	115,177,635	97,411,809	2,772,511	14,993,315	17,765,826	—
1926	117,775,670	4,965,221	122,740,891	82,891,332	15,369,975	24,479,584	39,849,559	—
1927	117,439,088	10,143,275	127,582,363	101,399,871	10,138,479	16,044,013	26,182,492	—
1928	165,730,941	8,238,880	173,969,821	165,764,494	2,776,879	5,428,448	8,205,327	—
1929	180,971,226	8,215,957	189,187,183	164,876,871	6,257,240	18,053,072	24,310,312	—
1930	121,655,782	38,132,616	159,788,398	104,395,321	17,439,948	37,953,229	55,393,177	—
1931	99,636,761	18,596,255	118,233,016	70,803,335	16,954,084	30,475,597	47,429,681	—
1932	83,591,400	13,402,307	96,993,707	—	12,376,551	96,061,576	108,438,127	11,444,420
1933	69,494,669	10,684,919	80,179,588	—	72,317,860	21,083,824	94,301,684	14,122,096
1934	3,411,353	7,419,027	10,830,380	—	91,209,680	176,145,743	267,355,423	256,728,151
1935	—	10,996,768	10,996,768	—	34,044,466	36,349,931	70,394,397	59,397,629
1936	2,579	4,710,903	4,713,482	—	21,404,300	232,932,463	254,336,763	249,623,281
1937 :								
January	—	—	—	—	226	—	226	226
February	—	139,000	139,000	139,000	—	—	—	—
March	—	48,000	48,000	40,000	—	8,000	8,000	—
April	—	28,000	28,000	27,619	381	—	381	—
May	—	—	—	—	—	7,940	7,940	7,940

STATISTICS OF SHANGHAI SILVER STOCKS SINCE 1921

(Total in Dollars, 000 Omitted)

End of	*Sycee*		*Dollar*		*Bar Silver*		*Mint Bar*	
	Chinese Bank	*Foreign Bank*	*Chinese Bank*	*Foreign Bank*	*Chinese Bank*	*Foreign Bank*	*Chinese Bank*	*Foreign Bank*
1921	6,530	24,450	12,180	11,920	—	2,207	—	—
1922	6,730	20,820	18,940	12,500	333	151	—	—
1923	6,100	13,850	21,460	14,140	—	—	—	—
1924	15,360	32,440	23,630	17,790	2,263	2,148	—	—
1925	15,450	35,580	40,150	21,950	370	82	—	—
1926	17,280	38,050	45,360	20,220	3,089	329	—	—
1927	19,980	29,320	48,500	21,900	2,257	—	—	—
1928	25,850	33,450	63,060	20,840	2,762	902	—	—
1929	27,530	51,990	94,620	23,310	8,624	32	—	—
1930	34,220	53,560	117,940	17,780	384	2,316	—	—
1931	22,390	41,210	147,990	25,010	—	3,300	—	—
1931	45,910	100,850	185,920	39,000	2,460	3,895	—	—
1933	53,120	93,010	183,590	144,460	10,750	869	100	—
1934	17,050	4,860	211,630	39,660	7,980	—	34,603	8,215
1935	—	—	225,780	20,900	—	—	13,663	15,259
1936	2,250	—	30,929	8,390	—	—	—	—

(*Continued*)

End of	*Amount and Percentage*						
	Chinese Bank		*Foreign Bank*		*Total*		
	Amount	%	*Amount*	%	*Amount*	%	*Index*
1921	21,313	30.33	48,950	69.67	70,263	100.00	47.68
1922	28,781	40.77	41,813	59.23	70,594	100.00	47.91
1923	29,991	47.23	33,511	52.77	63,502	100.00	43.10
1924	48,019	42.14	65,919	57.86	113,938	100.00	77.32
1925	62,233	46.43	71,817	53.57	134,050	100.00	90.97
1926	73,494	49.88	73,859	50.12	147,353	100.00	100.00
1927	79,342	55.78	62,907	44.22	142,249	100.00	96.54
1928	102,760	69.90	68,781	40.10	171,541	100.00	116.42
1929	144,196	60.02	96,064	39.98	240,260	100.00	163.05
1930	166,293	63.48	95,663	36.52	261,956	100.00	177.78
1931	179,305	67.36	86,883	32.64	266,188	100.00	180.65
1932	253,289	57.78	185,050	42.22	438,339	100.00	297.48
1933	271,786	49.65	275,660	50.35	547,446	100.00	371.53
1934	280,325	83.68	54,672	16.32	334,997	100.00	227.34
1935	239,443	86.88	36,159	13.12	275,602	100.00	187.04
1936	34,076	80.24	8,390	19.76	42,466	100.00	28.82

AMOUNT OF NOTES ISSUED BY LEADING BANKS

(in Dollars)

End of	*Central Bank of China*	*Bank of China*	*Bank of Communications*	*Farmers Bank of China*	*Total*
1935..	176,065,369	286,245,041	176,244,950	29,847,000	668,402,360
1936					
January ..	220,641,090	308,118,309	190,809,700	29,771,000	749,340,099
February ..	224,324,443	293,838,239	181,883,700	29,590,000	729,636,382
March	251,503,350	310,150,610	186,697,700	34,777,000	783,128,660
April	262,247,473	323,282,986	196,065,640	51,017,000	832,613,099
May	277,775,264	343,155,285	201,401,740	64,372,000	886,704,289
June	299,253,125	351,772,791	204,912,051	92,035,000	947,972,967
July	300,871,929	365,674,338	210,409,551	87,203,500	964,158,818
August ..	305,955,375	367,425,895	206,476,451	96,277,000	976,134,721
September	313,435,163	377,768,425	217,110,411	108,503,000	1,016,816,999
October ..	305,833,781	411,073,781	244,620,711	131,910,000	1,093,438,273
November ..	312,941,477	439,895,436	272,845,424	142,122,000	1,167,804,337
December ..	325,592,469	459,310,240	295,045,525	162,014,000	1,241,962,234
1937					
January	341,732,632	493,555,716	307,394,014	163,614,000	1,306,296,362
February	357,444,141	504,103,822	301,658,094	191,705,000	1,354,911,057
March	361,834,976	501,403,992	308,576,594	200,053,247	1,371,868,809
April	367,613,627	513,351,186	311,317,054	192,690,947	1,384,972,814
May	372,313,429	511,520,397	312,005,444	210,738,751	1,406,578,021
June	375,839,967	509,862,882	313,548,434	207,951,051	1,407,202,334

STATISTICS OF SUBSIDIARY COINAGE OF THE CENTRAL MINT

(*Unit : Piece*)

Period	*20 Cents Coin*	*10 Cents Coin*	*5 Cents Coin*	*1 Cent Coin*	*½ Cent Coin*	*Value in Dollars*
1935..	—	—	—	3,100,000	—	31,000.00
1936..	49,119,692	62,061,430	58,577,202	308,680,000	46,800,000	22,279,741.50
January	140,000	680,000	760,000	11,400,000	1,840,000	257,200.00
February	1,010,000	2,340,000	4,200,000	11,500,000	7,240,000	797,200.00
March	3,838,327	1,960,501	12,775	18,400,000	17,440,000	1,235,554.25
April	994,604	2,398,630	7,844,427	27,860,000	9,960,000	1,159,402.15
May	2,852,004	6,086,635	19,680,000	23,640,000	1,880,000	2,408,864.30
June	2,783,659	4,717,902	18,240,000	24,080,000	2,800,000	2,195,312.00
July	5,950,000	12,360,000	6,800,000	24,740,000	760,000	3,017,200.00
August	9,680,000	11,120,000	1,040,000	24,820,000	720,000	3,351,800.00
September ..	8,740,000	9,200,000	—	30,460,000	—	2,972,600.00
October	8,080,000	7,980,000	—	32,180,000	—	2,735,800.00
November	5,051,148	3,217,762	—	33,420,000	2,560,000	1,679,505.80
December	—	—	—	46,180,000	1,600,000	469,800.00
1937						
January	—	—	—	39,200,000	5,080,000	417,400.00
February	500,000	3,000,000	3,680,000	38,880,000	12,800,000	1,036,800.00
March	—	—	2,760,000	46,000,000	40,000	598,200.00
April	—	899,405	2,480,462	48,730,289	—	701,266.49
May	—	2,516,612	2,004,953	45,441,311	—	806,321.96

SHANGHAI QUOTATIONS OF GOLD BAR AND CUSTOMS GOLD UNIT 1935–1937

(*Unit : Silver Dollars*)

Period	Gold Bar			Customs Gold Unit		
	Highest	*Lowest*	*Average*	*Highest*	*Lowest*	*Average*
1935..	1,217.00	879.20	916.60	2.276	1.615	1.868
1936						
January	1,172.40	1,138.50	1,152.10	2.271	2.259	2.265
February	1,159.00	1,141.50	1,147.50	2.271	2.259	2.265
March	1,156.30	1,144.50	1,149.00	2.267	2.263	2.266
April	1,147.20	1,139.00	1,143.30	2.267	2.259	2.262
May	1,145.10	1,128.50	1,137.30	2.263	2.241	2.253
June	1,148.00	1,135.00	1,139.90	2,248	2.233	2.239
July	1,138.50	1,129.70	1,133.60	2.244	2.237	2.241
August	1,132.00	1,123.90	1,127.90	2.239	2.231	2.234
September ..	1,163.30	1,121.40	1,127.60	2.269	2.216	2.227
October	1,163.50	1,150.60	1,156.20	2.297	2.263	2.289
November	1,157.80	1,150.80	1,154.60	2.302	2.289	2.295
December	1,171.50	1,153.80	1,157.10	2.293	2.280	2.286
1937						
January	1,155.50	1,151.50	1,153.70	2.291	2.282	2.286
February	1,157.40	1,153.10	1,154.90	2.295	2.289	2.293
March	1,158.00	1,155.00	1,155.80	2.302	2.295	2.297
April	1,155.50	1,139.50	1,149.20	2.295	2.267	2.281
May	1,145.90	1,139.90	1,141.90	2.271	2.263	2.268

DISCREPANCY BETWEEN STERLING EXCHANGE AND SILVER PRICE

	Sterling Exchange Theoretical Parity Based on London Silver Price		Market Selling Rate for T. T. on London		Discrepancy Between Market Rate and Theoretical Parity		Discrepancy in Percentage		Equalization Charge		Discrepancy after Deducting Equalization Charge and Export Duty	
	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.	H.	L.
							%	%	%	%	%	%
1934												
October	20.4143	19.3426	17.9375	15.0000	5.3623	2.1935	35.75	12.31	14.00	4.75	18.00	—1.94
November	20.7205	19.1384	16.5000	15.8750	4.2205	3.2009	25.99	19.51	8.25	6.25	11.65	4.76
December	20.4143	19.5977	16.9375	16.3125	3.8977	2.9269	23.89	17.34	7.00	5.25	9.89	3.59
1935												
January	20.2612	19.9550	17.9375	16.8125	3.3466	2.3747	19.90	13.24	6.25	5.75	5.90	— .51
February	21.0267	19.9550	19.0625	17.2500	2.7050	1.9642	15.68	10.30	5.75	5.75	2.18	—3.20
March	23.6808	21.0778	20.3750	18.6875	4.1765	1.6340	22.35	8.27	6.75	6.75	8.35	—5.23
April	29.7028	23.1702	20.6250	18.1825	9.0778	4.4088	44.01	23.43	6.75	6.75	29.51	8.93
May	29.0394	26.5386	20.5000	20.1250	8.6644	6.4136	42.52	31.87	6.75	6.75	28.02	17.27
June	27.7635	25.3138	20.5625	19.2500	7.5593	5.8763	37.79	30.23	6.75	6.75	23.29	15.73
July	25.7220	24.7013	19.1875	18.0000	6.7013	5.7638	37.23	30.43	6.75	6.75	22.78	16.64
August	24.7524	23.3234	18.3750	17.3750	6.8888	5.5504	39.19	31.05	6.75	6.75	24.69	16.55
September	24.1910	23.5275	18.8750	17.8125	6.0608	5.0098	33.91	26.54	6.75	6.75	19.41	12.04
October	24.2930	23.6806	18.8125	14.8750	8.8566	5.1233	59.54	27.23	6.75	6.75	45.05	12.73
November	23.8337	23.4765	15.0000	14.3750	9.4587	8.7316	65.80	58.21	58.50	6.75	43.71	—0.27
December*	23.5785	17.0459	14.5000	14.3750	9.1098	2.7105	62.96	18.77	57.00	9.75	1.41	—2.24
1936												
January	17.5563	15.5149	14.5312	14.3750	3.1188	1.1078	22.16	7.70	13.25	0	1.16	—0.30
February	16.3825	15.7701	14.5312	14.3750	1.8940	1.3639	13.11	9.47	5.25	1.75	1.09	—0.27
March	16.4846	15.5659	14.5000	14.4062	1.9846	1.1597	13.69	8.05	6.00	0	0.25	—0.65
April	17.0460	16.1784	14.5000	14.5000	2.5460	1.6784	17.56	11.75	9.75	4.00	0.18	—0.12
May	17.0460	16.1273	14.5000	14.3750	2.6398	1.7523	18.32	12.19	9.75	3.50	1.67	—0.11
June	16.3825	15.8722	14.3750	14.3750	2.0075	1.4972	13.96	10.41	5.25	1.75	1.15	0.77
July	16.1273	15.8211	14.4062	14.3750	1.7523	1.4461	12.19	10.06	3.50	1.25	1.12	0.63
August	16.0763	15.6170	14.4062	14.3750	1.6701	1.2420	11.59	8.64	3.00	0	1.06	0.53
September	16.3825	15.8722	14.4062	14.2500	2.0388	1.5597	14.21	10.88	5.25	1.75	1.97	0.63
October	16.4846	16.0763	14.5000	14.3125	2.0388	1.6076	14.21	11.11	6.00	3.00	1.64	—0.06
November	18.7302	16.3315	14.5625	14.5000	4.1677	1.8315	28.62	12.63	21.25	5.00	0.08	—0.69
December	17.4543	17.0460	14.5625	14.4062	3.0481	2.6085	21.16	18.01	12.75	9.75	0.95	—0.69
1937												
January	17.4032	16.5867	14.6250	14.5312	2.8720	1.9617	19.76	13.41	12.25	6.75	1.09	—0.09
February	16.5356	16.2804	14.6250	14.5000	1.9106	1.6867	13.06	11.56	6.25	4.50	—0.94	—0.02
March	17.2501	16.4846	14.6250	14.5937	2.6251	1.8909	17.95	12.96	11.25	6.00	—1.10	—0.65
April	17.5563	16.4846	14.6250	14.5000	2.9626	1.9534	20.30	13.44	13.25	6.00	+0.09	—1.10
May	16.6887	14.5356	14.5312	14.5000	2.1887	2.0200	15.09	13.92	7.25	6.25	+0.09	—0.35

*From December 12, 1935 onwards, the parity is calculated according to London silver spot.

INSURANCE

HERMAN P. FAN (范寶華)

Insurance is a comparatively new business in China. The modern insurance system was introduced only after China had opened its doors to foreign trade in the middle of the 19th century. British companies, both in life and property insurance, were the pioneers in this virgin field. Other companies soon followed. At present 166 foreign companies, representing 15 countries, are operating in this country.

The first Chinese property insurance company, the Shanghai Hwa Hsing Insurance Company, was organized 36 years ago and is still in operation. The China United Assurance Society has the distinction of being the Chinese life insurance company which issued the first policy—in July, 1912. It was not until after 1929 that there was a boom in the business and banks became interested in insurance. Seven large companies, sponsored by 11 leading banks and with an authorized capital totaling more than $23,000,000 were established within the short period of five years. With the exception of three companies which do not write life business, they take all classes of insurance.

By June, 1937, the number of insurance companies in China, so far as figures are availaible, was as follows:—

Property Insurance			181 companies
Chinese	25 companies		
Foreign	156 ,,		
British (Including Canadian)		76 companies	
Australian		4 ,,	
American		21 ,,	
Japanese		15 ,,	
German		11 ,,	
French		9 ,,	
Dutch		10 ,,	
Swiss		3 ,,	
Others		7 ,,	
Life Insurance			19 companies
Chinese	9 companies		
Foreign	10 ,,		
British		5 companies	
American		5 ,,	

COMPLETE LIST OF INSURANCE COMPANIES

1. *CHINESE PROPERTY INSURANCE COMPANIES*

Name	*Date of Organization*	*Head Office*
An Ping Insurance Company (安平)	1926	Shanghai
Chao Tai Insurance Company (肇泰)	1928	,,
Central Trust Company, Insurance Department	1936	,,
China Assurance Corporation (寶豐)	1921	,,
China General Insurance Company (大華)	1927	,,
China Insurance Company (中國)	1931	,,
China Marine & Accident Ins. Co. (中國海上意外)	1932	,,
China National Ins. Co. (天一)	1933	,,
Chun Yih Trust Co. Ins. Dep't. (中一信託公司保險部)	1921	,,

First Fidelity Ins. Co. (中國第一信用)	1930	,,
Foong Sheng Ins. Co. (豐盛)	1923	,,
Hsing Hwa Ins. Co. (興華)	1935	,,
Lun Tai Mutual Fire & Marine Ins. Co. (聯泰)	1915	,,
Ning Shao Fire & Marine Ins. Co.	1925	,,
Ningpo Ins. Co.	1932	,,
Shanghai Fire & Marine Ins. Co (上海聯保)	1915	Hongkong
Shanghai Hwa Hsing Ins. Co. (華興)	1905	Shanghai
Sinceres Ins. & Investment Co.	1914	,,
Tai Shan Ins. Co.	1932	,,
Tai Ping Ins. Co.	1929	,,
United Ins. Co. of China (華商聯合保險公司)	1933	,,
Union Fire & Marine Ins. Co. (永寧)	1919	,,
Wing On Fire & Marine Ins. Co.	1916	,,
Wah An Fire & Marine Ins. Co. (華安)	1906	,,
Wha Chen Fire Ins. Co. (華成)	1906	,,

There are other Chinese insurance companies which are more or less of a local character, such as the Hwan On Fire & Marine Insurance Company (均安), the Yeung Shing Fire Insurance & Investment Company (羊城), the Pearl River Fire Ins. Co. (珠江), The Great China Ins. Co. (廣州大華), the Heung On Ins. Co. (香安) in Hongkong and Canton and the Yun Chi Ho Fire & Marine Insurance Company (仁濟和) of Shanghai.

2. *FOREIGN PROPERTY INSURANCE COMPANIES*

British

Company	*Agents in Shanghai*
Alliance	Jardine, Matheson & Co.
Atlas	Eastern Underwriters Butler & Co.
	Harrisons, King & Irwin, Ltd.
Black Sea & Baltic	Muromstseff, M. N.
British Oak	Hugh Middleton & Co.
British & Foreign Marine	Butterfield & Swire
British Traders	Butterfield & Swire
	Hongkong & Shanghai Hotels Ltd.
	M. H. Ivy.
Caledonian	Dodwell & Co., Ltd.
Canton Ins. Office, Ltd.	Jardine Matheson & Co., Ltd.
	H. Berents
Central	C. E. Sparke
	B. D. Jack
Century	Shanghai Insurance Office
	Union Underwriters of China
China Fire	Gibb, Livingstone & Co., Ltd.
	Shanghai Land Investment Co., Ltd.
China Underwriters, Ltd.	Elliston & Co.
Commercial of Ireland	Harvie, Cooks & Co., Ltd.
Commercial Union	Ilbert & Co. (1931), Ltd.
	Mustard & Co., Lester Arnold.
Cornhill Ins. Co., Ltd.	J. Aoki.
	Harking Imp. & Exp. Dodwell & Co., Ltd.
Eagle Star & British Dominion	Shanghai Ins. Office Blom & Van Dar Aa.
Eastern	Jardine, Matheson & Co., Ltd.
Economic Ins. Co., Ltd.	A. R. Harris A. A. U.
	Glen Line Eastern Agencies, Ltd.
Employers' Liability	F. R. Barry
	Arnhold & Co., Ltd.
Essex & Suffolk	Cecil Holiday (China), Ltd.
	Butler & Co.

Excess	C. E. Sparke
Far Eastern	National Com. Bank, Ltd.
	Asia Realty Co. C. E. Sparke M. H. Ivy.
Fine Art & General	American Asiatic Underwriters
General	C. D. Belton. China Realty Co.
Gresham Fire & Accident	Calder Marshall & Co., Ltd.
Guardian	Butterfield & Swire
	Lester, Johnson & Morriss
Guildhall Ins. Co., Ltd.	Shanghai Insurance Office
Hongkong Fire	Jardine, Matheson & Co., Ltd.
	A. E. Fenton
Imperial Fire Office	Edward Ezra & Co.
	Sir Elly Kadorie & Sons
Law Union & Rock	Butterfield & Swire
	S. E. Shahmoon & Co.
Legal & General	Hugh Middleton & Co., Ltd.
	Libel China Ltd.
Licenses & General	Hugh Middleton & Co., Ltd.
Liverpool & London & Globe	Scott, Harding & Co., Ltd.
	Jardine, Matheson & Co., Ltd.
London Assurance	Scott, Harding, & Co. Ltd.
London Guarantee	Harrison, King & Irwin, Ltd.
London & Lancashire	Butterfield & Swire
	MacKenzie & Co., Ltd.
London & Provincial	Hugh Middleton & Co., (Ins.) Ltd.
London & Scottish	Holland China Trading Co.
Manchester	Butler & Co.
	A. R. Burkill & Sons
Maritime	F. P. G. Ashe.
Merchants Marine	F. R. Barry
Motor Union	Bradley & Co., Ltd.
	H. G. Dixon & Sons.
North British & Mercantile	A. M. Bourne
North China	M. H. Ivy.
	Bell Lumber Co.
Northern	Calder Marshall & Co., Ltd.
	Reuter Brockelmann & Co.
Ocean Marine	A. M. Bourne.
Ocean Accident & Guarantee	Branch Office
	(E. Lester Arnold)
Orient	Butterfield & Swire
Palatine	Assoc. Mission Treasurers
	Harrison, King & Irwin Ltd.
Pearl Ass. Co., Ltd.	Jebsen & Co.
Phoenix	Wm. Little & Co., Ltd.
	A. D. Bell
Prudential	Blom & Van. Eer. As.
	Hekking & Glouth
Railway Passengers	Branch Office (E. E. Parsons-Manager)
	Burkhardt, Buchan & Co.
Road Transport	Hugh Middleton & Co., Ltd.
Royal	W. A. White & Co., Ltd.
	Roy & Co., Ltd.
Royal Exchange	Butterfield & Swire
	A. R. Burkill & Sons
Scottish Union & National	F. P. C. Ashe.
	Hugh Middleton & Co.
Standard Marine	Butterfield & Swire
Sea Ins. Co., Ltd.	Butterfield & Swire
South British Ins. Co., Ltd.	W. Y. Dove
	David Sassoon & Co., Ltd.
State Assurance Co., Ltd.	Wm. Little & Co., Ltd.
	Brook & Co.
	Butler & Co.
Sun Insurance Office	Siemsen & Co.
	Branch Office
	A. R. Harris.
Sun Life	Branch Office
Union Of London	Dodwell & Co., Ltd.
Union Of Canton	M. H. Ivy.
	Reiss, Massey & Co., Ltd.
Union Marine & General	Barlow Co.
	H. M. Hind.
United British	Calder Marshall & Co., Ltd.

West of Scotland	Imperial Chemical Industries
World Auxiliary	A. Habecost Eastern Trading Co.
World Marine & General	Blom & Van Der Aa. V. I. J. Peterson, G. G. Franklin
Yangtze	North British & Mercantile Co., Ltd. Anderson Meyer & Co.
Yorkshire	M. H. Ivy. H. E. Wright

American

Company	*Agents in Shanghai*
Alliance of Philadelphia	K. B. Hill Insurance Agency.
American of New Jersey	Belgian Mission Steyl Mission
Columbia Casualty	Branch Office (E. Lester Arnold-Mgr.) W. R. Rice & Co.
Continental	Dodge & Seymour (China), Ltd.
Eagle	Realty Investment Co. Universal Insurance Underwriters.
Equitable	Liddell Bros. & Co., Ltd.
Fidelity Phoeniz	Robert Lang & Co. Singtoon Oversea Trading Co., Ltd.
Fire Association of Philadelphia	American Trading Co. China Foreign Assur. Co.
Great America	W. A. Adams
Hanover of New York	A. A. U.
Hartford	Hekking & Clouth Robert Dollar Co.
Home Fire of New York	American Church Mission American Foreign Ins. Assn. Anderson, Meyer & Co.
Ins. Co. of North America	R. A. Breulen
Ins. Co. of State of Pennsylvania	A. A. U. Asia F. & M. Underwriters
Lincoln of New York	Edward Ezra & Co., Ltd. Lincoln Insurance Agency
National Union of Pittsburgh	A. A. U. Realty Investment Co.
North River	A. A. U.
Russia of America	A. A. U. Ault & Wiborg & Co.
Queen	Forst Bland & Co.
United States Fire	American Securities Corp. International Industrial Supply Co.

Japanese

Company	*Agents in Shanghai*
Chiyoda	Mitsui Bussan Kaisha
Fuso Marine & Fire	K. Morio
Imperial Marine of Tokio	Union Ins. Society of Canton
Kobe Marine	Mitsui Bussan Kaisha
Mitsubishi	Mitsubishi Shoji Kaisha Ltd.
Nippon	Mitsui Bussan Kaisha
Nippon Kyoritsu	Shanghai Transportation Co., Ltd.
Nippon Marine	Satoru Adachi Satoki Oka.
Okura	Okura, & Co., Ltd.
Osaka Marine & Fire	Mitsui Bussan Kaisha Osaka Shosen Kaisha Ltd.
Settsu Marine & Fire	M. Yonesato
Taisho Marine & Fire	Mitsui Bussan Kaisha
Tokio Fire	Mitsui Bussan Kaisha
Tokio Marine	Mitsui Bussan Kaisha J. Aoki
Yokohama	J. Aoki Mitsui Bussan Kaisha

German

Company	*Agents in Shanghai*
Aachen Munich Fire	Reuter Brockelmann & Co.
Allianz & Stuttgarter Verein	Aiemssen & Co.
Baloise	Carlowitz & Co.
	C. Lutily & Co.
Hamburg Bremen	Melchert & Co.
	Asia Mercantile Co.
Magdeburg Fire	Hekking & Clouth United Ins. Underwriter
National General of Stettin	Eastern Trading Co.
	Jebsen & Co.
Neuchateloise	F. Huber & Co.
Nord Deutsche	Shanghai Insurance Office
Nordstern & Vater-landitsche	National Union Underwriters
Oldenburgen	Universal Ins. Underwriters
Thuringia of Erfurt	Cathay Insurance Agency

French

Company	*Agents in Shanghai*
Assurance Franco-Asiatique	J. Breen
	Compagnie Franco-Americaine
	B. de Borodaewsky
Franco Americaine D'Assurances	Pacific Banking Corp.
	B. de Borodaewsky
L'abeille Fire of Paris	Olivier-Chine
	Marcel Darre
La Confiance of Paris	Racine & Cie
La Nationale Fire	Olivier-Chine
	Credit Franco-Chinois
La Protectrice Ins. Co. of Paris & La Confiance	Asia F. & M. Underwriters
Consortium of L'Urbaine	Racine & Cie
Union of Paris	Credit Foncier D'Extrême-Orient

Dutch

Company	*Agents in Shanghai*
Ardjoeno	Olivier-Chine
	Wm. Meyerink & Co.
Holland Assurance	Shanghai Insurance Office
	Melchers & Co.
Netherlands F. & M. of 1842	A. Ehlers & Co.
	Mercantile F. & M. Und.
Netherlands Ins. Co. Est. 1845	Funrmeister & Co.
	Carlowtiz & Co.
Netherlands Lloyd	Shanghai Insurance Office
Standard of Amsterdam	Blom & Van Der Aa
	Melchers & Co.
Batavia	Calowitz & Co.
	Calatroni, Hsieh & Co., Ltd.
Java Sea & Fire	H. C. A. Van Someren
Samarang Sea & Fire	Economic Insurance Co.
Veritas	China Merchants Pongee Assn.
	Molnar & Greiner

INSURANCE

Australian

Company	*Agents in Shanghai*
Bankers & Traders	Jardine, Matheson & Co., Ltd.
Insurance Co. of Australia	F. Brook & Co.
New Zealand	Blom & Van Der Aa.
Western Australian	J. B. Logan Great Eastern Und: Bank of Kiangnan United Shangha iUnderwriters

Canadian

Company	*Agents in Shanghai*
British America	Shanghai Insurance Office Asia Insurance Office
Western of Toronto	Shanghai Insurance Office
Halifax of Nova Scotia	American Foreign Ins. Assn.

Swedish

Company	*Agents in Shanghai*
Helvetic Swiss	Siber Hegner & Co. Shanghai Commercial Co.
Switzerland General	Scharpf, Fuenter & Co. National Union Underwriters.
Federal of Zurich	America Asiatic Underwriters.

Italian

Company	*Agents in Shanghai*
Assicurazioni Generali.	J. Aoki. Hugh Middleton & Co., Ltd.
Ruinione Adratica Di Sicuta of Trieste	Asia F. & M. Underwriters. Clerici, Bedont & Co.

Others

Company	*Agents in Shanghai*
Norwich Union	Reuter Brockelmaun & Co. Carlowitz & Co.
Rossia of Copenhagen	Branch Office
New India	Havie, Cooke & Co., Ltd.
Metropolitan of Manila	A. A. U.
Lancashire	Havvie Cooke & Co., Ltd.

3. *CHINESE LIFE INSURANCE COMPANIES*

Central Trust Co. Insurance Department	1937
China Ins. Co., Life Department (中國保險公司壽險部)	1931
China United Assurance Society (華安合群保壽公司)	1912
Ning Shao Life Ins. Co.	1931
Postal Remittance Bank, Simple Life Ins. Dep't	1935
Sincere Life Ins. Co.	1922
Tai Ping Ins. Co., Life Department	1931
Tai Shan Ins. Co., Life Department	1932
Wing On Life Assurance Co.	1924

There are other minor companies which issue small policies of a local character. They are the 東方人壽保險公司 (formerly a Sino-Japanese enterprise) of Peiping, the 利華人壽小保險公司 and the 宏濟人壽小保險公司 of Tientsin, the 利翠人壽小保險公司 of Foochow, 康年人壽保險公司 and the 陸海通人壽保險公司 of Hongkong and Canton.

4. *FOREIGN LIFE INSURANCE COMPANIES*

Asia Life Ins. Co.	(American)
Confederation Life Association	(Canadian)
Crown China Life Co.	,,
International Assurance Co.	(American, Registered in Hongkong)
Manufacturers Life Ins. Co.	(Canadian)
Occidental Life Ins. Co.	(American)
Standard Life Ins. Co.	(English)
Sun Life Assurance Co.	(Canadian)
West Coast Life Ins. Co.	(American)
United States Life Ins. Co.	,,

The Asia Life Ins. Co. and International Assurance Co. were organized in Shanghai.

Activities of the foreign companies are most extensive in the treaty ports, particularly in Shanghai, where most of the firms have their Far Eastern headquarters. In the field of property business foreign firms are still leading, despite the tremendous progress made by Chinese companies. Due to the existence of extraterritoriality, foreign firms enjoy certain privileges; for example, they are able to do business in China without having to make deposits with the Chinese Government. Their activities heretofore have not been bound by any but their own national laws. They do not pay the regular taxes, such as the business tax and stamp tax on insurance policies. Income tax, again, has not yet been paid. The foreign firms, therefore, have so far enjoyed absolute freedom in the conduct of their business.

LIFE INSURANCE

Life insurance had a very belated development in this country, where it was introduced from abroad only a little more than 30 years ago. Several Canadian companies had a good start and did a thriving business until more Chinese companies were organized. There are at present five British companies, five American companies and nine Chinese companies writing life business in China. It is difficult to make an accurate estimate regarding the total amount of insurance in force, but a brief survey will show that the aggregate amount of insurance of all companies will run up to something like $200,000,000, about one-third of which is with the Chinese companies.

Among the Canadian companies the Sun Life has the oldest agency. It absorbed the China Mutual Life a quarter of a century ago and wrote more business than other company at

the beginning of the Republic. The Manufacturers Life came in shortly afterward and at present it has a big volume of business in North China. The Crown Life opened up an agency in Shanghai six years ago. The office is known as Crow China. Then Confederation with offices in Shanghai, was the last to come into the field. The Standard Life has a Shanghai firm as agent but has no branch office in China.

Among American companies the West Coast Life led the way. The Asia Life, organized in Shanghai by a group of Americans 15 years ago, has been doing a considerable amount of business. The Occidental Life came to Shanghai only two years ago. The United States Life of New York, whose control has recently been secured by Shanghai insurance men, opened its first offices in Shanghai this spring. Another company, which is primarily an American enterprise in Shanghai but is registered with the Hongkong government, is the International Assurance Company, which issues policy in life and other types of insurance.

The first Chinese life insurance company was the China United Assurance Society, which celebrated its Silver Jubilee on July 1, 1937. The Sincere Life and Wing On Life, each having its head office in Hongkong, were organized in 1922 and 1924 respectively. The Tai Shan Insurance started in 1932 with both foreign and Chinese shares and today writes property and casualty insurance besides life business. The Ning Shao Life, an enterprising young company, is in its seventh year and is making good progress.

Shortly after 1930 the bankers got interested in life insurance and no less than three of their sponsored insurance companies put in life departments. These companies were the Tai Ping Insurance, the China Insurance and the China National Insurance Company. Both the Tai Ping and the China Insurance are doing well, but the life department of China National had to be liquidated late last year and policies in force were taken over by the Tai Ping Insurance Co.

About a year ago the Chinese Government also entered the life insurance field, the Postal Remittances and Savings Bank starting its simple life plan, modelled after the Japanese postal life plan. Policies are issued both in life and endowment up to the maximum amount of $500, and the commercial companies are not allowed to issue policies for less than this amount. The Central Trust Company is another enterprising government organization recently to take up the life business. Since June, 1937, its insurance department has issued all standard types of life insurance.

With new companies organized almost every year and the enforcement of the Insurance Business Act in sight, the Chinese life insurance business has a very bright prospect. However, two important matters have yet to be looked into, namely, education of the public and the selection of agents. Life insurance, being still in its infancy, is little known to the average individual; large-scale and systematic advertising is urgently required. The selection and education of agents are even more important. At present a great number of the agents get very little help from their companies but prosper or perish by themselves. Careful selection of agents beforehand and intensive training afterwards will result in a much higher standard of efficiency.

FIRE INSURANCE

Fire insurance was the first type of insurance introduced to China, coming together with foreign trading firms. At present it is also the most popular form of protection against loss of property. At present there are 156 foreign firms and 25 Chinese companies operating in this field in China.

Among the foreign companies, European insurance firms have been doing a thriving business through their agents here. Many insurance firms have also been established in Hongkong and Shanghai. The Union Insurance Society of Canton was formed early in the year 1835. Six companies have their head offices in Hongkong and 132 companies have head offices

in Shanghai. The total premium receipts in China are generally estimated at something like $10,000,000, of which the foreign companies still get the lion's share.

The 24 Chinese insurance companies have a strong union and are doing more business every year. Six of the largest companies were sponsored by Shanghai banks and were organized within the short period of five years from 1931 to 1935. They are, in the order of their formation, the Tai Ping Insurance Company, the Ningpo Insurance Company, the China National Insurance Company and the Hsing Hwa Insurance Company. During the past year the An Ping Insurance and the China National have been merged with the Tai Ping but are doing business under separate names.

Both the Chinese and foreign companies were greatly affected in respect to government business when early in 1936 the insurance department of the Central Trust was invested by the Executive Yuan with the sole right to underwrite insurance on government properties. The head offices of the various companies eventually got the reinsurance but the local agencies lost the entire business. The Central Political Council has recently voted to change the ruling so that both the Central Trust and the Chinese companies can write government business.

One of the most pressing problems in fire insurance concerns the brokers, their over-due premium payments and rebates in premium. In almost every city it has been the age-old practice for brokers to delay the payment of premiums, which are usually a few months behind. Yet the receipt is given to the policy-holder together with the policy and the company is thereby made responsible for fire claims even before it has received the premium. Rebating in fire insurance is known to almost every policy-holder and unfortunately it has also been used as a means of competition. If nothing is done to stop this practice there will be no end to it. The Shanghai Insurance Association has given a good lead in setting a minimum discount limit and making the brokers observe it. It has also started the registration of brokers and is requiring them to pay a certain sum as deposit. Such measures ought to be adopted in other cities as well.

MARINE INSURANCE

Marine insurance depends on shipping business. Although China has a long coast line her shipping business is limited. Hence marine insurance is written on a very small scale. It is estimated that marine premiums in China do not exceed $2,000,000 per year.

Most of the Chinese companies write marine insurance, but many of them do it only as a matter of accommodation. There is not much cargo to write and when there is, rates are often cut to rock-bottom due to cut-throat competition. Only those companies affiliated with banks can do comparatively worthwhile business. The insured cargoes are in most cases mortgaged with the banks. Hence there is no competition. This type of business is usually found in the river ports and especially during the silk cocoon season.

Nine Chinese companies in Shanghai organized the United Hull Insurance Underwriting Agency. Such an organization eliminates unnecessary competition and is able to select risks. It is estimated that about $1,000,000 in premiums per year is collected by the Chinese companies on hull insurance.

About 24 foreign companies are doing marine business in Shanghai. The Shanghai Marine Underwriters Association, to which 55 companies belong, also includes Chinese companies. This association controls marine rates in Chinese ports.

Although marine insurance is not being written on a large scale at present, considerable progress has been made each year, as the Chinese shipping companies are gradually expanding. It is only a matter of time until the foreign shipping business comes to a stop and the Chinese companies will eventually write most of the marine business in Chinese waters.

CASUALTY INSURANCE

Most of the companies write casualty insurance but it is regarded merely as a side line. Motor car insurance is now the most popular type. During the last two years motor-car rates have been reduced. The present rate is $110 per $1,000 for a comprehensive policy. The former "non-claim bonus" has been eliminated. The North China Motor-car Insurance Association, to which all companies writing motor-car insurance belong sets the tariff and regulations. With China's ever-increasing highways there is a wonderful opportunity ahead for this type of insurance.

In this connection it is worth while to note that since 1932 a total of more than 30,000 kilometers of national highways have been projected, of which, up to the time of writing, about 25,000 kilometers have been completed and opened to traffic. These 25,000 kilometers of roads, built mostly under the auspices of the National Economic Council, have linked up with the vastly greater but isolated systems of provincial roads, making a grand total of more than 110,000 kilometers accessible to motor traffic in the entire country.

All other types of casualty insurance, such as parcel post, burglary and plate-glass, are being written by both Chinese and foreign companies in large cities. One or two companies have been writing fidelity insurance. But this is still in the experimental stage. So far no Chinese company has gone into accident and health insurance business.

LAWS

At present there are two sets of laws governing insurance, the Insurance Law and the Insurance Business Act. The Insurance Law was first enacted in December, 1929, and was revised and promulgated in January, 1937. It lays down the general principles for policy provisions in all classes of insurance.

The eyes of the insurance world are turned at present to the Insurance Business Act, which will cause major changes in both Chinese and foreign insurance business. The following stipulations will effect the Chinese companies:

Article 4 says that "the same insurance business shall not engage concurrently in both property insurance and life insurance." As many property companies are now engaging in life business they will have to be reorganized in due time. Articles 22 and 23 require all insurance companies to pay a deposit with the Government to the equavalent of 15% of their paid-up capital. Article 11 limits to certain definite lines of business the investment of the assets and liability reserve. Article 19 declares that "an insurance broker or adjustor, unless he shall have first registered with the Ministry of Industries and have received his certificate, may not engage in the business."

The foreign insurance companies will be hard hit by the Insurance Business Act in general ways. In the first place they will have to register with the Ministry of Industry according to Article 10, which says: "A foreign insurance company when establishing a branch office, or a business office or appointing an agent or broker within the territory of China, shall petition the Ministry of Industries for registration."

Secondly, in accordance with Article 20, "a foreign insurance company broker who, in accordance with the preceding Article, has received his certificate of business, shall confine his business activities to the commercial treaty ports. He may not commission others as his agents in the interior of the country to engage in or introduce insurance business."

Thirdly, a foreign company must also make a deposit of 15% of its capital fund to the Ministry of Industry, according to Article 22, which reads: "Those engaging in the insurance business shall make a deposit to the National Treasury. A foreign insurance company which establishes branch offices or business offices or appoints agents or brokers to engage in or introduce insurance business within the territories of China shall likewise make a deposit." Again

Article 23 stipulates: "The deposit specified in the preceding Article shall be 15% of the paid-up capital or the capital fund, to be made at the time of the office being established. A foreign company, when establishing a branch office or business office or appointing an agent or broker, shall make the deposit."

Fourthly, in the matter of investment, Article 11 says: "At least 80% of the total of the assets and liability reserve of an insurance business shall be invested in China."

Lastly, Article 9 stipulates that in a life insurance business all shareholders should be Chinese. This means that executives of foreign companies who at present hold shares in a Chinese company will have to sell their shares to the Chinese.

Together with the Insurance Businese Act, the Government promulgated the Regulations for the Enforcement of the Insurance Business Act, which, among other items, authorizes the Ministry of Industry to appoint an insurance commissioner to supervise insurance business in China. The establishment of this office has been long desired.

ASSOCIATIONS

As the headquarters of most insurance firms center around Shanghai insurance associations are also organized in that city. There are four important organizations which control the rates of the whole country. The Shanghai Insurance Association is composed of 28 Chinese companies many of which write all classes of insurance. This is a very important organization because it embraces all of the head offices of Chinese companies and its rules become effective throughout the country. Members each pay a deposit of from $10,000 to $20,000. The present chairman of the association is Mr. Y. C. Hu, of the Ning Shao Life Insurance Company.

The foreign companies in Shanghai have their own association, the Shanghai Fire, Insurance Association, which has 138 members, representing nine countries. The latest register of membership shows the following:

American	17
British	74
Chinese	1
French	7
German	9
Italian	2
Japanese	15
Netherlands	11
Swedish	2
TOTAL	138

The Shanghai Marine Underwriter's Association is another organization formed by foreign companies. The total membership is 55, representing seven countries as follows:

American	4
British	40
Chinese	1
French	2
Italian	1
Japanese	6
Netherlands	1
TOTAL	55

The North China Motor Insurance Association is composed of Chinese and foreign insurance companies and controls the rates for motor car insurance. Its 73 members, representing seven countries, are shown as follows:

American	6
British	42
Chinese	17
French	4
Italian	1
Japanese	2
Netherlands	1
TOTAL	72

The firm of Beck and Swann of Shanghai are the secretaries for the above three associations. So far no association has been formed among the foreign life insurance companies.

Aside from the trade associations, there is a Chinese Insurance Institute, organized two years ago by individuals interested in insurance. It is mainly for research purposes and has branches in many cities. It publishes a Chinese journal known as the Insurance Quarterly. The institute also tries to promote insurance education among the public. Early in 1937 it petitioned the Ministry of Education for the insertion of lessons about life insurance in school textbooks and this was granted.

As yet these is no organization for insurance agents like the American Life Convention and the National Association of Insurance agents in America. The establishment of such organizations would do much for the professional advancement of the insurance men.

TAXATION

The Chinese insurance business is at present paying taxes in three ways with which, due to the existance of extraterritoriality, the foreign companies are not yet concerned with them. The stamp tax is paid on each policy that a company issues. In the case of life insurance it amounts to 10 cents for a policy under $10,000 and 20 cents for policies above $10,000. In fire insurance it is one cent per $1,000. Stamp tax is also required for each receipt attached to a policy.

Another tax a Chinese insurance company has to pay is the business tax. This is a local tax and the rate is variable. In most places it is fixed at 0.2% of the total premium receipts. Both life and property companies pay at the same rate.

The income tax was started at the beginning of 1937. Here three parties are involved—the company, its employees and the policy holders. The company, or its head-office, when making profits, will have to pay income tax according to a definite scale, issued by the Ministry of Finance as follows:

3%	if profits amount to less than	10%	of paid-up capital
4%	,,	15%	,,
6%	,,	20%	,,
8%	,,	25%	,,
10%	,,	over 25%	,,

The salaried employees of an insurance company pay according to the income tax scale. No definite scale has yet has been set for agents and brokers who receive nothing.

The most discussed case early in the year had to do with claims and indemnities. After careful deliberation the Shanghai Income Tax Bureau reached the decision that in the case of fire claims or life insurance indemnity no income tax was to be paid, since the money thus received was for compensation and not as profits. When a life insurance policy matures the income tax is to be levied only when the endowment is more than what has been paid in premiums, and the excess amount is regarded as interest earnings.

During the past year China has made one more stride forward in the line of insurance. In promugating the Insurance Business Act, the Government, has set a definite rule and guide for the business. It not only separates life and property business, but also defines the scope of investment. In limiting the activities of foreign companies to treaty ports it helps the development of Chinese companies. On the other hand, the foreign companies, are not entirely excluded from the interior, because they still get the reinsurance. With China's vast reconstruction program now under way, the insurance business will undoubtedly continue to grow. It is only a matter of time before Chinese companies will be able to handle all of the Chinese business, while the foreign companies will still be able to thrive by getting the reinsurance from them.

DOMESTIC TRADE

SIAO-MEI DJANG (張肖梅)

I. INTRODUCTION

National trade should be classified as foreign or domestic. The former affects a nation's financial equilibrium, while the latter rests upon the development of internal resources and contributes to national economy. Both are of equal importance, but foreign trade is of such a character that it attracts more public attention and domestic trade is apt to be neglected.

China's domestic trade, however, has its peculiar importance which requires special attention. The area of the country is so great that provinces assume the dimensions of European countries, and the abundant wealth of China's resources is such that it has long been coveted by other countries. But paramountly the whole question of domestic trade must be explored and the plain facts of sufficiency and deficiency obtained. Only thus can authority be guided to formulate such measures as will supply what is lacking to dispose adequately of sufficiency and to enact a program of wealth reconstruction. No longer need it be necessary to grope about in the dark.

The backwardness of China's domestic industry, the added loss from continuous natural disasters and the pressure of foreign aggression, which together undermine rural economy and internal business must also be taken into consideration. Correlatively, newly started enterprises in the cities are retarded and the result is an adverse import surplus, which in recent years has reached the peak of figure of $100,000,000 to $800,000,000. It is therefore abundantly necessary to investigate the whole structure of internal economy so as to make sure that it rests on firm foundations and this calls for a thorough revision.

II. DOMESTIC TRADE AND FOREIGN TRADE COMPARED AND CONTRASTED

Before exploring the details of domestic trade, it is necessary first to present a general outline of foreign trade in order to show their relative positions and mutual relationships. There have existed optimists especially vocal in 1936, who argued that in the past few years China's adverse import surplus was decreasing and that exports were increasing. They produced these arguments as proof of China's improved foreign trade conditions. But internal evidence shows the actual situation to be entirely different. The relationship of currency to trade has been ignored and value has been mistaken for volume. In order to realize this vital point, it is necessary to study the following Customs report figures of import, export surplus for the past six years, stated in terms of national currency :

Year	*Net Imports*	*Net Exports*	*Total Net Imports and Exports (in Chinese Standard Dollars)*	*Excess of Imports (in Chinese Standard Dollars)*
1931	2,233,376,164	1,416,962,868	3,650,339,032	816,413,296
1932	1,634,726,298	767,535,334	2,402,261,632	867,190,964
1933	1,345,567,188	611,827,990	1,957,395,178	733,739,198
1934	1,029,665,224	535,214,279	1,564,879,503	494,450,945
1935	919,211,322	575,809,060	1,495,020,382	343,402,262
1936	941,544,738	705,741,403	1,647,286,141	235,803,335

From these figures it is easy to suggest two important conclusions, namely, that after years of depression the total combined import and export figure has showed an increase, and also that the adverse surplus has been steadily and materially reduced. The optimists accepted the first as indication of returning domestic and foreign prosperity, i.e., an increased public purchasing power; they viewed the rise in exports as a reflection of improved domestic business. Such an attitude ignores two important factors. First, the rise in combined imports and exports is largely artificial, due to currency depreciation; the rise in commodity quantities is very small. Secondly, the reduction of adverse import surplus is far from being symptomatic of trade improvement. The writer considers that the cause of the import surplus reduction is attributable mainly to the fall in foreign imports, and, as such, reveals a decline in the purchasing power of the people. It is the reflection of an exhausted consumer class. There are other special causes which, more specifically, lowered the adverse surplus for last year. Now let us turn to the trade situation for the same period, with figures derived from the same source but stated in Customs Gold Units:

Year	*Net Imports*	*Net Exports*	*Total Net Imports and Exports (in Customs Gold Units)*	*Excess of Imports (in Customs Gold Units)*
1931	1,218,953,396	773,363,542	1,992,316,938	445,589,854
1932	891,296,487	419,397,042	1,310,693,529	471,899,445
1933	690,007,852	313,285,380	1,003,293,232	376,722,472
1934	524,086,089	272,153,720	796,239,809	251,932,369
1935	501,398,955	306,343,856	807,742,811	195,055,099
1936	416,518,383	312,166,869	728,685,252	104,351,514

These figures being in gold units, the fluctuation of currency is eliminated. Trade values in these terms have a direct connection with those of early years and consequently present a true picture of change in respect of export and import commodities. The resultant figures are entirely different from those shown in the currency table. Computed in dollars, there has been an increase in import value in 1936, whereas the gold unit figures show a steady decrease since 1931. In currency value exports gained $130,000,000 in 1936 over the previous year, but, expressed in gold units, this gain is only something over five million gold units. Both tables show a reduction in adverse surplus since 1932 but the reductions shown between 1932 and 1935 are caused by import decline rather than export growth.

Furthermore, the import surplus in 1936 is reduced by a sudden export increase when expressed in currency, but this reduction is shown as having been caused by an important decline in terms of gold units. These, however, are all merely nominal features which still do not reveal the true situation as regards foreign trade.

The sharp decline in imports in 1936 has resulted from one special factor, namely, large-scale armed smuggling. The valuation of the results of such smuggling is enormous and, observed from various points, cannot be less than $400,000,000. This being the case, the true import surplus of China's international trade must amount to more than $600,000,000—a figure higher than that of any year in the recent past.

In short, according to the writer's personal observation, it is not safe to measure foreign trade by currency values which combine monetary and commodity fluctuation. In the light of the Customs gold unit figures there is small reason for optimism.

It is necessary, therefore, to find some means to prevent this enormous annual adverse balance. Some suggest promotion of industry in order to oppose import of foreign goods, coupled with an increased export capacity. But at present high tariff walls are found nearly everywhere

and there are many hampering restrictions which alone make the task very difficult—particularly when it is realized that Chinese industry has no background of experience.

Others suggest import-quota enforcement, or exchange control, or currency devaluation, in order to reduce production costs and strengthen export power.

But these suggestions show little knowledge of political and economic conditions, apart from the present scope of China's foreign trade, and would provide no prompt remedy. When plenitude and poverty remain hidden in different parts of the country, any plan drafted is apt to be ill-conceived and may even bring undesirable results. There is, in fact, but one solution, no matter what standpoint one takes, and that is a complete revision and invigoration of domestic trade.

A. An Important Comparison Between Foreign and Domestic Trade.—Attention has been called to the proportions of the adverse surplus and it has also been shown how imports and exports have been changing in recent years. In this connection it was stated that measures to meet this huge annual deficit must commence with domestic trade.

Economic reconstruction must follow known and defined needs and all guiding knowledge must be complete and established. The supreme economic necessity is an adequate knowledge of China's own internal economic world.

1. *Comparison of Foreign and Domestic Trade from Standpoint of Trade Development.*—Primitive people led isolated and simple lives. Intercourse and commerce were infrequent. Each transaction was confined to its own locality until slowly transportation improved and civilization advanced. Transactions multiplied, local demands could not be filled, surplus products were transported to supply deficiency and thus commerce expanded from local transaction to interport trade, from interport to interprovincial and finally to foreign trade.

Domestic trade accordingly came first. Now it is of the utmost importance that domestic trade bear its full burden, even to the smallest units, with a minimum of loss and effort. Sufficiency and deficiency within must be regulated from within and foreign supply permitted only when imperative.

2. *Comparison of Foreign and Domestic Trade from Standpoint of Volume.*—In recent years as China's internal economy declined so the value of foreign trade likewise decreased. Foreign trade remains now at $1,500,000,000, which is half of the figure for 1931. The figures for domestic trade, however, have been growing until to-day the sum for the 39 treaty ports alone, exceeds the total of foreign trade. Further, this sum includes only exports and imports conveyed by ships ; those borne by rail, highway, airway and other agencies are not included.

It must be admitted that as communication has developed very rapidly, the Customs statistics cannot be accepted as accurate guides for domestic trade. The bulk of the internal movement therefore remains unrecorded, but, if known, would be greatly in excess of the foreign trade figures. A comparison of the volume of domestic and foreign trade is shown in the following table : (Total in million dollars national currency.)

Year	*Domestic Trade*			*Foreign Trade* (3)	*Ratio of Foreign Trade to Domestic Trade* (4)
	Customs Reports (1)	*Other Estimates* (2)	*Total*		
1932	1,363	1,009	2,372	2,402	1 : 0.988
1933	1,896	1,403	3,299	1,957	1 : 1.686
1934	1,928	1,427	3,355	1,565	1 : 2.144
1935	1,922	1,422	3,344	1,495	1 : 2.232
1936	2,278	1,686	3,964	1,647	1 : 2.407

From the above figures, it will be seen that foreign trade has been surpassed since 1933 and doubled since 1934. Moreover, in the writer's opinion these estimates are too low rather than too high, and those estimates for items, other than Customs recorded shipping, make use of definite ratios to the volume of shipping transport, thus:

1.	Railways	57.60
2.	Highways	10.00
3.	Airways	1.00
4.	Boats and Human or Animal Carriages	5.40
	Total Percentages to Shipping	74.00

The ratio of railways to shipping is calculated by the volume of merchandise conveyed in 1934 on national railways under the control of the Ministry of Railways. Commodities and material for government or railway use are not included. The original data are calculated in metric tons. Referring to the volume of rail transport in 1934, the estimate is based on an average rate of $45 per ton, which figure to-day, owing to the wide extension of the railway lines, is doubtless understated. The ratio for highways is stated as 10% of shipping for three reasons: (1) highway transportation, though developing, is not extensive; (2) a considerable quantity of trunk transport rightly belongs to railway through traffic; (3) the statistics concerning highway transport are very incomplete. However, it is certain that the ratios chosen are not excessive.

NOTES: (1) Figures based on Chinese Maritime Customs *Annual Report of Internal and External Trade*, Volume 4, Statistics of Interport Movement of Chinese Produce, including 13 provinces in China Proper covering 39 important cities.

(2) Percentage taken by railways is calculated on the basis of statistics of merchandise transportation by National Railways in 1934 published by the Ministry of Railways, correlated by interport trade statistics from Customs Report. Percentage taken by highways is deducted on the basis of statistics kept by certain lines. The rest is estimated according to transport facilities.

(3) Figures based on Chinese Maritime Customs *Annual Report of Internal and External Trade*, Statistics of Total Net Trade—figures of re-export being deducted from those of imports and figures of re-import deducted from those of exports.

(4) Set each year's foreign trade as the base and calculate the ratio of domestic trade.

B. An Important Comparison Between Foreign and Domestic Trade from the Viewpoint of Economic Reconstruction.—Other countries may regard their foreign trade with special concern but China should view her domestic trade as the backbone of her economic reconstruction. The import-quota system, exchange control, high tariff walls, and those other instruments of control of foreign trade which may be effective in other countries, are useless here, for they cannot be successfully enforced. Consequently adjustment of domestic trade must come first, leaving foreign trade to follow. We may logically expect that when domestic trade is well adjusted, native industry and national resources will harmonize automatically. "Nothing succeeds like success." Foreign trade will also share in the benefit.

III. SMUGGLING: THE FACTOR RETARDING DEVELOPMENT OF DOMESTIC TRADE

When discussing the adverse trade surplus, mention was made of the fact that the value of commodities illegally entering the country was estimated at not less than $400,000,000. We propose now to treat this subject in more detail and, using the Maritime Customs report and other material as evidence, obtain a fuller conception. The problem of smuggling was discussed in a special chapter in last year's issue of the *Chinese Year Book*;[1] here only such material as concerns domestic trade will be offered.

The entry of tax-evaded goods in appreciable quantities has had very significant effects. Not only has it been injurious to national revenue and

[1] See the *Chinese Year Book*, 1936–37 issue, pp. 891–945.

to the balance of foreign trade but it has also attacked the development of domestic trade. Domestic articles cannot compete with the tax-free foreign goods. Hence the greater the penetration of smuggled goods into the interior the greater the damage to home industry.

The Maritime Customs reports claim that smuggling during 1936 was no less serious than in 1935 and probably of much greater extent. The strength of the Chinese preventive service was not increased during 1936 and added handicaps made limitation difficult. At the beginning of 1936, the East Hopei Autonomous Organization in the demilitarized zone began to impose illegal Customs duties at rates much lower than those specified in the legitimate tariff regulations. This enabled the smugglers to protest, when detained, that duty had been paid to the East Hopei Customs and that their goods were lawfully taxed. Smuggled goods included rayon, sugar and rolled tobacco along with many others. Smuggling routes widened, spreading from shipping lines to railroads. The smugglers drove passengers from rolling stock to secure space for more goods and Customs or railway officers who interfered met with armed opposition. Riots involving the injury of government officers became a matter of common occurrence.

The Customs then established in May, 1936, a general inspection office to limit the transport of smuggled goods by rail but, owing to the peculiar conditions existing, it was impossible for this office to function properly along the Peiping-Mukden Line and smuggled goods continued to pour into Tientsin from East Hopei. A further attempt to cope with the rapidly worsening conditions was the establishment of 17 inspection offices along the Shanghai-Hangchow-Ningpo, Tientsin-Pukow, Peiping-Hankow, and Nanking-Shanghai Lines. Finally, towards the close of July a concentration of armed police and soldiers at the Central Station in Tientsin succeeded in driving the smugglers from the trains, seizing large quantities of contraband. For a time smuggling was actually subdued, but by the end of August, 1936, transport of smuggled goods by truck was started along the highways emerging from south Tientsin and radiating into Shantung. These trucks were escorted by armed Koreans and Japanese. Although a branch inspection station was established in the suburbs of Tientsin it was useless to ask the unarmed preventive officers to act with any effect. Customs estimates for these smuggled goods for the year 1936 from East Hopei to Tientsin alone, are given hereunder:

Rayon	3,994,200 kg.
Sugar	89,707,000 kg.
Rolled Tobacco ..	378,600 kg.
Kerosene	2,166,600 gal.
Piece Goods	78,400 cs.
Miscellaneous	220,800 cs.

These figures may be accepted as reliable. The leakage of duty is stated to exceed $30,000,000. To this sum must be added the leakage in respect of goods outside the scope of the Tientsin Customs investigation which must total at least $20,000,000.

The actual intrinsic value of all contraband must be huge, but exact figures are, of course, unknown. We should therefore turn to Japan's trade statistics in order to obtain approximate estimates. Japan's trade report records her trade with China Proper as amounting to $149,000,000, while her trade with "Manchukuo" is stated to total more than $126,000,000. Trade with the Kwantung Leased Territories is given as $300,000,000 and that with Hongkong as $50,000,000. It is the $300,000,000 worth of trade which migrated to the Kwantung Leased Territories, and which was not included in "Manchukuo" trade, which, without doubt, furnished the source for this organized smuggling in North China. It must also be realized that a large portion of the $50,000,000 worth entering. Hongkong was designated for smuggling into South China through Canton. Foochow, Amoy and Swatow were also used as bases from which to flood the hinterland with goods. The total valuation must therefore exceed $400,000,000. This cheap contraband has already penetrated into the interior of China and the effect upon the country's domestic trade needs no further

description. It is only the brave efforts of native manufacturers, the smuggling amid these difficulties to reduce costs, coupled with the activities of local prevention authorities and the patriotic inspiration of the Chinese people, that have saved domestic trade from complete eclipse. But for this gigantic burden, domestic trade would doubtless have developed to a marked extent.

IV. PRINCIPAL MARKETS OF DOMESTIC TRADE

Markets where commodities assemble for distribution to the domestic trade and markets of assembly for foreign trade are rarely identical. The location of the latter is governed by the access to transportation and by geographical situation, while the former are more likely to be influenced by natural environment and particular local advantages. Thus the marketing system of domestic trade can be utterly independent of, and even run contrary to that of international trade. For instance, Shanghai and Hankow, according to Customs records, usually have import surplus in external trade but export surplus in internal trade. But at Chefoo (煙台), Mengtsz (蒙自), Wuchow (梧州), and other places the reverse is true. Moreover, Hankow is of no great importance in foreign trade, ranking sixth or seventh, whereas in domestic trade it ranks second only to Shanghai.

Statistical material concerning domestic trade is obtained mainly from Customs and railway offices. The Customs records contain both volume and value; the figures of volume are, however, incomplete. The railway statistics contain only volume. Consequently, it is difficult in the absence of complete price lists, to complete accurately the information or to combine the data. Also information concerning commodities transported by highway, airway or animal or human agencies is lacking, and thus the ideal method of collaborating statistics from many sources for the study of principal domestic markets cannot be adopted. Investigations are restricted to the Customs records, which are only complete in part.

The Customs reports for the past three years (1934-36) reveal Shanghai, the commercial and financial center, as the only place where the annual average value of domestic interport movement exceeds $500,000,000. Scaling down from Shanghai, there are four places where the annual average passes $100,000,000, three where it exceeds $50,000,000, seventeen where it is more than $10,000,000, six where it is more than $5,000,000 and seven where it is below $5,000,000.

A. Where Total Value of Trade Exceeds $500,000,000.—For the past three years Shanghai alone has occupied this position and its average trade values are as follows (unit: national currency yuan):

Import	328,580,544
Export	443,723,532
TOTAL	772,304,076

Shanghai is the recognized national pivot of commodity distribution and is also the financial center. Accordingly the Shanghai market condition is the barometer of national economy. The year 1936 saw marked progress, both commercial and financial. Foreign exchange was firmly stabilized and since the currency reform in November, 1935, the market has had an active tone. A splendid harvest has invigorated commerce and rural purchasing power has risen, producing higher commodity prices (see Appendix). Young and languishing industries have revived and various branches of commerce have begun to flourish (see Appendices II & III). Correspondingly, export and import trade have prospered.

General shipping statistics show that the total number of incoming and outgoing vessels sailing between ports increased last year from 12,823 to 13,057. Tonnage actually decreased from 17,190,000 tons to 15,600,000 tons but this regression is explained by the fact that smaller craft are gradually superseding larger vessels. Low water levels determine size and this tonnage decrease does not affect trade. The Customs tonnages quoted are gross tons. According to inland

navigation records, the number of vessels of above 5,840 entering and clearing reached 29,090 as compared with 30,848 ships of 5,630 tons in the previous year. This points to better days for Shanghai.

B. Where Total Value of Trade Exceeds $100,000,000.—In the past three years, four places have entered this category, namely, Hankow, Tientsin, Canton, and Tsingtao. Their average trade values are as follows:

	Import	*Export*	*Total*
Hankow	76,710,217	143,106,716	219,816,933
Tientsin	117,634,751	53,503,837	171,138,588
Canton	96,545,177	27,740,490	124,285,667
Tsingtao	32,908,277	76,158,170	109,066,447

Hankow leads, ranking next to Shanghai. Located at a midway point of the Yangtze River, it holds the key position to Hunan, Szechwan, Kweichow and Yunnan Provinces, and is thus in a focal position for domestic trade. Tientsin and Tsingtao both hold in North China positions which correspond in importance to those held by Shanghai and Hankow in respect of the provinces of Central China. Canton holds the key to the South. These cities are further analyzed hereunder:

1. *Hankow.*—Hankow is favorably situated on the longest navigable waterway in China and commands the best facilities in land, air and water transport. Standing at the junction of the Peiping-Hankow Railway and the Canton-Hankow Line, which was opened to traffic in September, 1936, it is fed with commerce by a line which penetrates the whole country vertically. Hankow's crowning feature is its aerial future with regular airlines service traversing in all directions and sponsored by the China Aviation Company.

The Customs calculate trade value on the basis of tax, and the magnitude of Hankow's trade satisfies the most eager imagination. Often, however, commodities pass this port, destined for foreign consumption and, as tax is paid, they are entered as interport trade; doubtless commodities consigned to other Yangtze ports are classified in like manner. Despite this inclusion, the Customs figures amply substantiate the great future of the city.

2. *Tientsin.*—The intensity of armed smuggling and the huge proportions reached by the traffic in contraband have caused the decline of domestic trade in Tientsin, both export and import. Certain exports, such as eggs and egg products, furs, seeds and cotton showed gains in 1936 as compared with 1935 owing to economic recovery abroad, but the whole trade was below the level of 1934. The elimination of smuggling must, however, be a precursor of prosperity in the North.

The export value of eggs and egg products from Tientsin increased in 1936 by 3.8 million dollars, due partly to an exceptional American demand, and partly to renewed demand from England, where tests have confirmed to the purity and quality of the China product. Export prices also showed advances.

Furs from Mongolia, Manchuria and other northern districts no longer enter Tientsin for reshipment abroad and it is fortunate that inferior furs still assemble there, enabling fur exports to show a further increase from 6.7 million dollars in 1935 to 8.7 million in 1936. Very notable was the boom in the export of flax seed. This seed comes originally from Chahar, Suiyuan and Inner Mongolia, where a shortage was recently experienced. The demand suddenly expanded with the result that stocks were exhausted and prices mounted.

The export of peanuts decreased to less than 10% of that of the previous year, amounting to but $60,790 as compared with $721,000 in 1935. Lower prices ruling in Dairen were the responsible factor.

Shipping both entering and clearing also declined, due partly to extra-

ordinary weather which sealed the port for three weeks.

3. *Canton.*—Canton is the commercial gate to South China and its trade in native produce showed greater activity in 1936. The import trade of Canton has been helped by more accomodating bank advances, and cheap exchange has helped exports by lowering production costs.

The Canton-Hankow Railway was opened to traffic last year and surplus rice in Hunan and other adjoining places should now enter Kwangtung direct when rice shortage occurs. The benefit derived from this line goes far beyond the limits of domestic trade.

Silk, cane, mats and umbrellas are prominent exports from Canton. Silk has declined in recent years, but silk prices in 1936, following the world trend, showed advances. The lowest price of best quality silk last year was Hongkong $375 but it subsequently rose to Hongkong $625 for the first time since 1933.

Six refineries producing cane sugar are now in operation under the management of the Kwangtung Provincial Government. Cane was bought last year at good prices and improved loan facilities were provided. This stimulation widened areas of cultivation which unfortunately were heavily damaged by visiting cyclones, however, so that production was not increased.

A great number of people in and near Canton depend upon the mat and umbrella trade for a living. Trade in these lines expanded in 1936 with the assistance by lower exchange rates.

4. *Tsingtao.*—Steady progress in domestic interport trade has been made by this port. The improvement became conspicuous upon the completion of a new wharf within the large harbor. Repairs to existing wharves were completed and plans for further construction are being drafted.

When the full scheme is operative Tsingtao will emerge as a youthful challenger to the various great Occidental seaports.

The successful development of Lienyun (連雲港) has been another factor contributing to the progress of Tsingtao. A mere fishing village three years ago, it has now been transformed into a modern harbor equipped with two big wharves capable of accomodating six ocean steamers and complete with a long breakwater system.

The heavy northern smuggling affected foreign imports slightly but did not retard interport movement of domestic trade.

The export of peanut declined sharply, suffering the same fate as Tientsin, but peanut oil improved its position. Raw cotton, while commanding a good market, went mainly for the benefit of Japan. Tobacco leaf export enjoyed the largest increase following upon a splendid harvest.

C. Where Total Value of Trade Exceeds $50,000,000.—Three ports come within this classification, namely, Swatow, Chungking and Kiukiang. Their respective trade values are shown as follows :

	Import	*Export*	*Total*
Swatow	65,268,889	21,016,784	86,285,673
Chungking	41,140,706	29,889,443	71,030,149
Kiukiang	33,677,127	21,854,829	55,532,956

Swatow is the second ranking port of South China, while Chungking is the most important gateway of the trade to Yunnan, Kweichow, Sikang and Tibet. Kiukiang is situated in the lower valley of the Yangtze River and full realization of the volume of trade transported by land enhances its importance.

1. *Swatow.*—The import and export trade of Swatow has enjoyed a satisfactory past history but last year was its best period to date. The Southwest Political Committee was abolished on July 20 and with it went the attendant heavy taxation and miscellaneous levies. The tax system and subsidy regulation were

improved, and the administration unified. Trade responded promptly.

Of the domestic imports, rice alone, rose from $4,000,000 in 1935 to $12,000,000 in 1936. Imports of sugar, cigarettes, China-grass, cotton cloth, cement and watches also show increases. Although bean cake decreased by more than $3,000,000 the whole trade situation was highly satisfactory. In domestic interport movement, sugar ranked first. It exceeded $16,000,000 in 1936, largely as a result of the output of the Chiyang (揭陽) sugar refinery, which, promoted by the Kwangtung Provincial Government, commenced operations last year.

In the export trade, fruit, linen sack and joss paper (神紙) showed increases.

The volume of interport movement advanced during 1936.

2. *Chungking.*—Chungking is the commercial and financial center of Szechwan Province and holds high rank in domestic trade owing to its extremely advantageous geographical situation.

Szechwan Province, since the inception of the Republican era, has been ravaged by incessant civil war, which has not only stopped reconstruction but also caused conservancy work to be neglected and communication to be disrupted. Drought and famine have prevailed and relief has been rendered difficult by the poor communications. The improvement of the political situation, the reform of the currency and the restoration of provincial government credit are all of recent date. Finance and exchange have been stabilized and Szechwan now has a real opportunity to advance. Domestic trade has already revived.

Cotton yarn, piece goods, kerosene, gasoline and cigarettes have always been principal articles of import. In 1936, the import of cotton yarn decreased but the import of fine cloth, manufactured in Shanghai, increased. The decline in cotton yarn was due to the poor equipment and technique employed in the Chungking factories. The demand for fine cloth was encouraged by government action in freeing this article from local tax. Kerosene declined from 6,400,000 kg. in 1935 to 4,100,000 kg., but gasoline rose from 1,500,000 kg. to 3,300,000 kg.

Having been on the verge of starvation, as a result of recent famines the people of Szechwan consider kerosene as a luxury rather than a necessity. Highway extension in Szechwan is already being reflected in the gasoline consumption.

The cigarette import remained at the previous level.

Exports of domestic produce have increased, especially tung oil, bristle and goatskins. The export figure for tung oil in 1936, amounting to 14,740 metric tons of a total value of $14,600,000, established a new record. The export of bristle advanced by more than $2,000,000, and, with government assistance, the production of raw silk was revived. Other primary products such as red sugar, tobacco leaf, etc., kept their former levels with the exception of drugs, which alone declined.

3. *Kiukiang.*—Kiukiang is the key to Kiangsi Province but it has long been impoverished by bandits, who have reduced the people to a low condition. The exhaustion was so complete that when peace was restored to the province in 1936 trade showed no life until the fall of the year, when a splendid harvest was reaped and rural economy drew its first full breath. Purchasing power quickly followed and Kiukiang's trade turned the corner. Imports declined but Kiangsi's economy will be mainly supported by gradual yearly export increase.

The Nanchang to Yushan section of the Chekiang-Kiangsi Railway was opened to traffic in January, 1936. This route strikes into the interior of Kiangsi Province and, as freight costs are comparatively low, it will certainly stimulate and develop the domestic trade of that province. The outlook for Kiukiang is one of optimism.

D. Where Total Value of Trade Exceeds $10,000,000.—There are 17 places where in the last three years the annual value of domestic interport trade exceeded $10,000,000. They are: Changsha, Foochow, Ningpo, Chefoo, Wuhu, Amoy, Mengtsz (蒙自), Wanhsien (萬縣), Chinwangtao (秦皇島), Nanking, Hangchow, Shasi

(沙市), Yochow (岳州), Wuchow (梧州), Ichang (宜昌), Wenchow (溫州), and Chingkiang (鎮江). Their average trade values are as follows:

	Import	*Export*	*Total*
Changsha	19,907,854	20,193,339	40,101,193
Foochow	21,760,186	16,499,480	38,259,666
Ningpo	17,810,216	17,630,827	35,441,043
Chefoo	21,873,366	13,186,210	35,059,576
Wuhu	14,360,959	15,757,518	30,118,477
Amoy	20,196,417	3,292,080	23,488,497
Mengtsz	17,910,779	3,365,505	21,276,284
Wanhsien	8,482,021	12,657,374	21,139,395
Chinwangtao	4,981,968	14,939,874	19,921,842
Nanking	5,972,978	13,363,986	19,336,964
Hangchow	6,878,633	11,873,033	18,751,666
Shasi	3,822,846	14,499,014	18,321,860
Yochow	6,665,632	9,443,725	16,109,357
Wuchow	13,969,672	1,046,567	15,016,239
Ichang	8,473,574	4,907,858	13,381,432
Wenchow	6,842,237	5,134,762	11,976,999
Chingkiang	5,941,927	5,011,020	10,952,947

E. Where Total Value of Trade Exceeds $5,000,000.—Within the past three years there have been six places where the annual value of domestic interport trade has ranged between $5,000,000 and $10,000,000. These are Kiungchow (瓊州), Lungkow (龍口), Nanning (南寧), Pakhoi (北海), Weihaiwei (威海衛) and Santuao (三都澳). All of them have had an excess of imports except Santuao. Their average trade values are as follows:

	Import	*Export*	*Total*
Kiungchow	5,853,374	3,346,140	9,099,514
Lungkow	5,957,809	2,678,572	8,636,381
Nanning	4,416,036	1,617,050	6,033,086
Pakhoi	3,020,728	2,690,943	5,711,671
Weihaiwei	3,764,385	1,818,535	5,582,920
Santuao	1,021,242	4,213,438	5,234,680

F. Where Total Value of Trade Remains under $5,000,000.—Within the past three years, there have been nine places where the annual value of domestic interport trade has been less than $5,000,000. They are Soochow, Kongmoon (江門), Lappa (拱北), Samshui (三水), Szemao (思茅), Tengyueh (騰越), Lungchow (龍州), Luichow (雷州), and Kowloon. Kowloon has no record of interport trade for these three years, however, while Luichow was formerly included in Pakhoi. Though the figures were separated in 1936, it would be impossible to isolate the records of previous years, so that the figures for Luichow's trade in 1936 are again combined with those of Pakhoi, as shown in the above section. Thus there remain seven places where the total value of trade is annually less than $5,000,000. Their average trade values are as follows:

	Import	*Export*	*Total*
Soochow	1,582,003	308,377	1,890,380
Kongmoon	1,595,799	119,051	1,714,850
Lappa	448,009	—	448,009
Szemao	—	38,268	38,268
Samshui	5,156	175,982	181,138
Tengyueh	12,889	3,491	16,380
Lungchow	406	310	716

V. GENERAL TREND OF DOMESTIC TRADE

From the foregoing we have noted the total trade values and location of various centers of assembly and distribution of domestic trade, but we have not marked their individual trends or their fluctuating changes in export and import requirements.

From Customs reports covering the same period, those showing progress in domestic interport trade included Soochow, Chungking, Wanhsien, Changsha, Yochow, Hankow, Kiukiang, Wuhu, Nanking, Chingkiang, Chefoo, Kiaochow, Swatow, Canton, Kiungchow, and Tengyueh. Those which showed decline included Ningpo, Wenchow, Chinwangtao, Tientsin, Santuao, Amoy, Kongmoon, Samshui, Pakhoi and Mengtsz. Those which showed both increases and decreases, or where exports and imports had changes both ways, include Shanghai, Hangchow, Ichang, Shasi, Lungkow, Weihaiwei, Foochow, Lappa, Wuchow, Nanning, Lungchow and Szemao.

To summarize generally, increase continues to exceed decrease, and the grand total climbs higher each year. Figures of interport trade of various ports for the past three years are shown in Table 1 (p. 585).

TABLE 1. VALUE OF THE INTERPORT MOVEMENT OF CHINESE PRODUCE, 1934–1936

Ports	Imports			Exports		
	1934	1935	1936	1934	1935	1936
I.—CENTRAL COAST PORTS						
Shanghai	291,389,434	280,017,419	414,334,781	452,034,823	438,048,727	441,087,047
Soochow	885,888	1,243,951	2,616,171	361,354	253,646	310,131
Hangchow	6,030,062	5,611,621	8,994,217	12,808,689	10,546,942	12,256,279
Ningpo	21,473,933	15,165,313	16,791,402	20,892,716	16,019,351	15,980,416
Wenchow	6,477,812	7,121,069	6,927,831	5,423,636	5,404,909	4,575,743
II.—YANGTZE RIVER PORTS						
Chungking	27,351,938	44,800,560	51,269,622	27,058,490	25,076,299	37,533,542
Wanhsien	8,973,285	9,143,715	7,329,064	8,797,056	11,594,837	17,580,231
Ichang	7,240,064	9,463,029	8,717,630	4,588,816	3,732,203	6,402,557
Shasi	3,733,583	3,280,617	4,454,340	17,120,132	9,526,602	16,850,310
Changsha	11,260,322	22,024,846	26,438,396	15,196,718	17,812,924	27,570,377
Yochow	3,611,226	6,018,769	10,366,901	6,619,404	7,885,434	13,826,339
Hankow	72,570,851	69,021,815	88,537,986	127,576,872	125,477,751	176,265,526
Kiukiang	38,092,624	38,626,514	24,312,244	14,661,939	19,397,293	31,505,257
Wuhu	12,298,412	15,077,887	15,706,578	14,087,627	10,471,159	22,713,768
Nanking	3,779,700	5,904,572	8,234,663	13,316,053	13,085,510	13,690,397
Chinkiang	4,781,313	5,507,057	7,537,412	5,273,039	4,519,729	5,240,292
III.—NORTHERN PORTS						
Chinwangtao	6,228,072	3,942,473	4,775,360	17,046,960	15,357,371	12,415,293
Tientsin	123,210,359	114,041,757	115,652,137	56,539,822	46,246,416	57,725,272
Lungkow	6,014,911	6,307,692	5,523,824	2,377,387	2,688,096	2,970,233
Chefoo	21,302,942	21,724,275	22,592,883	12,861,289	12,383,808	14,313,533
Weihaiwei	3,238,252	4,259,786	3,795,118	1,244,166	1,570,482	2,640,959
Tsingtao	34,379,390	30,770,643	33,574,798	58,562,202	74,520,640	95,391,669
IV.—SOUTHERN COAST AND WEST RIVER PORTS						
Santuao	1,280,450	1,123,066	660,211	5,142,862	2,691,437	4,806,015
Foochow	25,116,665	19,224,631	20,939,262	16,442,829	13,561,941	19,493,672
Amoy	21,071,321	20,569,864	18,948,067	3,354,674	2,903,055	3,618,511
Swatow	66,060,914	62,220,089	67,525,666	16,304,662	21,399,142	25,346,550
Canton	85,929,215	98,737,945	104,968,372	21,727,583	24,413,086	37,080,803
Kowloon	—	—	—	—	—	—
Lappa	479,406	381,479	483,143	—	—	—
Kongmoon	2,063,143	1,456,621	1,267,631	134,009	112,139	111,005
Samshui	10,880	3,364	1,225	230,213	259,894	37,839
Wuchow	12,495,462	17,919,242	11,488,312	1,198,304	962,208	985,189
Nanning	3,806,264	4,967,945	4,473,901	2,053,890	1,164,828	1,632,433
Liuchow	—	—	47,479	—	—	906,855
Kuingchow	4,799,640	6,156,038	6,604,446	3,310,651	3,057,566	3,670,203
Pakhoi	3,598,219	2,814,237	2,602,249	3,507,903	2,061,471	1,596,600
V.—SOUTHERN FRONTIER PORTS						
Lungchow	725	94	—	90	551	289
Mengtsz	15,436,328	20,051,332	18,244,677	3,325,760	3,489,333	3,281,423
Szemao	—	—	—	25,221	57,668	31,916
Tengyueh	5,483	9,942	23,242	9,357	895	223
TOTAL	956,478,598	974,711,269	1,146,761,241	971,217,198	947,755,343	1,131,444,697

VI. PROVINCIAL DOMESTIC TRADE

A province has been the unit of political administration of China through the ages. Recently the central authority felt that under the old system, however, the enforcement of laws and decrees was devious and required time to penetrate effectively into the life of the populace. It was therefore decided that a hsien should be substituted as the political unit. A province still retains, however, the status of being the larger unit. Previously self-interest was prominent in provincial reconstruction and administration; sometimes interests of different provinces even came into conflict and prevented reconstruction work. The Hwang Ho Water Works and the Hwai Ho Conservancy are the most conspicuous instances. This obstacle was not overcome until recently when national economy came to replace local interest, as exemplified in the co-operation of producing provinces in the marketing of tung oil, tea, rice, etc. Now in an analysis of domestic trade the ideal method is to take economic geography as the basis and the condition of production and consumption of various places as the standard. But as this is not realizable; we adopt, as the second best a provincial region of normal geographical circumstances with production closely approximatin gconsumption, as a commercial unit as well as a political unit for scrutiny. To observe trade conditions between various units and to show their composition and trends, at least offers one way to study domestic trade.

There are 28 provinces in China. The four northeastern provinces of Liaoning, Kirin, Heilungkiang and Jehol, however, need special consideration. They will be discussed separately. Other frontier districts, like Sikang, Chinghai, Sinkiang or Chinese Turkestan, and Ninghsia, have no record of trade. All transportation therein is still in a primitive state and what little trade exists is borne by human or animal agencies, so that there is no way to study it. The rest keep full records, however. Those which have both Customs and railway records are the 13 provinces of Kiangsu, Anhwei, Kiangsi, Hunan, Hupeh, Szechwan, Shantung, Hopei, Chekiang, Fukien, Kwangtung, Kwangsi, and Yunnan. Those which have only railway records but which are without Customs reports are Honan, Shansi, Shensi, Chahar, and Suiyuan.

Although of late no conspicuous progress has been made, conditions in 1936 were comparatively better and this fact is supported by the total trade value of recorded provinces (municipalities under direct control of yuan are included in their respective provinces). Figures of provincial export and import trade, both shipping transport and railway transport, are shown in the following:

TABLE 2. PROVINCIAL TRADE OF CHINA, 1934-1936

A. Kiangsu: Part I. Through Maritime Customs

Commodities	*Imports*		
	1934	*1935*	*1936**
Bristles	9,331,812	8,421,884	13,523,531
Albumen, Dried	1,736,294	1,478,204	1,587,367
Yolk, Dried	310,594	310,748	626,714
Yolk, Moist & Frozen	557,474	371,542	6,801
Whole Egg, Moist and Frozen	119,040	108,015	142,240
Eggs: Fresh (including Chilled Eggs), in Shell	1,934,495	1,313,518	1,968,804
Feathers, Duck	412,090	401,678	392,248
Feathers, Goose	199,183	176,919	123,848
Hair, Human	206,968	167,878	211,570
Intestines, Pig	3,394,924	2,484,590	3,882,429
Animal Products	295,316	398,256	996,845

Commodities	Imports		
	1934	1935	1936*
Hides, Buffalo, Dry or Wet, Salted or Unsalted	813,541	663,271	924,161
Hides, Cow (including Calf), Dry or Wet, Salted or Unsalted	3,009,093	2,291,875	4,392,163
Leather, Buffalo and Cow, Simply Tanned (including Chrome Sole Leather)	249,352	184,443	169,611
Goat, Undressed	3,003,328	2,299,199	3,850,904
Skins, Lamb, Dressed or Undressed	223,790	279,609	530,829
Shins, Others, Dressed or Undressed	301,831	182,623	436,247
Mats & Rugs, Other Kinds	139,794	163,190	761,195
Fish, Dried and Salted	290,262	336,477	669,761
Fishery and Sea Products	959,474	609,302	1,002,980
Beans, Broad	882,122	445,213	1,177,104
Beans, Green	309,541	208,046	787,974
Beans, Green, Small	227,858	436,996	832,357
Beans, Yellow	4,165,908	6,033,656	15,091,024
Bran	725,866	1,067,438	1,626,422
Maize	357,692	202,180	4,294
Rice and Paddy	10,654,813	9,326,538	22,816,908
Wheat	3,661,486	2,350,349	6,409,489
Bean Cake	1,097,691	660,162	729,240
Cotton-Seed Cake	767,376	663,219	423,735
Nutgalls	2,107,445	1,453,630	1,030,425
Dyestuffs, Vegetable, n.o.r.	156,611	120,437	81,749
Dates, Black, Dried	460,761	295,775	577,427
Dates, Red, Dried	706,220	681,844	1,025,421
Oranges, Fresh	1,165,748	1,345,004	1,479,811
Walnuts, Kernels	217,776	135,223	410,607
Walnuts in Shell	281,909	218,678	202,253
Apples, Fresh	165,217	330,672	392,261
Pears, Fresh	286,871	329,836	304,145
Fruits, Canned or Preserved	376,338	391,725	523,348
Fruits, Others, Dried	345,272	209,224	1,438,593
Fruits, Others, Fresh	1,352,781	1,627,994	1,279,474
China-Root (Whole, Sliced or in Cubes)	168,560	184,136	234,284
Liquorice (including Scraped Liquorice Root)	135,219	172,425	227,367
Rhubarb	243,960	171,966	251,046
Medicinal Preparations	160,056	196,949	4,450
Medicinal Substances	3,539,959	2,514,598	3,963,239
Spices	219,086	130,314	212,506
Oil, Bean	113,122	148,402	990,126
Oil, Tea	180,097	628,877	572,458
Oil, Wood	20,369,127	33,454,792	65,981,692
Oil, Vegetable, n.o.r.	332,990	374,709	743,011
Tallow, Vegetable	1,962,129	1,225,907	1,801,056
Groundnuts in Shell	307,701	195,920	161,231
Groundnuts, Shelled (including Blanched Peanuts)	465,034	1,374,774	2,018,268
Seed, Apricot	304,811	338,112	547,877
Seed, Lily-flower	988,932	539,514	682,721
Seed, Melon	346,885	492,523	700,315
Rapeseed	1,803,090	1,505,376	62
Seed, Sesamum (not including Sesamum Seed Pulp)	2,579,357	5,883,131	9,387,851
Seed, n.o.r.	125,329	178,685	205,578
Samshu	681,200	540,066	529,364
Beer, Wines, Spirits, etc.	573,724	599,614	556,527
Sugar of All Kinds	4,547,151	10,311,837	20,406,388
Tea, Black, Congou	4,012,980	2,476,653	2,007,166
Tea, Black, Other Kinds	4,601,828	2,915,572	887,374
Tea, Brick, Black	545,940	458,304	621,571
Tea, Brick, Green	2,603,999	1,153,337	776,114
Tea, Green, Gunpowder	4,747,777	4,209,633	5,328,340
Tea, Green, Hyson	789,938	387,394	464,896
Tea, Green, Young Hyson	11,966,572	10,067,800	13,443,070
Tea, Green, Other Kinds	476,335	221,982	184,744
Tea, Leaf, Unfired	1,415,648	744,891	1,001,503
Tea Leaf, Other Kinds	1,022,784	525,851	632,893
Cigarettes	2,640,979	3,921,644	8,658,006
Tobacco, Leaf	18,063,910	19,088,064	22,088,466

Commodities	Imports		
	1934	1935	1936*
Tobacco, Prepared	881,905	368,114	324,741
Fungus, Black	787,352	775,825	1,475,671
Lily-Flowers, Dried	133,831	122,015	280,350
Turnips, Dried and Salted	178,009	163,735	183,390
Sugar Canes	784,278	539,007	577,540
Vegetables, Other Kinds	278,374	180,306	292,770
Vegetables, Salted, Other Kinds	737,388	449,647	513,385
Vegetables, Dried, Fresh or Salted	899,337	589,633	1,165,623
Vermicelli and Macaroni	523,424	606,167	944,347
Vegetable Products, n.o.r.	102,454	165,536	209,012
Bamboo Split, Leaf, etc.	234,645	111,883	167,533
Charcoal	462,455	438,739	449,426
Coal (Ships' Bunkers included)	23,330,142	27,979,906	27,668,568
Timber, Softwood	765,465	916,549	1,913,100
Paper, Joss (including Joss-paper Dollars)	471,778	505,819	722,076
Silk Cocoons, Refuse (including Pierced) and Wild	3,535	13,565	19,342
Coir	334,060	172,794	298,564
Cotton, Raw	51,519,173	33,291,977	58,183,683
Cotton, Fly	445,646	594,352	767,059
Cotton, Waste	148,955	124,663	148,154
Ramie	8,848,216	6,623,837	8,519,456
Silk, Raw, Wild, Filature	534,513	574,086	611,427
Silk, Raw, Yellow, not Re-reeled and not Steam Filature	898,486	1,177,641	724,920
Silk, Raw, Yellow, Steam Filature	1,878,612	641,357	876,582
Silk, Waste	944,138	701,964	1,171,716
Wool, Camels'	299,929	184,774	365,276
Wool, Sheep's	1,111,333	731,310	842,197
Cotton Yarn	5.683,392	8,787,917	8,026,608
Drawn-Thread Work	1,561,560	1,465,281	299,939
Cross-Stitch Work and Embroideries Other than Silk	394,743	487,457	1,518,343
Lace and Trimmings	816,020	1,023,069	1,415,736
Cotton Drills and Jeans	1,380,538	1,088,685	2,312,095
Cotton Shirtings and Sheetings	4,573,804	5,404,551	11,997,793
Nankeens	237,709	84,473	13,651
Cotton Piece Goods, n.o.r.	1,547,029	1,701,566	2,881,802
Grass cloth, Fine (having over 16 Warp Threads to a Centimeter)	877,277	591,961	578,439
Grass cloth, Coarse (having not over 16 Warp Threads to a Centimeter)	149,001	291,369	151,802
Silk Piece Goods, Natural	796,686	257,254	276,712
Silk Pongees, Shantung	1,449,403	1,064,101	1,516,310
Gunny Bags	962,508	560,430	1,333,798
Woolen Carpets (including Wool and Cotton Carpets and Floor Rugs)	549,894	448,813	645,006
Ores, Wolfram	1,003,347	4,021,499	3,869,373
Antimony, Crude	307,562	583,078	867,673
Antimony, Refuse and Oxide	221,132	348,686	622,444
Antimony, Regulus	3,399,062	5,725,296	8,184,197
Iron, Pigs and Kentledge (including Remelted Shansi Iron)	1,015,574	523,670	945,222
Quicksilver	425,514	207,631	585,419
Tin Ingots and Slabs	2,635,415	1,959,328	2,880,598
Metals and Metallic Products, n.o.r.	752,358	778,502	1,568,804
Glass, Window, Common, Unsilvered	423,451	636,243	906,634
Glass, and Glass or Vitrified Ware, n.o.r.	304,936	142,330	252,186
Bricks and Tiles (including Floor Tiles Fire Bricks)	120,598	142,098	257,247
Cement (Hydraulic, as Portland)	1,516,041	1,577,385	1,419,449
Chinaware, Fine	378,122	405,079	475,944
Earth, Sand, and Stone, and Manufactures thereof, n.o.r.	1,085,371	435,956	808,543
Varnish or Crude Lacquer	2,146,657	1,701,663	2,114,865
Soda	1,126,466	1,460,616	2,010,652
Salt	705,807	749,000	382,111
Salt, Refined	691,716	979,331	708,378
Chemicals and Chemical Compounds, n.o.r.	224,752	175,256	362,602
Books, Printed	338,351	347,717	294,807
Braid, Straw, Mottled	101,928	137,104	227,412

Commodities	Imports		
	1934	1935	1936*
Braid, Straw, White	117,755	150,549	296,312
Hats, Buntal Fiber	819,013	223,631	84,195
Confectionery, Preserves, and Sweetmeats	137,486	109,124	177,779
Fans	286,531	254,666	295,448
Firecrackers and Fireworks	895,569	990,795	995,776
Kittysols	232,457	160,217	122,401
Mats, Straw and Rush	530,152	549,197	487,903
Electrical Materials and Fittings	154,210	230,238	279,743
All Others	9,223,939	6,454,174	18,548,362
(Re-exports)			(21,809,363)
TOTAL	300,836,335	292,672,999	432,723,027

Commodities	Exports		
	1934	1935	1936*
Eggs, Preserved and Salted	236,856	210,907	231,479
Hams, Whole, in Bulk	487,041	481,897	294,987
Animal Products, n.o.r.	262,372	229,274	322,385
Leather, Buffalo and Cow, Simply Tanned (including Chrome Sole Leather)	361,138	299,277	437,612
Skins, Goat, Undressed	253,506	23,187	
Fish, Cuttle	1,019,610	1,181,815	617,930
Fish, Dried and Salted	132,719	230,494	75,532
Fishery and Sea Products, n.o.p.	651,743	537,584	688,307
Beans, Black	161,301	153,697	250,465
Beans, Broad	263,646	439,933	452,827
Beans, Green, Small	791,937	370,946	951,945
Beans, White	132,782	112,323	266,709
Beans, Yellow	837,677	311,069	1,735,195
Peas, White	68,096	99,077	136,459
Bran	493,887	675,150	483,514
Flour, Wheat (Machine-Milled, including Semolina)	61,105,937	56,940,075	40,037,147
Rice and Paddy	15,397,139	17,108,087	18,857,843
Wheat	3,423,795	2,079,330	3,228,435
Bean Cake (including Crushed and Powdered)	4,176,132	5,721,155	3,830,967
Groundnut Cake (including Crushed and Powdered)	306,268	251,616	337,144
Persimmons, Dried	108,288	20,302	118,544
Other Fruits, Dried	489,473	375,386	1,143,135
Other Fruits, Fresh	225,880	297,965	328,916
Medicinal Substances	1,084,495	1,217,041	1,788,506
Oil, Groundnut	237,830	303,723	324,052
Oil, Wood	190,611	237,554	1,016,993
Oil, Vegetable	345,132	537,203	890,168
Groundnuts in Shell	84,859	123,926	148,014
Groundnuts, Shelled (including Blanched Peanuts)	3,616,314	4,060,244	2,042,918
Seed, Lily-Flower	12,549	30,762	309,462
Seed, Melon	626,073	888,039	506,206
Rapeseed	10,011	160,619	17,933
Seed, Sesamum (not including Sesamum-Seed Pulp)	423,131	1,020,912	978,179
Seed, n.o.p.f.	93,226	127,698	169,690
Samshu	326,637	252,940	273,528
Beer, Wines, Spirits, etc.	357,830	343,408	494,451
Sugar of All Kinds	558,575	452,906	7,229,556
Tea, Black, Other Kinds	329,152	161,421	224,623
Tea, Green, Other Kinds	267,752	123,133	132,875
Tea Leaf, Unfired	1,476,080	1,311,087	1,591,219
Tea, Leaf, Other Kinds	903,812	724,133	750,192
Cigarettes	54,447,231	52,917,585	57,031,499
Tobacco, Leaf	1,069,543	2,889,310	4,443,189
Tobacco, Other Kinds	93,671	99,040	98,487
Garlic	126,829	94,954	91,611
Lily-Flowers, Dried	716,370	844,690	753,648
Ginger, Fresh	162,583	155,410	178,366

Commodities	Exports		
	1934	1936	1936*
Vegetables, Fresh, Other Kinds	122,662	202,190	108,780
Soy and Sauce	94,061	77,336	40,831
Gourmet Powder	626,795	419,424	472,664
Vegetable Products, n.o.r.	130,823	163,498	222,426
Bamboo	96,637	87,609	108,967
Bamboo Split, Leaf, etc.	362,288	328,097	429,701
Bamboooware	85,199	79,186	76,324
Coal (Ships' Bunkers included)	7,990,499	8,495,183	10,570,070
Timber, Softwood	21,704	89,245	166,070
Wood Furniture and Woodware, n.o.r.	259,669	262,797	348,160
Paper, 1st Quality	1,020,270	719,457	1,007,273
Paper, 2nd Quality	446,255	947,984	1,838,848
Paper, 3rd Quality	42,660	237,313	274,019
Paper, Other Kinds	1,392,488	1,501,575	1,676,565
Paper, Joss (including Joss-Paper Dollars)	129,081	122,711	272,595
Cotton, Raw	1,418,302	2,938,552	2,352,525
Cotton, Fly	339,114	235,149	286,098
Hemp	198,470	121,661	147,325
Ramie	113,548	64,595	376,810
Cotton Socks and Stockings	4,974,360	3,898,132	3,840,399
Cotton Yarn	123,938,489	113,920,251	98,119,780
Drawn-Thread Work	183,756	334,813	267,991
Yarn and Thread, n.o.r.	1,092,253	1,674,365	3,248,563
Cotton Drills and Jeans	23,596,327	27,454,060	31,703,747
Cotton Shirtings and Sheetings	52,196,696	47,918,860	59,312,129
Nankeens	4,310,750	3,652,615	4,144,322
Cotton Piece Goods, n.o.r.	35,357,079	37,253,562	50,370,659
Silk Piece Goods, Natural	278,250	109,137	62,286
Silk Piece Goods, Natural and Artificial	430,307	85,790	12,071
Silk Piece Goods, Mixtures of Natural and Artificial Silk	351,374	240,177	112,843
Piece Goods, Others	2,061,329	1,568,828	2,236,958
Blankets and Counterpanes, Cotton	591,296	402,897	516,659
Gunny Bags	1,209,816	1,957,365	3,293,828
Towels, Cotton	656,783	651,792	577,444
Boots and Shoes, India-Rubber	3,352,074	3,085,040	1,604,082
Boots and Shoes, Others	3,248,744	45,844	33,816
Socks and Stockings, Others	92,845	38,034	24,837
Clothing and Articles of Personal Wear	2,011,303	3,559,983	2,289,935
Cotton Products, Others	273,227	320,989	395,382
Textile Products, n.o.r.	119,386	111,370	123,070
Brassware	211,943	191,230	214,739
Iron Manufactures	2,561,267	1,782,834	2,674,428
Iron, Pigs and Kentledge (including Remelted Shansi Iron)	12,202	14,303	63,586
Tin Ingots and Slabs	214,283	110,072	557,306
Metals and Metallic Products	1,611,485	1,603,504	325,043
Glass, and Glass or Vitrified ware, n.o.r.	673,197	580,531	1,174,167
Cement (Hydraulic, as Portland)	763,904	427,966	684,593
Pottery and Earthenware	147,896	112,833	137,655
Enameled Ironware	1,427,701	1,468,339	1,351,948
Earth, Sand, and Stone, and Manufactures thereof, n.o.r.	207,451	228,131	439,791
Alum, White	221,408	237,970	264,462
Soap, Household and Laundry	721,115	312,408	451,478
Medical Preparations, Chemical	941,556	606,924	586,995
Perfumery and Cosmetics	94,412	740,751	880,252
Salt, Refined	890,479	765,602	918,185
Chemicals and Chemical Compounds, n.o.r.	619,541	962,110	1,332,934
Advertising Matter	408,390	337,238	315,532
Books, Printed	7,709,817	8,104,802	6,903,321
Printed Matter, n.o.r.	683,640	712,443	653,913
Candles	857,102	1,077,504	988,708
Confectionery, Preserves, and Sweetmeats	568,227	560,819	525,356
Matches (not including those containing white or Yellow Phosphorus)	868,895	921,167	1,000,622
Mats, Straw and Rush	150,590	141,763	161,539
Electric Lamps (including Bulbs)	832,532	795,311	688,486
Electrical Materials and Fittings	1,204,616	1,294,251	1,971,135
Gramophones and Records	168,003	49,467	220,149

Commodities	Exports		
	1934	1935	1936*
Lamps and Lampware (not including Electric Lamps)	179,130	117,275	132,515
Other Leatherware	120,732	75,002	123,821
Machinery and Parts Thereof	612,494	451,226	645,793
Stationery, n.o.r.	413,105	333,698	292,517
Toilet Requisites, n.o.r.	1,241,799	1,166,559	1,118,534
Toys and Games	160,240	18,686	11,358
India-rubber Goods, n.o.r.	169,923	257,249	302,813
All Others	9,151,706	6,741,394	7,090,285†
TOTAL	470,985,269	455,907,612	460,327,867

NOTES :—1. Source : *The Trade of China*, Vol. 4 or 5—"Analysis of Interport Movement of Chinese Produce."
2. Figures : Total of Nanking, Chinkiang, Soochow and Shanghai ports.
3. Unit : In Chinese standard dollars.
4. * : Figures for all items of merchandise are extracted from the *Maritime Customs Monthly Record*, not available to the public, and in which re-export figures are not recorded. Thus discrepancy may exist between figures quoted and ultimate published totals.
5. † : The Maritime Customs published export figure is $460,327,867 whereas the cumulative figure from the monthly record totals $482,137,230. Other discrepancies may therefore exist.

Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	344	171	515	3,891	1,348	5,239
Wheat	17,051	62,771	79,822	3,822	7,740	11,562
Yellow Beans	10,893	9,272	20,165	512	451	963
Kaoliang	90	2,330	2,420	2,742	3,751	6,493
Groundnuts	20,861	2,904	23,765	1,089	40	1,129
Sesamum Seeds	4,995	4,316	9,311	1,176	827	2,003
Bran	—	2,415	2,415	—	—	—
Raw Cotton	74,143	42,722	116,865	706	692	1,398
Leaf Tobacco	8,249	4,055	12,304	197	51	248
Fume Coal	1,135,097	298,291	1,433,388	44,125	4,550	48,675
Anthracite Coal	4,620	8,140	12,760	850	4,030	4,880
Coke	230	2,017	2,247	254	4	258
Kerosene Oil	—	140	140	7,193	2,389	9,582
Salt	—	270	270	22,329	16,363	38,692
Tungsten Ore	—	11	11	—	—	—
Fwu Stone (磲石)	—	420	420	—	—	—
Wheat Flour	4,462	1,950	6,412	2,033	938	2,971
Cotton Yarn	908	792	1,700	1,106	149	1,255
Cotton Piece Goods	—	887	887	4,791	65	4,856
Matches	—	—	—	—	30	30
Cigarettes	—	31	31	1,976	645	2,621
Sugar	1,190	12	1,202	11,137	3,908	15,045
Cement	19	—	19	3,400	2,135	5,535
Bean Oil	—	1,470	1,470	—	13	13
Groundnut Oil	1,239	634	1,873	398	170	568
Paper	11,242	20	11,262	6,601	4,520	11,121
Tobacco, Prepared	—	1,376	1,376	—	—	—
Iron and Brass Ware	—	—	—	—	1,698	1,698
Wood and Timber	11,583	669	12,252	6,427	5,407	11,834
Ramie	—	1,043	1,043	—	—	—
Dates, Dried	—	6,354	6,354	—	—	—
Tea	5,622	349	5,971	125	336	461
Cattle	—	3	3	—	3	3
Pig	—	9,670	9,670	—	—	—
Hides, Buffalo and Cow	—	15	15	—	—	—
Wool, Goats' and Camels'	64	51	115	5	—	5

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Egg and Egg Products	10,965	2,348	13,313	—	130	130
Fresh Fruits..	—	8,339	8,339	—	35	35
Medicine	—	1,223	1,223	—	77	77
TOTAL	1,323,867	477,481	1,801,348	126,885	62,495	189,380

NOTES :—1. Sources: Ministry of Railways.
2. Unit: In metric tons.

B. Chekiang: Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1936
Fishery and Sea Products, n.o.r.	106,041	51,115	38,528
Beans, Yellow	378,780	246,420	178,384
Flour, Wheat (Machine-Milled, including Semolina)	2,085,830	1,582,651	630,456
Rice and Paddy	2,115,436	1,619,621	797,403
Wheat	6,408	163,616	278,212
Bean Cake (including Crushed and Powdered)	212,655	180,543	206,496
Dates, Black, Dried	107,778	126,342	123,998
Dates, Red, Dried	88,088	111,850	146,359
Lichees, Dried	129,239	101,636	289,828
Fruits, Others, Dried	184,188	94,275	132,838
Medicinal Substances, n.o.r.	304,359	102,337	49,131
Oil, Groundnut	395,185	303,266	516,401
Tallow, Vegetable	164,484	101,612	73,705
Groundnuts, Shelled (including Blanched Peanuts)	192,792	122,545	81,450
Seed, Lily- Flower (Lotusnuts)	157,411	85,681	76,835
Seed, Melon	384,288	206,260	165,086
Seed, Sesamum (not including Sesamum-seed Pulp)	122,806	29,322	62,216
Sugar of All Kinds	1,306,387	1,773,064	2,789,537
Cigarettes	10,532,867	8,822,350	12,143,315
Tobacco, Leaf	265,373	236,943	51,654
Tobacco, Prepared	405,493	276,857	195,311
Vermicelli and Macaroni	410,549	250,991	612,878
Coal (Ships' Bunkers included)	398,227	420,784	397,203
Timber, Softwood	100,132	85,600	87,614
Cotton, Raw	306,787	38,525	8,973
Ramie	209,548	362,449	429,337
Cotton Socks and Stockings	231,853	215,919	227,110
Cotton Yarn	2,292,926	1,987,976	1,840,530
Yarn and Thread, n.o.r.	163,710	164,995	185,514
Cotton Drills and Jeans	92,399	914,946	1,806,744
Cotton Shirtings and Sheetings	3,421,729	2,911,910	3,453,620
Nankeens	332,675	472,726	492,319
Cotton Piece Goods, n.o.r.	2,020,941	1,574,240	2,508,825
Tin Ingots and Slabs	326,014	16,390	10,791
Metals and Metallic Products, n.o.r. ..	134,817	77,323	28,302
Cement (Hydraulic as Portland)	351,133	246,478	165,529
Varnish or Crude Lacquer	247,582	179,950	173,595
All Others	3,272,673	1,638,495	1,484,103
(Re-exports)	—	—	(126,680)
TOTAL	33,959,583	27,898,003	32,813,450

Commodities	Exports		
	1934	1935	1936
Animal Products, n.o.r.	144,001	178,410	153,708
Fish Cuttle	231,686	228,328	243,699

Commodities	Exports		
	1934	1935	1936
Fishery and Sea Products, n.o.r.	334,599	157,248	196,561
Beans, Broad	161,033	161,822	273,778
Flour, Wheat (Machine-Milled, including Semolina)	4,764	146,826	45,940
Rice and Paddy	16,717	1,458,415	439,780
Cotton-Seed Cake (including Crushed and Powdered)	254,359	219,940	261,656
Medicinal Substances, n.o.r.	612,046	350,474	258,469
Samshu	255,866	205,441	177,479
Tea, Black, Other Kinds	331,780	238,296	151,187
Tea, Green, Gunpowder	4,894,411	4,225,871	5,466,559
Tea, Green, Hyson	654,347	336,148	5,887,399
Tea, Green, Young Hyson	11,326,059	9,310,523	10,915,017
Tea, Green, Other Kinds	626,639	557,007	474,893
Tea Leaf, Unfired	726,672	563,319	495,280
Tea, Other Kinds	341,994	295,027	177,060
Tobacco, Leaf	271,799	377,182	246,762
Tobacco, Prepared	106,900	115,557	155,496
Vegetable in Tins	200,131	38,570	50,705
Vegetable, Dried, Fresh, or Salted, n.o.r.	29,508	34,803	45,383
Bean Curd	201,205	132,104	131,154
Charcoal	460,398	454,983	440,360
Timber, Softwood	355,741	385,797	414,166
Paper, 3rd Quality	666,517	786,858	613,278
Paper, Joss (including Joss-Paper Dollars)	264,510	353,354	154,385
Cotton, Raw	5,716,001	1,219,639	534,170
Cotton Yarn	2,087,573	2,537,227	2,072,304
Embroideries, Silk	125,671	81,137	86,280
Cross-Stitch Work and Embroideries Other Than Silk	96,234	132,293	148,728
Lace and Trimmings.	100,171	71,888	95,733
Cotton Drills and Jeans	20,605	413,938	1,582,002
Cotton Shirtings and Sheetings	123,127	283,266	232,253
Nankeens	177,914	40,342	8,189
Cotton Piece Goods, n.o.r.	1,237,644	1,183,569	1,654,981
Silk Piece Goods, Natural	482,117	252,820	195,340
Gunny Bags	96,078	135,119	40,110
Alum, White	22,177	21,200	17,587
Hats, Buntal Fiber	742,081	62,650	—
Hats, Rush	142,087	59,463	29,787
Kittysols	1,051,728	1,086,820	748,230
Mats, Straw and Rush	768,477	691,868	525,700
Sundries, n.o.r.	122,976	95,413	21,482
All Others	2,538,698	2,290,247	3,050,592
TOTAL	39,125,041	31,971,202	32,812,438

NOTES :—1. Source : *The Trade of China,* Vol. 4 or 5—" Analysis of Interport Movement of Chinese Produce."
2. Figures : Total of Hangchow, Ningpo, and Wenchow ports.
3. Unit : In Chinese standard dollars.

Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	3,267	154	3,421	—	—	—
Wheat	—	—	—	496	—	496
Yellow Beans	121	—	121	—	2	2
Kaoliang	659	—	659	—	—	—
Groundnuts	819	—	819	—	1	1
Sesamum Seeds	1,128	—	1,128	69	—	69
Raw Cotton	—	—	—	2,789	—	2,789
Leaf Tobacco	197	35	232	510	—	510

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Fume Coal	31,165	—	31,165	—	—	—
Anthracite Coal	—	1,780	1,780	—	—	—
Coke	214	—	214	—	—	—
Kerosene Oil	3,570	—	3,570	—	15	15
Salt	—	—	—	—	660	660
Lime	345	—	345	—	—	—
Furu Stone	—	—	—	—	420	420
Wheat Flour	524	—	524	—	90	90
Cotton Yarn	665	—	665	—	—	—
Cotton Piece Goods	4,319	3	4,322	—	8	8
Cigarettes	302	—	302	—	31	31
Sugar	1,696	—	1,696	—	250	250
Groundnuts Oil	338	—	338	—	—	—
Paper	1,775	725	2,500	12,274	120	12,394
Wood and Timber	352	—	352	11,459	—	11,459
Ramie	—	271	271	—	—	—
Tea	—	418	418	5,617	—	5,617
Wool, Goats' and Camels'	—	—	—	53	—	53
Egg and Products	—	3	3	1,601	5	1,606
TOTAL	51,456	3,380	54,845	34,868	1,602	36,470

NOTES :—1. Sources : Ministry of Railways.
2. Unit : In metric tons.

C. Anhwei: Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1936
Flour, Wheat (Machine-Milled, including Semolina)	83,859	333,933	222,202
Rice and Paddy	8,583	377,151	43,490
Sugar of All Kinds	433,602	611,199	755,236
Coal (Ships' Bunkers included)	169,354	119,278	129,796
Cigarettes	3,118,740	3,708,680	—
Cotton Yarn	2,819,491	3,056,302	4,160,995
Cotton Drills and Jeans	426,284	509,648	801,368
Cotton Shirtings and Sheeting	1,716,432	1,766,808	2,224,606
Nankeens	269,004	249,369	58,419
Cotton Piece Goods, Others	894,761	1,161,754	1,301,042
Gunny Bags	352,304	363,761	—
Ores, Iron	351,786	367,451	465,630
Salt, Refined	277,698	1,030,691	759,258
Books, Printed	125,060	95,885	25,425
All Others	1,251,454	1,325,977	4,804,538
(Re-exports)	—	—	(45,427)
TOTAL	12,298,412	15,077,887	15,706,578

Commodities	Exports		
	1934	1935	1936
Poultry Eggs, Fresh (including Chilled Eggs), in Shell	914,093	677,806	1,112,322
Feathers, Duck	98,231	56,866	13,470
Feathers, Goose	161,358	109,597	16,653
Fish, Fresh	332,137	323,863	292,093
Fishery and Sea Products	71,229	19,376	15,333
Beans, Yellow	149,445	264,025	593,598

Commodities	Exports		
	1934	*1935*	*1936*
Flour, Wheat (Machine-Milled, including Semolina)	186,691	63,950	112,850
Rice and Paddy	8,834,273	6,404,557	14,475,304
Wheat	809,319	196,588	1,648,830
Shelled Groundnuts (including Blanched Peanuts)	175,546	12,811	30,094
Rapeseed	1,500,308	1,506,101	875,927
Coal (Ships' Bunkers included)	88,930	107,169	2,194,707
Paper, 1st Quality	164,696	33,109	15,782
Cotton Yarn	41,992	135,000	1,000
All Others	559,379	560,341	1,315,805
TOTAL	14,087,627	10,471,159	22,713,768

NOTES :—1. Source : *The Trade of China*, Vol. 4 or 5—"Analysis of Interport Movement of Chinese Produce."
2. Figures : Wuhu port only.
3. Unit : In Chinese standard dollars.

Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	*2nd Half*	*Total*	*1st Half*	*2nd Half*	*Total*
Rice and Paddy	—	735	735	344	221	565
Wheat	—	—	—	17,936	136,949	154,885
Yellow Beans	—	—	—	8,193	6,840	15,033
Kaoliang	—	—	—	3,282	2,654	5,936
Groundnuts	—	—	—	—	588	588
Sesamun Seeds	—	—	—	4,656	5,344	10,000
Raw Cotton	—	—	—	—	88	88
Leaf Tobacco	—	41	41	1,656	1,382	3,038
Fume Coal	9,620	15,235	24,855	220,887	47,190	268,077
Anthracite Coal	850	—	850	3,330	2,540	5,870
Kerosene Oil	1,232	1,409	2,641	—	140	140
Salt	19,589	15,978	35,567	—	—	—
Wheat Flour	—	—	—	8,537	12,020	20,557
Cotton Yarn	—	149	149	—	—	—
Cotton Piece Goods	—	41	41	—	—	—
Cigarettes	978	415	1,393	—	21	21
Cement	296	160	456	—	—	—
Sugar	5,983	1,889	7,872	—	—	—
Bean Oil	—	—	—	—	30	30
Paper	1,866	2,659	4,525	—	—	—
Wood and Timber	1,892	2,438	4,330	—	210	210
Ramie	—	—	—	—	1,492	1,492
Dates, Dried	—	80	80	—	7	7
Tea	—	—	—	1,725	1,425	3,150
Cattle	—	3	3	—	3	3
Pig	—	—	—	—	9,652	9,652
Egg and Egg Products	—	—	—	7,821	946	8,767
Fresh Fruits	—	34	34	—	598	598
TOTAL	42,306	41,266	83,572	278,367	230,340	508,707

NOTES :—1. Source : Ministry of Railways.
2. Unit : In metric tons.

D. Kiangsi : Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1936
Fish, Cuttle	332,023	258,067	132,540
Flour, Wheat (Machine-Milled, including Semolina)	2,008,139	3,393,678	—
Rice and Paddy	1,259,047	2,929,474	—
Fruits (Canned and Preserved)	93,970	10,960	2,978
Fruits, Others, Dried	159,131	139,876	88,854
Sugar of All Kinds	477,102	562,886	669,683
Cigarettes	4,668,875	4,035,638	3,100,816
Cotton, Raw	221,078	245,309	10,743
Ramie	1,765,816	1,650,970	1,987,285
Cotton Socks and Stockings	471,667	269,394	96,895
Cotton Yarn	6,868,437	5,694,554	2,267,452
Cotton Drill and Jeans	1,430,477	1,074,935	709,292
Cotton Shirtings and Sheetings	4,583,927	4,578,616	3,507,155
Cotton Piece Goods, Others	1,439,710	1,578,309	1,276,548
Boots and Shoes, India-rubber	800,695	649,779	134,054
Boots and Shoes, Others	902,579	2,984	—
Clothing and Articles of Personal Wear, Others	437,594	578,422	60,412
Iron Manufactures	273,211	245,117	151,279
Metals and Metallic Products, Others	100,121	248,622	101,949
Cement	97,766	299,459	130,333
Enameled Ironware	176,747	142,867	59,295
Perfumery and Cosmetics	138,807	100,658	27,689
Salt	2,161,202	3,693,481	3,781,489
Salt, Refined	2,143,187	1,538,023	1,740,172
Books, Printed	397,953	655,276	230,982
Candles	203,497	190,884	50,700
Electrical Materials and Fittings	236,298	274,268	276,530
Machinery and Parts Thereof	107,424	101,556	45,629
Toilet Requisites	140,427	105,389	13,197
All Others	3,995,717	3,377,063	3,658,293
TOTAL	38,092,624	38,626,514	24,312,244

Commodities	Exports		
	1934	1935	1936
Intestines, Pig	296,073	221,120	135,640
Hams, Whole, in Bulk	175,985	118,832	67,586
Buffalo, Dry or Wet, Salted or Unsalted	144,280	159,892	79,030
Cow, Dry or Wet, Salted or Unsalted, (including Calf)	337,683	456,009	203,702
Fishery and Sea Products, Others	167,397	115,698	87,524
Beans, Yellow	310,141	209,294	1,885,391
Rice and Paddy	493,089	3,273,860	18,441,897
Wood Oil	645	135,877	136,656
Essential Oil	124,406	112,240	87,024
Tallow, Vegetable	143,227	49,427	102,063
Seed, Lily-Flower	119,686	95,051	112,889
Seed, Melon	118,610	155,431	222,894
Seed, Sesamun (not including Sesamum-Seeds Pulp)	377,015	424,109	—
Tea, Black, Other Kinds	3,561,189	2,479,151	319,623
Tea, Green, Young Hyson	804,686	615,152	294,878
Tea, Leaf, Unfired	296,150	116,817	60,689
Tea, Other Kinds	236,120	152,039	164,236
Tobacco, Leaf	587,293	563,009	646,984
Coal (Ships' Bunkers included)	396,331	576,092	234,100
Paper, 2nd Quality	540,234	219,400	54,621
Cotton, Raw	272,968	747,337	348,606
Ramie	1,951,210	2,036,604	2,168,819
Cotton Yarn	203,636	1,035,885	1,549,880
Nankeens	205,197	75,832	—

Commodities	Exports		
	1934	1935	1936
Grass Cloth, Coarse (having not over 16 Warp Threads to a Centimeter)	266,125	338,909	—
Grass Cloth, Fine (having over 16 Warp Threads to a Centimeter)	455,191	526,253	169,307
Ores, Wolfram	29,256	2,445,933	1,229,243
Metals and Metallic Products, Others ..	110,609	134,277	28,429
Chinaware, Fine	954,892	1,003,226	920,186
All Others	982,615	804,537	1,753,360
TOTAL	14,661,939	19,397,293	31,505,257

NOTES :—1. Source : *The Trade of China*, Vol. 4 or 5—" Analysis of Interport Movement of Chinese Produce."
2. Figures : Kiukiang port only.
3. Unit : In Chinese standard dollars.

Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	—	70	70	—	65	65
Wheat	—	—	—	—	5,710	5,710
Yellow Beans	113	65	178	—	—	—
Groundnuts	32	1	33	—	—	—
Sesamun Seeds	4	1	5	—	—	—
Raw Cotton	—	1	1	—	—	—
Leaf Tobacco	—	—	—	—	72	72
Fume Coal	1,125	650	1,775	63,549	3,767	67,316
Anthracite Coal	—	—	—	20,711	1,777	22,488
Coke	2,975	2,719	5,694	3,036	1,419	4,455
Kerosene Oil	629	587	1,216	—	—	—
Salt	—	660	660	—	—	—
Tungsten Ore	—	—	—	—	11	11
Wheat Flour	—	621	621	—	—	—
Cotton Yarn	—	82	82	—	17	17
Cotton Piece Goods.. ..	—	31	31	—	3	3
Cigarettes	—	31	31	—	—	—
Cement	235	110	345	—	—	—
Sugar..	—	350	350	—	—	—
Groundnut Oil	87	—	87	—	—	—
Paper	—	14	14	—	543	543
Wood and Timber	2,640	771	3,411	72	—	72
Ramie	—	20	20	—	—	—
Dates, Dried	—	—	—	—	3,260	3,260
Tea	—	—	—	—	765	765
TOTAL	7,840	6,784	14,624	87,368	17,409	104,777

NOTES :—1. Source : Ministry of Railways.
2. Unit : In metric tons.

E. Hupeh: Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1936
Intestines, Pig	—	—	962,932
Hams, Whole, in Bulk	161,006	154,723	121,368

Commodities	Imports		
	1934	1935	1936
Animal Products, n.o.r.	112,668	99,091	104,294
Hides, Cow (including Calf), Dry or Wet, Salted or Unsalted	57,403	84,413	125,139
Skins, Goat, Undressed	111,790	—	107,585
Fishery and Sea Products, n.o.r.	131,819	101,002	112,422
Beans, Broad	442,901	55,171	441,414
Flour, Wheat (Machine-Milled, including Semolina)	1,047,815	923,784	337,371
Rice and Paddy	575,502	3,594,835	4,372,546
Nutgalls	49,468	—	15,439
Fruits, Other, Dried	171,941	159,655	247,630
Fruits, Other, Fresh	113,194	149,675	128,595
Medicinal Substance, n.o.r.	777,429	577,039	626,029
Oil, Wood	190,152	—	11,901,821
Beer, Wines, Spirits, etc.	192,505	217,900	258,400
Sugar of All Kinds	3,397,309	4,795,677	5,957,277
Tea, Black, Congou	382,440	94,188	135,115
Tea, Black, Other Kinds	25,382	112,806	1,959,351
Cigarettes	6,930,015	6,335,388	7,220,373
Tobacco, Leaf	2,193,618	3,910,853	4,495,501
Vegetable, Salted, Other Kinds	233,906	126,990	63,724
Vegetable, Dried, Fresh, or Salted, n.o.r.	474,044	271,080	489,229
Coal (Ships' Bunkers included)	947,133	1,328,470	1,179,259
Paper, 2nd Quality	1,078,412	1,102,480	1,427,853
Paper, Joss (including Joss-Paper Dollars)	100,034	117,674	107,443
Paper, n.o.r.	470,846	725,128	1,098,146
Cotton, Raw	193,026	—	447,179
Ramie	—	293,491	2,120,187
Cotton Socks and Stockings	1,797,578	1,202,590	1,395,046
Cotton Yarn	10,980,583	8,819,623	11,047,919
Yarn and Thread, n.o.r.	169,227	166,017	169,264
Cotton Drills and Jeans	5,527,085	5,732,789	8,582,949
Cotton Shirtings and Sheetings	12,891,221	10,954,540	16,945,742
Cotton Piece Goods, n.o.r.	9,497,931	8,456,069	534,987
Piece Goods, n.o.r.	558,050	376,048	1,017,906
Gunny Bags	746,265	821,719	1,464,177
Boots and Shoes India-Rubber	1,321,487	1,564,124	908,312
Clothing and Articles of Personal Wear	566,387	994,454	800,949
Antimony Regulus	264,901	1,115,840	428,035
Iron Manufactures	802,438	420,954	760,358
Metals and Metallic Products, n.o.r.	343,694	328,591	871,172
Glass, Window, Common, Unsilvered	196,864	151,036	137,990
Glass and Glass or Vitrified Ware, n.o.r.	153,312	125,769	163,722
Enameled Ironware	403,861	386,262	382,834
Varnish or Crude Lacquer	220,533	90,201	714,287
Soda	258,587	292,461	353,535
Medical Preparations, Chemical	121,928	135,516	259,560
Perfumery and Cosmetics	335,321	221,046	304,646
Salt	5,338,385	4,131,917	5,560,906
Salt, Refined	1,437,043	1,452,729	1,463,707
Chemicals and Chemical Compounds, n.o.r.	268,019	274,880	348,494
Books, Printed	1,758,074	1,795,747	2,027,172
Printed Matter, n.o.r.	244,305	367,256	169,608
Candles	152,719	364,988	371,515
Fans	217,683	196,078	241,920
Matches (not including Those containing White or Yellow Phosphorus)	455,640	553,530	439,257
Mats, Straw and Rush	150,071	190,026	104,423
Electric Lamps (including Bulbs)	128,938	175,572	115,431
Electrical Materials and Fittings	249,847	328,892	528,543
Machinery and Part thereof	310,707	163,558	239,440
Toilet Requisites, n.o.r.	327,333	301,375	316,678
Sundries, n.o.r.	981,989	828,279	60
All Others	3,387,788	733,350	17,763,002
(Re-exports)	—	—	(21,787,212)
TOTAL	83,127,552	79,545,339	101,709,956

Commodities	Exports		
	1934	1935	1936
Bristles	2,516,364	2,307,806	4,176,656
Egg Albumen, Dried	1,451,016	1,229,717	1,349,718
Egg Yolk, Dried	209,263	244,171	569,907
Egg Yolk, Moist and Frozen	444,720	264,064	521,608
Egg Poultry, Fresh (including Chilled Eggs), in Shell	994,231	692,669	1,892
Feathers, Duck	128,381	182,496	162,335
Intestines, Pig	2,255,345	1,614,883	3,781,418
Animal Products, n.o.r.	287,023	299,428	565,140
Hides, Buffalo, Dry or Wet, Salted or Unsalted	345,737	214,353	568,344
Hides, Cow (including Calf), Dry or Wet, Salted or Unsalted	2,186,944	1,381,024	3,732,203
Skins, Goat, Undressed	1,101,548	870,106	2,320,207
Skins, Other, Dressed or Undressed	146,332	121,622	347,246
Fishery and Sea Products, n.o.r.	127,389	146,883	120,283
Beans, Broad	1,098,919	295,526	1,323,962
Beans, Yellow	2,338,920	4,450,161	6,013,710
Bran	716,571	1,111,824	1,649,220
Flour, Wheat (Machine-Milled, including Semolina)	1,534,078	3,995,603	6,554,132
Rice and Paddy	6,209,391	2,496,542	5,951,600
Wheat	758,362	2,290,549	4,787,727
Bean Cake	8,667,551	7,887,195	6,760,922
Cotton-Seed Cake (including Crushed and Powdered)	509,907	478,852	280,489
Nutgalls	697,631	762,414	759,183
China-Rood (Whole, Sliced or in Cubes)	520,574	420,185	495,596
Medicinal Substance, n.o.r.	1,711,926	1,808,044	2,076,930
Oil, Bean	139,008	141,227	809,010
Oil, Cotton-Seed	1,045	560,830	145,754
Oil, Wood	8,927,739	12,348,991	36,854,759
Tallow, Vegetable	2,066,384	1,313,885	1,829,571
Seed, Sesamum (Not including Sesamum-Seed Pulp)	2,471,643	6,044,921	10,052,951
Tea, Black, Congou	4,402,339	2,470,077	2,255,804
Tea, Black, Other Kinds	573,081	199,570	218,940
Tea, Brick, Black	404,756	439,737	639,371
Tea, Brick, Green	2,619,279	1,232,349	1,019,605
Tea, Leaf, Unfired	1,293,203	744,780	966,029
Tea, Other Kinds	765,952	192,977	296,321
Cigarettes	1,683,069	4,273,126	5,422,228
Tobacco, Leaf	12,666,041	11,849,951	14,475,836
Fungus, Black	891,819	1,089,755	1,610,786
Vegetable, Dried, Fresh or Salted, n.o.r.	142,518	160,147	141,739
Coal (Ships' Bunkers included)	1,081,041	2,704,386	3,044,753
Paper 2nd Quality	497,643	444,011	595,415
Cotton, Raw	39,375,410	25,661,455	27,333,491
Cotton, Fly	287,214	284,000	324,346
Ramie	6,039,331	4,943,613	7,731,571
Silk, Raw, Yellow, not Re-Reeled and not Steam Filature	533,255	989,800	694,032
Cotton Yarn	9,638,735	12,026,591	9,219,348
Cotton Drills and Jeans	819,718	1,127,405	1,619,111
Cotton Shirtings and Sheetings	3,476,233	3,010,251	2,903,934
Nankeens	772,388	458,194	214,609
Cotton Piece Goods, n.o.r.	328,454	579,764	1,476,831
Ore, Iron	325,786	323,333	396,817
Iron, Pigs and Kentledge (including Remelted Shansi Iron)	1,306,067	536,356	1,193,160
Quicksilver	429,355	238,676	652,612
Tin, Ingots, and, Slabs	218,352	322,138	360,789
Metals and Metallic Products, n.o.r.	186,547	154,022	80,550
Earth, Sand and Stone, and Manufacture thereof, n.o.r.	565,447	327,732	438,889
Varnish or Crude Lacquer	2,163,719	1,480,919	2,633,204
Chemicals and Chemical Compounds, n.o.r.	573,718	307,982	297,289
Firecrackers and Fireworks	103,221	118,725	51,218

Commodities	Exports		
	1934	1935	1936
Sundries, n.o.r.	181,203	162,839	133,772
All Others	4,376,984	3,905,924	6,513,520
TOTAL	149,285,820	138,736,556	199,518,393

NOTES:—1. Source: *The Trade of China*, Vol. 4 or 5—"Analysis of Interport Movement of Chinese Produce."
2. Figures: Total of Hankow, Shasi, and Ichang ports.
3. Units: In Chinese standard dollars.

Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	122	10,342	10 464	1,176	598,31	61,007
Wheat	30,346	11,050	41,396	—	766	766
Yellow Beans	71,286	11,948	83,234	210	407	617
Kaoliang	1,583	—	1,583	17	5,992	6,009
Groundnuts	—	—	—	356	33	389
Sesamun Seeds	9,091	16,001	25,092	187	1	188
Raw Cotton	4,674	1,965	6,639	5,268	1,930	7,198
Leaf Tobacco	11,420	17,932	29,352	83	91	174
Fume Coal	124,280	118,520	242,800	—	—	—
Anthracite Coal	97,480	126,649	224,129	—	—	—
Coke	12,622	19,735	32,357	—	—	—
Kerosene Oil	—	—	—	5,845	5,661	11,506
Salt	—	—	—	4,687	6,536	11,223
Lime	—	—	—	361	—	361
Wheat Flour	—	—	—	—	235	235
Cotton Yarn	845	1,025	1,870	403	1,573	1,976
Cotton Piece Goods	—	493	493	4,686	2,994	7,680
Matches	—	19	19	—	16	16
Cigarettes	—	—	—	3,079	1,962	5,041
Sugar	60	—	60	2,390	2,556	4,946
Bean Oil	—	—	—	—	7	7
Sesamun Oil	—	2,688	2,688	—	—	—
Groundnut Oil	3,096	1,484	4,580	108	2	110
Paper	281	1,889	2,170	9,618	10,656	20,274
Wood and Timber	—	—	—	3,036	2,309	5,345
Tea	2,188	1,386	3,574	2,973	5,446	8,419
Pig	—	7,686	7,686	—	—	—
Egg and Egg Products	4,647	653	5,300	—	21	21
Medicine	—	300	300	—	—	—
TOTAL	374,021	351,765	725,786	44,483	109,025	153,508

NOTES:—1. Sources: Ministry of Railways.
2. Unit: In metric tons.

F. Hunan: Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1336
Fish, Cuttle	175,467	172,251	123,996
Flour, Wheat (Machine-Milled) (including Semolina)	898,294	2,308,162	2,194,639
Wheat	85,208	283,087	2,773
Lichees, Dried	161,332	154,368	224,607
Fruits, Other, Dried	204,069	227,327	253,709
Betelnuts	103,531	74,034	127,707

Commodities	Imports		
	1934	1935	1936
Medicinal Substances, n.o.r.	73,776	48,066	72,273
Oil, Wood	49	196,813	—
Seeds, Melon	144,785	214,940	48,465
Sugar of All Kinds	487,228	425,657	644,952
Cigarettes	547,521	1,871,306	1,974,394
Tobacco, Leaf	241,495	189,227	285,461
Paper, n.o.r.	112,439	133,676	139,502
Cotton Yarn	5,971,189	8,428,404	9,932,330
Cotton Drills and Jeans	749,237	2,346,465	3,490,321
Cotton Shirtings and Sheetings	1,063,814	2,276,996	3,938,542
Nankeens	458,619	340,243	134,539
Cotton Piece Goods, n.o.r.	988,930	2,712,181	3,713,828
Glass Window, Common, Unsilvered	92,788	99,541	80,736
Salt	33,922	2,119,672	5,524,283
Salt, Refined	852,224	1,251,930	762,964
Sundries, n.o.r.	134,310	236,745	118
All Others	1,291,321	1,932,524	3,187,160
(Re-exports)	—	—	(52,002)
TOTAL	14,871,548	28,043,615	36,805,297

Commodities	Exports		
	1934	1935	1936
Bristles	512,206	552,740	614,837
Hair, Human	97,847	89,932	59,234
Beans, Broad	230,325	116,570	56,065
Rice and Paddy	4,687,266	1,698,727	7,333,370
Oil, Tea	95,243	509,931	191,942
Oil, Wood	5,229,615	7,292,710	13,170,044
Seed, Lily-flower (Lotusnuts)	265,097	190,698	285,192
Tea, Black, Other Kinds	359,538	153,779	148,883
Cotton, Raw	211,851	19,967	110,569
Hemp	23,044	1,510,150	26,474
Ramie	1,289,619	11,026	1,672,564
Ores, Wolfram (Tungsten)	982,072	2,145,999	2,149,837
Ores, Zinc	8,413	155,317	110,353
Antimony, Crude	358,530	823,446	1,026,088
Antimony Refuse and Oxide	239,767	397,961	745,185
Antimony Regulus	3,981,055	6,616,087	9,601,263
Tin Ingots and Slabs	359,273	347,842	431,086
Metals and Metallic Products, n.o.r.	521,370	550,247	926,272
Chemicals and Chemical Compounds, n.o.r.	98,927	43,471	37,346
Firecrackers and Fireworks	1,607,897	1,982,828	1,522,956
All Others	657,167	488,930	1,167,156
TOTAL	21,816,122	25,698,358	41,396,716

NOTES :—1. Source : *The Trade of China*, Vol. 4 or 5—"Analysis of Interport Movement of Chinese Poduce."
2. Figures : Total of Yochow, and Changsha ports.
3. Unit : In Chinese standard dollars.

Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	—	—	—	122	18,092	18,214
Wheat	—	15	15	—	4	4
Yellow Beans	97	171	268	—	61	61
Kaoliang	17	—	17	—	20	20
Groundnuts	324	33	357	—	—	—

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Sesamum Seeds	183	1	184	—	2	2
Raw Cotton	5,268	1,930	7,198	—	1	1
Leaf Tobacco	83	91	174	—	—	—
Fume Coal	7,664	1,661	9,325	3,980	380	4,360
Anthracite Coal	20,671	1,777	22,448	—	—	—
Coke	1,534	729	2,263	—	—	—
Kerosene Oil	—	—	—	—	27	27
Salt	2	2,835	2,837	—	—	—
Wheat Flour	—	78	78	—	5	5
Cotton Yarn	403	1,508	1,911	—	—	—
Cotton Piece Goods	1,409	1,558	2,967	—	—	—
Cigarettes	281	452	733	—	—	—
Sugar	3	42	45	—	—	—
Bean Oil	—	7	7	—	1	1
Groundnut Oil	21	2	23	—	—	—
Paper	110	78	188	281	1,891	2,172
Wood and Timber	72	—	72	2,610	566	3,176
Tea	—	—	—	2,188	1,386	3,574
Egg and Egg Products	—	—	—	83	50	133
TOTAL	38,142	12,968	51,110	9,264	22,486	31,750

NOTES :—1. Source : Ministry of Railways.
2. Unit : In metric tons.

G. Szechwan: Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1936
Fishery and Sea Products, n.o.r.	111,543	113,595	111,012
Rice and Paddy	126,012	—	224,751
China-Root (Whole, Sliced or in Cubes)	125,552	26,270	61,578
Medicinal Substances	565,528	599,793	630,250
Oil, Wood	250,799	—	716
Cigarettes	3,639,383	4,924,276	5,688,765
Tobacco, Leaf	509,334	426,794	1,333
Paper, n.o.r.	78,943	122,670	123,970
Cotton, Raw	137,936	65,020	2
Cotton Socks and Stockings	151,674	322,350	411,535
Cotton Yarn	22,844,218	31,399,363	21,035,451
Yarn and Thread, n.o.r.	44,273	216,796	509,994
Cotton Drills and Jeans	683,414	2,156,979	5,004,041
Cotton Shirtings and Sheetings	1,258,204	4,534,370	10,659,184
Cotton Piece Goods, n.o.r.	845,613	2,531,215	4,319,892
Silk Piece Goods, Mixtures of Natural and/or Artificial Silk and Other Fibers	279,836	295,245	155,157
Piece Goods, n.o.r.	253,382	180,796	415,612
Boots and Shoes, India Rubber	111,963	103,963	10,330
Boots and Shoes, Others	241,109	18,667	22,331
Clothing and Articles of Personal Wear	275,035	805,241	26,141
Iron Manufactures	232,828	276,442	514,487
Tin Ingots and Slabs	15,307	120,924	104,231
Metals and Metallic Products, n.o.r.	163,258	319,198	255,793
Glass and Glass or Vitrified Ware, n.o.r.	110,779	149,129	319,011
Chinaware, Fine	239,337	119,251	193,672
Enameled Ironware	144,996	284,685	253,565
Medical Preparations, Chemical	13,224	117,495	202,941
Books, Printed	138,661	531,862	424,546
Electrical Materials and Fittings	232,206	432,794	702,115
Machinery, and Parts thereof	114,859	104,774	202,254
Toilet Requisites, n.o.r.	107,439	169,226	249,818
Sundries, n.o.r.	351,079	487,434	1,229,631
All Others	1,927,499	1,984,683	4,582,739
(Re-exports)	—	—	(48,162)
TOTAL	36,324,223	53,941,300	58,608,686

Commodities	Exports		
	1934	1935	1936
Bristles	5,591,432	4,466,913	5,842,736
Feathers, Duck	114,281	92,805	162,191
Intestines, Pig	680,468	533,132	1,017,269
Wax, White and Yellow	70,424	193,748	400,278
Animal Products, n.o.r.	91,976	51,451	70,153
Hides, Buffalo, Dry or Wet, Salted or Unsalted	282,544	291,244	341,297
Hides, Cow (including Calf), Dry or Wet, Salted or Unsalted	558,115	600,205	675,469
Skins, Goat, Undressed	1,699,353	1,395,724	1,826,341
Rice and Paddy	127,614	301,720	99,371
Nutgalls	1,510,040	755,442	328,189
Dyestuffs, Vegetable, n.o.r.	250,785	196,391	138,154
Rhubarb	253,975	105,972	184,757
Medicinal Substances	3,770,693	2,607,270	3,117,635
Oil, Wood	6,176,324	13,628,182	29,016,730
Sugar of All Kinds	1,682,982	2,317,615	1,962,649
Tobacco, Leaf	1,677,191	1,541,277	1,335,858
Fungus, Black	462,034	442,230	355,242
Vegetable, Salted, Other Kinds	1,015,529	669,316	516,295
Vegetable, Dried, Fresh or Salted, n.o.r.	271,860	77,199	79,564
Coal (Ships' Bunkers included)	362,988	478,529	579,359
Paper, 2nd Quality	1,577,434	1,402,424	1,446,733
Coir	380,684	210,727	331,143
Ramie	620,640	408,981	276,523
Silk, Raw, Yellow Steam Filature	2,268,915	655,009	839,514
Silk, Waste	283,981	150,109	294,890
Wool, Sheep's	620,721	605,125	612,503
Cordage and Twine	121,442	98,575	101,520
Grass Cloth, Fine (having over 16 Warp Threads to a Centimeter)	282,167	156,188	417,421
Varnish or Crude Lacquer	1,018,910	700,847	805,037
Salt	1,279,161	702,692	932,280
All Others	750,883	834,094	1,006,672
TOTAL	35,855,546	36,671,136	55,113,773

NOTES :—1. Source : *The Trade of China,* Vol. 4 or 5—"Analysis of Interport Movement of Chinese Produce."
2. Figures : Total of Chungking and Wanhsien ports.
3. Unit : In Chinese standard dollars.

H. Hopei: Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1936
Fishery and Sea Products, n.o.r.	321,023	201,124	183,987
Beans, Broad	133,693	228,294	240,448
Flour, Wheat (Machine-Milled, including Semolina)	31,585,043	32,101,519	25,048,716
Kaoliang (Sorghum)	119,711	598	823,028
Rice and Paddy	5,454,322	6,893,709	12,260,267
Wheat	992,158	1,523,439	2,182,904
Bean Cake	212,625	496,871	1,579
Oranges, Fresh	255,232	304,756	448,236
Other Fruits, Fresh	90,507	184,765	269,712
Medicinal Substances	322,886	290,877	235,916
Spices	144,256	92,519	140,662
Oil, Wood	222,514	36,228	19,453
Samshu	155,694	84,291	99,654
Beer, Wines, Spirits	117,927	126,335	187,647
Sugar of All Kinds	2,704,028	2,518,723	2,678,673
Tea, Leaf, Unfired	395,802	220,984	248,160
Tea, Other Kinds	4,920,662	3,794,454	5,272,709
Cigarettes	4,613,571	3,037,696	3,560,737

Commodities	Imports		
	1934	1935	1936
Tobacco, Leaf	1,302,475	1,515,661	1,900,975
Sugar Canes	189,329	249,252	15,108
Vegetable Products	110,085	75,543	111,794
Bamboo	112,931	114,879	145,897
Bamboo Split, Leaf	227,321	147,910	222,989
Timber, Softwood	344,791	322,846	706,667
Wood Piles, Poles and Joists (not including Softwood Poles exceeding 1.1 m. in Circumference at 1.5 m. from the Large End)	853,784	999,027	1,332,754
Paper, 1st Quality	925,724	314,119	866,997
Paper, 2nd Quality	377,638	222,994	314,023
Paper, Joss (including Joss-Paper Dollars)	245,182	526,367	666,118
Other Kinds of Paper	409,792	288,195	529,787
Ramie	157,034	155,477	197,246
Cotton Socks and Stockings	578,010	471,745	413,262
Cotton Yarn	27,187,581	21,059,985	19,132,613
Cotton Drills and Jeans	4,981,199	4,474,279	5,472,028
Cotton Shirtings and Sheetings	22,327,118	21,703,696	19,038,508
Cotton Piece Goods	6,703,081	5,698,134	5,584,692
Gunny Bags	907,691	947,629	1,196,389
Metals and Metallic Products, n.o.r.	256,189	228,213	272,456
Earth, Sand, and Stone, and Manufactures thereof	155,376	117,800	101,170
Alum, White	181,919	196,439	213,138
Chemicals and Chemical Compounds	181,219	133,881	210,673
Advertising Matter	119,606	136,664	104,080
Books, Printed	1,751,792	1,424,611	1,275,682
Confectionary, Preserves, and Sweetmeats	214,555	184,291	175,157
Sundries, n.o.r.	239,580	291,687	301,423
All Others	5,635,775	3,845,724	6,534,169
(Re-exports)	—	—	(510,786)
TOTAL	129,438,431	117,984,230	120,427,497

Commodities	Exports		
	1934	1935	1936
Bristles	534,644	417,004	1,713,492
Dried Albumen	200,107	229,311	299,584
Eggs, Poultry: Fresh (including Chilled Eggs) in Shell	257,478	692,029	316,937
Horns, Deer, Young	104,020	119,520	37,270
Lamb Skins, Dressed or Undressed, not Made Up	186,604	280,271	14,699
Mats and Rugs, Other Kinds	137,594	189,272	739,158
Fishery and Sea Products, n.o.r.	255,991	188,898	52,066
Beans, Black	558,194	109,895	317,365
Beans, Green, Small	1,795,531	1,141,549	1,381,441
Beans, White	162,299	168,458	119,821
Beans, Yellow	2,747,449	1,640,080	1,363,866
Maize	276,274	220,524	—
Chestnuts, Fresh	488,330	427,279	320,837
Dates, Black, Dried	662,518	745,041	843,602
Walnuts, in Shell	305,634	289,300	167,780
Dates, Red, Dried	1,096,125	1,039,115	1,336,134
Pears, Fresh	248,942	434,083	318,949
Liquorice (including Scraped Liquorice Root)	565,519	569,339	661,819
Medicinal Substances	1,088,460	787,150	791,830
Spices	102,177	66,262	94,697
Oil, Groundnut	2,575,485	1,137,919	955,047
Oil, Vegetable, n.o.r.	201,561	236,330	869,107
Shelled Groundnuts (including Blanched Peanuts)	4,211,515	6,026,414	6,959,931
Seed, Apricot	723,922	685,072	801,201
Seed, Melon	439,639	356,111	353,592
Seed, Sesamum (including Sesamum-Seed Pulp)	39,044	112,946	150,601

Commodities	Exports		
	1934	1935	1936
Samshu	1,541,225	1,247,110	1,041,644
Beer, Wines, Spirits	347,340	306,951	194,487
Cigarettes	471,179	50,129	256,592
Tobacco, Prepared	1,050,356	480,977	401,211
Lily-Flowers, Dried	158,873	99,475	271,824
Mushrooms, Dried	232,721	21,342	17,073
Fresh Vegetables	105,775	59,401	109,176
Salted Vegetables	269,184	317,745	351,343
Coal (Ships' Bunkers included)	18,913,421	17,479,543	14,645,351
Coke	105,735	79,648	72,388
Cotton, Raw	12,449,341	7,632,745	12,236,293
Wool, Camels'	280,838	203,515	410,938
Wool, Sheep's	529,326	201,458	359,869
Cotton Yarn	744,732	588,907	1,603,512
Yarn and Thread	220,321	395,232	485,530
Cotton Shirtings and Sheetings	1,547,966	129,400	281,649
Cotton Piece Goods	203,217	119,530	47,431
Blankets and Counterpanes, Cotton	123,559	106,485	67,062
Woolen Carpets (including Wool and Cotton Carpets and Floor Rugs)	558,003	430,304	667,607
Glass, and Glass or Vitrified Ware, n.o.r.	359,657	209,906	297,701
Glass, Window, Common, Unsilvered	1,253,286	1,371,235	1,329,202
Metals and Metallic Products, n.o.r.	374,586	19,572	44,479
Bricks and Tiles (including Floor Tiles and Firebricks)	189,067	190,580	282,058
Cement (Hydraulic, as Portland)	3,004,091	2,573,289	2,117,120
Earth, Sand, and Stone, and Manufactures Thereof	142,273	45,896	77,831
Soda	2,439,760	2,627,656	3,016,138
Salt, Refined	2,007,521	3,176,787	2,350,529
Braid, Straw, Mottled	91,459	115,518	221,456
Braid, Straw, White	97,516	105,879	243,744
Electrical Materials and Fittings	52,232	131,222	45,463
Mats	338,699	—	406,010
Sundries, n.o.r.	119,229	79,975	81,984
All Others	3,299,238	2,697,203	5,125,044
TOTAL	73,586,782	61,603,787	70,140,565

NOTES:—1. Source: *The Trade of China*, Vol. 4 or 5—"Analysis of Interport Movement of Chinese Produce."
2. Figures: Total of Chinwangtao and Tientsin ports.
3. Unit: In Chinese standard dollars.

Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	274	8,695	8,969	17	2,656	2,673
Millet	—	7,610	7,610	—	460	460
Wheat	66,952	85,056	152,008	—	—	—
Yellow Beans	3,840	2,380	6,220	—	—	—
Bean, Black	—	2,076	2,076	—	—	—
Kaoliang	42,816	47,079	89,895	20	4,226	4,246
Groundnuts	—	132	132	865	2,108	2,973
Sesamun Seeds	1,190	4,671	5,861	41	70	111
Maize	—	710	710	—	—	—
Raw Cotton	3,399	2,665	6,064	19,074	29,070	48,144
Leaf Tobacco	240	360	600	182	19	201
Fume Coal	194,270	165,555	359,825	92,915	147,127	240,042
Anthracite Coal	402,417	530,543	932,960	2,685	5,900	8,585
Coke	—	—	—	10,400	16,124	26,524
Kerosene	—	—	—	2,934	3,547	6,481
Salt	2	405	407	27,740	34,718	62,458
Lime	—	270	270	—	—	—

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Gypsum	—	1,950	1,950	—	—	—
Wheat Flour	15,965	21,861	37,826	380	910	1,290
Cotton Yarn	3,680	1,059	4,739	497	1,463	1,960
Cotton Piece Goods	17	145	162	8,197	5,501	13,698
Matches	—	—	—	—	70	70
Cigarettes	117	—	117	1,382	582	1,964
Cement	1,080	—	1,080	1,060	2,630	3,690
Sugar	—	60	60	30,092	1,536	31,628
Bean Oil	—	11	11	—	672	672
Groundnut Oil	—	271	271	711	445	1,156
Paper	732	798	1,530	1,492	1,377	2,869
Tobacco, Prepared	—	295	295	—	—	—
Iron and Brass Ware	—	6,760	6,760	—	—	—
Wood and Timber	1,229	712	1,941	510	448	958
Linseed	—	12,207	12,207	—	—	—
Ramie	—	281	281	—	453	453
Dates, Dried	—	702	702	—	557	557
Tea	989	62	1,051	—	231	231
Cattle	—	150	150	—	—	—
Sheep and Goats	—	4,468	4,468	—	—	—
Pig	—	1,526	1,526	—	—	—
Hides, Buffalo and Cow	—	79	79	—	9	9
Leather	—	581	581	—	—	—
Wool, Goats' and Camels'	8,809	17,060	25,869	—	26	26
Egg and Egg Products	3,432	3,766	7,198	56	—	56
Fresh Fruits	—	968	968	—	3,777	3,777
TOTAL	751,450	933,979	1,685,429	201,250	266,712	467,962

NOTES :—1. Source : Ministry of Railways.
2. Unit : In metric tons.

I. Shantung: Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1936
Fishery and Sea Products, n.o.r.	190,527	170,767	189,712
Beans, Green	295,216	327,086	273,065
Beans, Green, Small	1,483,664	610,030	1,444,198
Beans, Yellow	608,632	696,247	1,238,860
Flour, Wheat (Machine-Milled, including Semolina)	6,946,242	9,028,059	6,244,302
Rice and Paddy	2,741,913	3,989,739	5,921,696
Wheat	259,814	300,462	1,035,082
Bean Cake	4,697,041	5,175,169	3,179,647
Oranges, Fresh	100,837	152,832	246,114
Medicinal Substances, n.o.r.	234,413	167,702	119,675
Oil, Wood	213,262	181,537	987,532
Beer, Wines, Spirits	269,593	255,423	271,494
Sugar of All Kinds	1,858,347	2,034,774	1,764,273
Tea, Leaf, Unfired	337,170	181,579	66,558
Tea, Other Kinds	322,678	1,154,608	1,255,001
Cigarettes	1,053,533	1,954,937	1,916,761
Tobacco, Prepared	185,134	220,442	103,380
Vermicelli and Macaroni	264,427	198,397	1,002,049
Bamboo Split, Leaf, etc.	236,994	193,864	238,113
Coal (Ships' Bunkers included)	812,626	947,582	1,338,219
Wood Piles, Poles, and Joists	107,333	189,552	233,499
Paper, 1st Quality	576,393	556,874	552,239
Paper 2nd Quality	1,516,291	1,346,895	1,337,051
Paper 3rd Quality	279,710	312,323	692,375
Paper, Joss (including Joss-Paper Dollars)	603,445	536,666	691,064
Paper, n.o.r.	255,617	304,473	493,002
Cotton, Raw	3,644,946	4,990,650	3,551,295
Hemp	220,267	109,331	141,365

Commodities	Imports		
	1934	1935	1936
Silk, Raw, Wild, Filature	131,286	108,743	179,634
Silk, Raw, Wild, not Filature	318,165	299,485	615,320
Cotton Socks and Stockings	825,114	673,772	1,089,623
Cotton Yarn	8,777,914	5,526,903	4,698,035
Cotton, Drills and Jeans	961,083	1,338,726	2,140,012
Cotton Shirtings and Sheetings	6,530,153	5,150,463	4,749,936
Cotton Piece Goods, n.o.r.	5,815,086	5,126,473	6,207,205
Piece Goods, n.o.r.	474,394	526,252	651,464
Blankets and Counterpanes, Cotton	112,625	107,381	166,455
Gunny Bags	480,247	544,458	669,544
Iron Manufactures	138,473	158,158	281,868
Metals and Metallic Products, n.o.r.	159,734	129,975	153,788
Cement (Hydraulic, as Portland)	606,845	415,625	362,849
Varnish or Crude Lacquer	182,044	169,212	174,961
Chemicals and Chemical Compounds, n.o.r.	365,313	286,076	423,218
Books, Printed	1,021,104	593,002	710,348
Electrical Materials and Fittings	147,037	145,637	127,997
Machinery and Parts thereof	121,291	116,972	125,540
Sundries, n.o.r.	357,821	283,374	335,703
All Others	7,093,701	5,070,319	6,103,363
(Re-exports)	—	—	(1,007,861)
TOTAL	64,935,495	63,059,006	65,486,623

Commodities	Exports		
	1934	1935	1936
Bristles	244,198	601,574	1,403,070
Whole Egg (Mélange), Moist and Frozen	90,448	125,837	122,094
Tallow, Animal	398,197	120,142	319,488
Fish, Dried and Salted	1,180,252	1,150,562	1,682,487
Fish, Fresh	143,452	96,683	124,710
Fishery and Sea Products, n.o.r	628,840	419,489	564,085
Beans, Yellow	351,735	91,957	119,164
Groundnut Cake (including Crushed and Powdered)	4,532	502,785	28,849
Dates, Black, Dried	456,234	194,356	256,966
Dates, Red, Dried	110,845	118,161	121,034
Apples, Fresh	395,132	488,060	650,143
Pears, Fresh	133,367	124,408	153,584
Medicinal Substances, n.o.r.	238,878	167,233	151,990
Bean Oil	50,755	197,677	242,013
Groundnut Oil	5,699,971	3,958,360	7,322,696
Vegetable Oil	222,499	216,575	367,380
Groundnuts, in Shell	382,814	228,925	207,617
Groundnuts, Shelled (including Blanched Peanuts)	14,166,714	15,769,754	16,638,981
Seeds, Melon	314,207	228,106	242,235
Beer, Wines, Spirits	768,615	836,466	936,622
Cigarettes	1,534,301	1,224,974	4,511,987
Tobacco, Leaf	6,958,143	9,187,331	9,127,734
Turnips, Dried and Salted	111,073	84,914	127,787
Vermicelli and Macaroni	3,767,149	4,132,917	5,197,887
Coal (Ships' Bunkers included)	6,849,219	8,110,940	10,185,905
Wood, Other Kinds	109,261	66,786	142,786
Cotton, Raw	721,300	647,098	2,500,413
Cotton, Fly	225,301	320,034	360,295
Silk, Waste	62,315	201,770	172,510
Cotton Yarn	867,785	10,735,279	11,875,001
Drawn-Thread Work	522,603	367,491	2,260
Embroideries, Silk	363,211	518,241	1,083,043
Lace and Trimmings	848,374	1,015,398	1,484,185
Cotton Drills and Jeans	3,715,525	3,398,322	4,286,373
Cotton Shirtings and Sheetings	10,410,628	18,187,674	24,704,235
Cotton Piece Goods, n.o.r.	113,865	36,130	601,314
Silk Pongees, Shantung	1,522,494	1,346,961	1,454,539
Earth, Sand and Stone and Manufactures thereof, n.o.r.	211,336	172,668	180,387

Commodities	Exports		
	1934	1935	1936
Salt, Refined	1,741,696	2,356,229	2,534,434
Braid, Straw, White	152,177	204,100	323,709
Hats, Buntal Fiber	62,721	168,413	75,790
Sundry Goods, Carried in Passengers' Baggage	269,886	144,322	94,965
Sundries n.o.r.	450,422	374,945	447,121
All Others	7,472,574	2,510,274	2,186,526
TOTAL	75,045,044	91,150,321	115,316,394

NOTES :—1. Source : *The Trade of China*, Vol. 4 or 5—"Analysis of Interport Mov ment of Chinese Produce."
2. Figures : Total of Lungkow, Chefoo, Weihaiwei, and Tsingtao ports.
3. Unit : In Chinese standard dollars.

Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	120	302	422	—	30	30
Wheat	18,685	52,387	71,072	—	—	—
Yellow Beans	8,430	707	9,137	5,920	2,933	8,853
Kaoliang	8,166	335	8,501	—	40	40
Groundnuts	234	40	274	11,359	2,018	13,377
Sesamun Seeds	256	213	469	—	209	209
Bran	—	—	—	—	2,415	2,415
Raw Cotton	8,215	8,214	16,429	11,662	9,617	21,279
Leaf Tobacco	—	74	74	6,043	1,284	7,327
Fume Coal	2,285	—	2,285	927,220	266,635	1,193,855
Anthracite Coal	—	4,310	4,310	—	5,600	5,600
Coke	—	—	—	2,975	4,700	7,675
Kerosene Oil	799	290	1,089	605	545	1,150
Salt	—	—	—	—	320	320
Wheat Flour	1,423	1,990	3,413	1,635	5,400	7,035
Cotton Yarn	40	771	811	525	304	829
Cotton Piece Goods	—	260	260	220	1,219	1,439
Cigarettes	169	—	169	—	10	10
Cement	786	2,380	3,166	—	—	—
Sugar	11,431	144	11,575	1,226	12	1,238
Bean Oil	—	41	41	—	820	820
Groundnut Oil	—	102	102	1.047	545	1,592
Paper	1,949	934	2,883	—	—	—
Wood and Timber	405	1,000	1,405	30	555	585
Ramie	—	778	778	—	448	448
Dates, Dried	—	460	460	—	3,852	3,852
Tea	1,850	2,001	3,851	101	29	130
Cattle	—	—	—	—	150	150
Pig	—	—	—	—	58	58
Hides, Buffalo and Cow	—	9	9	—	94	94
Wool, Goats' and Camels'	—	26	26	99	351	450
Egg and Egg Products	—	—	—	412	833	1,245
Fresh Fruits	—	2	2	—	4,933	4,933
TOTAL	65,243	77,770	143,013	971,079	315,959	1,287,038

NOTES :—1. Sources : Ministry of Railways.
2. Unit : In metric tons.

J. Shansi: Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	—	209	209	142	—	142
Millet	—	—	—	—	1,583	1,583
Wheat	1,141	273	1,414	40,489	2,390	42,879
Yellow Beans	—	—	—	1,500	270	1,770
Bean, Black	—	—	—	—	2,076	2,076
Kaoliang	—	—	—	19,588	2,272	21,860
Groundnuts	666	832	1,498	—	—	—
Sesamun Seeds	20	286	306	30	—	30
Maize	—	—	—	—	710	710
Raw Cotton	259	409	668	4,189	1,674	5,863
Leaf Tobacco	182	502	684	449	668	1,117
Fume Coal	9,975	16,425	26,400	236,925	210,759	447,684
Anthracite Coal	—	—	—	382,652	461,050	843,702
Coke	—	564	564	—	—	—
Kerosene Oil	1,597	2,607	4,204	—	30	30
Salt	2,116	2,132	4,248	—	—	—
Gypsum	—	—	—	—	1,950	1,950
Wheat Flour	345	—	345	1,995	2,221	4,216
Cotton Yarn	6	21	27	2,285	2	2,287
Cotton Piece Goods ..	3,386	1,513	4,899	—	16	16
Cigarettes	294	243	537	323	313	636
Cement	20	—	20	1,440	—	1,440
Sugar	4,444	1,091	5,535	40	20	60
Groundnut Oil	615	203	818	—	—	—
Paper	443	1,139	1,582	—	—	—
Tobacco, Prepared ..	—	—	—	—	3	3
Iron and Brass Ware ..	—	—	—	—	6,760	6,760
Wood and Timber.. ..	510	968	1,478	1,981	369	2,350
Linseed	—	—	—	—	1,453	1,453
Tea	187	883	1,070	—	143	143
Pig	—	—	—	—	306	306
Leather	—	—	—	—	581	581
Wool, Goats' and Camels'	—	—	—	1,155	1,568	2,723
Egg and Egg Products .	56	98	154	678	687	1,265
TOTAL	26,262	30,398	56,660	695,861	699,774	1,395,635

NOTES: 1. Source: Ministry of Railways. 2. Unit: In metric tons.

K. Honan: Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	1,523	48,963	50,486	—	1,034	1,034
Millet..	—	415	415	—	530	530
Wheat	5,252	472	5,724	32,403	42,411	74,814
Yellow Beans	—	183	183	76,105	12,817	88,922
Kaoliang	386	13,928	14,314	3,327	—	3,327
Groundnuts	—	—	—	10,380	423	10,803
Sesamun Seeds..	—	—	—	10,729	19,069	29,798
Raw Cotton	22,144	8,085	30,229	43,071	17,989	61,060
Leaf Tobacco	—	—	—	11,420	20,407	31,827
Fume Coal	37,275	78,067	115,342	51,266	96,109	147,375
Anthracite Coal	1,170	140	1,310	132,386	207,527	339,913
Coke	40	101	141	860	3,865	4,725
Kerosene Oil	6,903	5,901	12,804	41	—	41
Salt	33,049	39,557	72,606	—	405	405
Lime	1,366	—	1,366	1,005	1,340	2,345
Wheat Flour	120	204	324	6,418	6,241	12,659
Cotton Yarn	563	15	578	2,586	2,002	4,588

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Cotton Piece Goods	4,034	1,701	5,735	487	228	715
Matches	—	81	81	—	63	63
Cigarettes	2,957	1,392	4,349	14	24	38
Cement	1,954	250	2,204	—	—	—
Sugar..	10,774	3,387	14,161	—	—	—
Bean Oil	—	11	11	—	1	1
Sesamun Oil	—	—	—	—	2,688	2,688
Groundnut Oil	—	—	—	3,296	1,666	4,962
Paper	10,840	10,082	20,922	155	238	393
Iron and Brass Ware ..	—	696	696	—	85	85
Wood and Timber	4,313	1,709	6,022	300	699	999
Tea	551	84	635	5	53	58
Pig	—	—	—	—	7,796	7,796
Wool, Goats' and Camels'.	—	4	4	120	341	461
Egg and Egg Products ..	—	131	131	7,870	4,067	11,937
Medicine	—	321	321	—	1,226	1,226
TOTAL	145,214	215,880	361,094	394,244	451,344	845,588

NOTES :—1. Source : Ministry of Railways.
2. Unit : In metric tons.

L. Shensi: Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	166	5,044	5,210	9	—	9
Wheat	—	8,016	8,016	17,998	—	17,998
Yellow Beans	—	80	80	—	—	—
Groundnuts	914	95	1,009	—	—	—
Sesamun Seeds	—	4	4	—	—	—
Raw Cotton	—	—	—	31,280	5,534	36,814
Leaf Tobacco	—	—	—	280	20	300
Fume Coal	29,096	29,624	58,720	—	—	—
Anthracite Coal	14,456	16,905	31,361	—	—	—
Coke	140	280	420	230	3	233
Kerosene Oil	631	540	1,171	—	—	—
Lime	—	1,070	1,070	—	—	—
Wheat Flour	15	2,745	2,760	—	—	—
Cotton Yarn	269	7	276	—	—	—
Cotton Piece Goods ..	1,585	953	2,538	—	—	—
Matches	—	79	79	—	—	—
Cigarettes	551	540	1,091	—	—	—
Cement	1,165	1,865	3,030	—	—	—
Sugar..	4,571	1,046	5,617	—	—	—
Bean Oil	—	3	3	—	—	—
Groundnut Oil	88	42	130	—	—	—
Paper	891	989	1,880	—	—	—
Iron and Brass Ware ..	—	1,087	1,087	—	—	—
Wood and Timber	1,717	1,948	3,665	14	—	14
Tea	103	2,199	2,302	—	—	—
Wool, Goats' and Camels'	—	—	—	7	20	27
Medicine	—	11	11	—	552	552
TOTAL	56,358	75,172	131,530	49,818	6,129	55,947

NOTES :—1. Source : Ministry of Railways.
2. Unit : In metric tons.

M. Suiyuan: Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	17	1,967	1,984	—	20	20
Millet..	—	—	—	—	1,959	1,959
Wheat	—	—	—	22,115	17,344	39,459
Kaoliang	—	—	—	—	1,180	1,180
Groundnuts	161	197	358	—	—	—
Sesamun Seeds	2	3	5	—	—	—
Raw Cotton	—	332	332	50	10	60
Leaf Tobacco	352	352	704	—	—	—
Fume Coal	36,630	36,399	73,029	—	—	—
Kerosene Oil	195	61	256	—	—	—
Salt	—	—	—	2	120	122
Wheat Flour	—	—	—	2,102	470	2,572
Cotton Yarn	11	67	78	—	—	—
Cotton Piece Goods ..	3,475	2,192	5,667	—	—	—
Cigarettes	818	554	1,372	—	—	—
Sugar..	3,418	85	3,503	—	40	40
Paper	22	—	22	—	—	—
Tobacco, Prepared	—	3	3	—	1,671	1,671
Wood and Timber	1,570	369	1,939	—	16	16
Linseed	—	—	—	—	3,468	3,468
Tea	1,293	926	2,219	—	—	—
Sheep and Goats	—	—	—	—	1,802	1,802
Pig	—	—	—	—	40	40
Wool, Goats' and Camels'	—	—	—	7,056	11,796	18,852
Egg and Egg Products ..	—	—	—	457	205	662
TOTAL	47,964	43,507	91,471	31,782	40,141	71,923

NOTES :—1. Source : Ministry of Railways. 2. Unit : In metric tons.

N. Chahar: Part II. Through National Railways

Commodities	Imports			Exports		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Rice and Paddy	—	384	384	132	19	151
Millet..	—	45	45	—	3,538	3,538
Wheat	—	—	—	4,168	6,726	10,894
Yellow Beans	—	—	—	2,340	1,135	3,475
Kaoliang	—	—	—	24,741	43,537	68,278
Groundnuts	38	1,083	1,121	—	106	106
Sesamun Seeds	19	26	45	—	—	—
Raw Cotton	13	282	295	13	—	13
Leaf Tobacco	97	316	413	—	—	—
Fume Coal	24,355	16,350	40,705	1,970	350	2,320
Anthracite Coal	—	—	—	—	1,820	1,820
Kerosene Oil	1,062	870	1,932	—	51	51
Salt	—	120	120	—	—	—
Wheat Flour	556	430	986	310	1,349	1,659
Cotton Yarn	12	14	26	—	—	—
Cotton Piece Goods ..	332	257	589	176	—	176
Cigarettes	358	146	504	51	99	150
Sugar..	1,376	341	1,717	61	125	186
Groundnut Oil	76	90	166	—	—	—
Paper	430	258	688	160	240	400
Wood and Timber	346	56	402	190	61	251
Linseed	—	—	—	—	7,286	7,286
Tea	866	1,718	2,584	915	233	1,148
Sheep and Goats	—	—	—	—	2,666	2,666
Pig	—	—	—	—	1,030	1,030
Wool, Goats' and Camels'.	11	—	11	389	3,039	3,428
Egg and Egg Products ..	—	—	—	122	202	324
TOTAL	29,947	22,786	52,733	35,738	73,612	109,350

NOTES :—1. Source : Ministry of Railways. 2. Unit : In metric tons.

O. Fukien: Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1936
Fish, Dried and Salted	129,888	147,910	162,175
Fishery and Sea Products, Others	213,144	210,803	228,278
Beans, Green	244,619	311,714	163,779
Beans, Green Small	105,432	156,412	141,824
Beans, Yellow	1,052,354	1,270,383	1,099,833
Bran	303,083	315,965	226,793
Flour, Wheat (Machine-Milled, including Semolina)	5,913,793	6,287,311	5,088,419
Rice and Paddy	4,038,520	230,059	1,361,677
Bean Cake (including Crushed and Powdered)	1,771,321	1,655,519	1,825,837
Dates, Black, Dried	124,750	172,485	132,440
Medicinal Substances	304,183	255,043	218,463
Groundnut Oil	2,849,358	2,086,677	2,034,033
Groundnuts, Shelled (including Blanched Peanuts)	860,249	609,149	470,261
Seed, Melon	291,376	313,661	115,936
Samshu	210,546	196,739	174,089
Beer, Wines, Spirits	120,006	115,353	138,541
Tea, Black, Congou	2,295,084	1,777,507	2,379,904
Tea, Green, Others	2,295,347	651,184	1,632,795
Tea, Leaf, Unfired	1,554,914	1,308,605	1,662,377
Tea, Other Kinds	484,433	383,030	438,661
Cigarettes	1,098,928	1,130,559	3,585,758
Tobacco, Leaf	172,290	175,700	280,991
Tobacco, Prepared	223,003	223,970	255,665
Lily-Flower, Dried	204,363	160,612	168,083
Vermicelli and Macaroni	382,812	362,620	377,023
Coal (Ships' Bunkers included)	566,029	553,432	575,598
Paper, Others	137,825	112,971	132,462
Ramie	215,465	327,594	472,749
Cotton Socks and Stockings	380,484	429,777	346,381
Cotton Yarn	1,958,901	1,978,487	1,772,087
Yarn and Thread, n.o.r.	108,088	238,573	424,426
Cotton Drills and Jeans	1,590,949	1,881,165	1,231,762
Cotton Shirtings and Sheetings	2,509,911	2,604,757	2,415,061
Nankeens	807,664	717,217	711,126
Cotton Piece Goods	1,262,917	1,720,952	1,879,217
Towels, Cotton	161,087	157,900	237,559
Clothing and Articles of Personal Wear, n.o.r.	444,605	688,505	319,567
Tin Ingots and Slabs	307,134	396,939	341,844
Metals and Metallic Products, Others	336,035	337,413	156,011
Cement (Hydraulic, as Portland)	132,822	117,044	116,800
Medical Preparations, Chemical	219,215	142,458	140,757
Books, Printed	160,291	313,057	243,065
Firecrackers and Fireworks	176,816	391,428	240,895
Kittysols	24,464	35,837	43,308
Matches (not including those containing White or Yellow Phosphorus)	231,016	184,844	339,763
Electrical Materials and Fittings	232,431	212,098	185,002
All Others	8,287,491	6,866,143	4,723,419
(Re-exports)	—	—	(864,954)
TOTAL	47,495,436	40,917,561	40,547,540

Commodities	Exports		
	1934	1935	1936
Leather, Buffalo and Cow Simply Tanned (including Chrome Sole Leather)	49,568	12,156	4,268
Fish, Cuttle	36,849	28,444	30,899
Fishery and Sea Products, Others	183,379	158,871	147,479
Rice and Paddy	820,884	388,689	580,362
Lichees, Dried	174,840	163,481	530,104

Commodities	Exports		
	1934	1935	1936
Oranges, Fresh	814,360	901,693	1,155,621
Fruits, Canned and Preserved	81,102	76,583	74,597
Fruits, Others, Dried	619,383	445,075	768,289
Fruits, Others, Fresh	323,368	286,637	270,414
Medicinal Substances	100,400	88,996	122,191
Seeds, Lily-flower	21,437	22,773	28,524
Samshu Medicated	102,936	91,326	66,059
Sugar of All Kinds	414,401	353,461	635,190
Tea, Green, Hyson	159,020	238,694	103,264
Tea, Black, Congou	2,547,011	1,795,361	2,573,683
Tea, Black, Others	121,655	61,244	154,822
Tea, Green, Others	3,058,816	1,587,619	2,937,613
Tea, Other Kinds	6,452,666	5,041,116	6,979,979
Tobacco, Prepared	130,139	83,735	80,602
Mushrooms, Dried	459,917	398,034	534,035
Vegetables, Dried, Fresh or Salted	1,436,687	844,566	1,466,920
Vegetable Products, Others	173,510	191,373	150,104
Bamboo Split, Leaf	233,163	186,563	211,027
Bamboo Ware	46,761	31,047	32,465
Timber, Hardwood	74,996	40,810	46,640
Timber, Softwood	859,241	1,083,584	2,704,440
Piles, Poles and Joists (not including Softwood Poles exceeding 1.1 m. in Circumference at 1.5 m. from the Large End)	1,038,106	1,174,295	1,712,970
Wood Furniture and Woodware	51,598	57,864	100,086
Paper, 1st Quality	2,639,009	2,237,389	2,082,305
Paper, 2nd Quality	344,044	290,536	517,293
Paper, 3rd Quality	73,891	30,019	127,579
Paper, Joss (including Joss Paper Dollars)	68,232	49,330	79,231
Paper, Others	126,183	2,631	181,211
Cordage and Twine	23,447	11,010	2,493
Gunny Bags	318,733	91,595	98,161
Metal and Metallic Products, Others	44,817	38,669	53,246
Pottery and Earthenware	82,629	11,298	9,414
Books, Printed	18,825	57,629	2,643
Confectionery, Preserves and Sweetmeats	81,055	78,329	90,859
Joss Sticks	41,828	33,747	41,263
Kittysols	40,057	35,776	62,620
Lacquerware, Plain or Fancy (not including Lacquerware Inlaid with Mother-of-pearl)	63,527	68,289	82,097
All Others	387,895	286,096	285,136
TOTAL	24,940,365	19,156,433	27,918,193

NOTES:—1. Source: *The Trade of China*, Vol. 4 or 5—"Analysis of Interport Movement of Chinese Produce."
2. Figures: Total of Santuao, Foochow, and Amoy ports.
3. Unit: In Chinese standard dollars.

P. Kwangsi: Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1936
Fish, Cuttle	62,517	65,634	41,577
Flour, Wheat (Machine-Milled, including Semolina)	62,824	234,130	205,001
Groundnut Oil	150,955	348,428	406,083
Groundnuts, Shelled (including Blanched Peanuts)	86,702	68,819	47,560
Cigarettes	730,017	1,164,226	1,719,592
Vermicelli and Macaroni	163,854	191,192	256,978
Cotton Yarn	8,235,384	11,278,771	10,022,297

Commodities	Imports		
	1934	1935	1936
Cotton Drills and Jeans	3,455,656	5,769,545	3,282,218
Cotton Shirtings and Sheetings	556,905	1,022,211	1,317,267
Nankeens	737,910	1,055,463	1,333,202
Cotton Piece Goods	531,611	706,965	1,355,554
Iron Manufactures	77,809	11,435	28,697
Cement (Hydraulic, as Portland)	46,697	50,248	47,798
Books, Printed	190,030	76,053	44,162
Printed Matters, Others	66,622	3,148	350
Matches (not including Those containing White or Yellow Phosphorus;	592,645	360,164	110,480
All Others	551,313	480,849	655,605
(Re-exports)	—	—	(4,912,208)
TOTAL	16,302,451	22,887.281	15,962,213

Commodities	Exports		
	1934	1935	1936
Feathers, Duck	164,176	119,671	209,455
Buffalo Dry or Wet, Salted or Unsalted	97,635	54,491	80,252
Cow (including Calf) Dry or Wet, Salted or Unsalted,	132,027	106,835	174,403
Leather, Buffalo and Cow simply Tanned (including Chrone Sale Leather)	66,844	19,087	34,027
Rice and Paddy	7,305	214,364	385,324
Others Fruits, Dried	22,337	11,203	32,723
Medicinal Substances	63,080	47,566	17,226
Spices	351,640	238,583	408,280
Oil, Tea	44,407	15,170	27,350
Wood Oil	551,188	416,003	163,540
Oil, Essential	571,298	310,901	126,914
Sugar of All Kinds	392,850	172,427	205,885
Charcoal	124,938	2,624	466
Timber, Softwood	67,460	5,254	9,676
Paper, 1st Quality	83,093	63,586	79,495
Paper, 3rd Quality	168,333	122,898	177,320
Hemp	102,962	59,313	38,887
All Others	240,711	147,611	446,688
TOTAL	3,252,284	2,127,587	2,617,911

NOTES:—1. Source: *The Trade of China*, Vol. 4 or 5—"Analysis of Interpo movement of Chinese Produce."
2. Figures: Total of Wuchow, Nanning, and Lungchow ports.
3. Unit: In Chinese standard dollars.

Q. Kwangtung: Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1936
Animals, Living Pigs	320,869	283,274	268,902
Eggs, Poultry, Fresh (including Chilled Eggs)	258,696	789,368	391,193
Eggs, Poultry Preserved and Salted	101,593	122,623	89,517
Hams, Whole, in Bulk	376,004	404,591	198,731
Horns, Deer, Young	103,236	118,440	20,320
Animal Products, n.o.r.	250,507	216,164	270,443
Simply Tanned (including Chrone, Sole Leather	232,012	209,040	281,229
Leather, n.o.r.	166,587	138,039	155,906
Fish, Cuttle	851,694	1,136,583	628,557
Fish Dried and Salted	1,094,785	1,068,764	1,076,317

Commodities	Imports		
	1934	1935	1936
Fishery and Sea Product, n.o.r.	312,053	323,950	237,396
Beans, Black	1,088,298	1,018,754	1,246,438
Beans, Green	172,989	154,152	298,691
Beans, Green, Small	982,824	867,268	834,110
Beans, Red	169,259	107,227	138,201
Beans, White	215,049	283,964	355,065
Beans, Yellow	6,257,461	5,264,772	4,588,403
Bean	170,633	341,574	226,684
Flour, Wheat (Machine-Milled, including Semolina)	4,969,992	5,756,266	5,259,211
Rice and Paddy	7,724,175	4,254,683	20,851,889
Bean Cake	13,550,263	14,963,777	9,771,255
Groundnut Cake (including Crushed and Powdered	287,282	727,116	334,093
Dates, Black, Dried	291,793	297,428	351,147
Dates, Red, Dried	300,810	432,891	459,347
Persimmons, Dried	157,249	156,433	168,499
China-Root (Whole Sliced or in Cubes)	223,766	217,073	231,089
Liquorice (including Scraped Liquorice Root)	278,298	324,246	370,260
Medicinal Substances, n.o.r.	3,240,619	3,044,794	2,166,874
Groundnut Oil	5,120,608	3,233,806	1,856,023
Wood Oil	173,889	253,275	186,979
Vegetable Oil, n.o.r.	196,333	470,843	1,003,066
Groundnuts, Shelled	19,418,770	24,885,590	22,203,436
Groundnuts, Unshelled	267,461	128,534	155,199
Seed Apricot	441,496	366,358	299,568
Seed, Lily-Flower (Lotusnuts)	118,670	197,001	139,873
Seeds, Melon	379,557	476,308	349,829
Seed, Sesamum (not including Sesamum-Seed Pulp)	495,304	1,027,740	571,328
Seed, n.o.r.	113,973	123,064	108,119
Samshu	947,550	963,494	871,968
Samshu, Medicated	251,917	324,231	322,755
Sugar of all Kinds	1,353,102	884,112	1,503,188
Tea, Black, Other Kinds	128,350	231,662	100,073
Tea, Green, Huson	124,738	169,257	63,241
Tea, Green, Other Kinds	1,009,447	1,123,141	1,133,952
Tea, Other Kinds	154,999	175,543	129,124
Cigarettes	12,834,065	13,544,755	14,353,628
Tobacco, Leaf	583,509	883,700	552,752
Fungus, Black	272,141	412,620	360,247
Lily-flowers, Dried	457,501	444,545	461,085
Mushrooms, Dried	207,028	313,518	91,459
Vegetables, Salted, Other Kinds	258,666	326,446	362,745
Vermicelli and Macaroni	1,242,596	2,749,933	2,694,274
Gourmet Powder	291,842	253,482	220,504
Coal, (Ships' Bunkers included)	2,495,985	2,887,121	3,434,441
Wood, Other Kinds	421,686	128,263	285,777
Paper, 1st Quality	923,722	1,436,162	1,087,449
Paper, 2nd Quality	180,149	245,794	214,789
Paper, 3rd Quality	347,826	454,059	333,882
Paper, n.o.r.	440,759	416,059	534,794
Cotton, Raw	1,287,653	1,209,251	1,941,426
Cotton, Fly	179,274	154,058	185,320
Hemp	172,314	104,614	81,433
Ramie	1,071,845	1,274,203	1,397,665
Cotton Socks and Stockings	247,462	181,256	188,360
Cotton Yarn	25,588,284	24,888,310	23,579,613
Yarn and Thread, n.o.r.	556,185	908,452	2,360,527
Cotton Drills and Jeans	5,260,441	6,587,784	6,631,369
Cotton Shirtings and Sheetings	3,468,555	3,698,283	5,305,652
Nankeens	1,823,843	1,574,505	1,969,604
Cotton Piece Goods, n.o.r.	5,180,544	6,272,823	9,086,009
Blankets and Counterpanes Cotton	196,155	162,369	163,340
Towels, Cotton	167,413	226,526	174,503
Boots, and Shoes Indiarubber	574,671	775,550	484,683
Clothing and Articles of Personal Wear	497,393	678,632	771,294
Brassware	111,950	111,221	175,074
Iron Manufactures	416,182	438,579	486,923
Tin Ingots and Slabs	1,770,488	1,474,471	1,290,288

Commodities	Imports		
	1934	1935	1936
Metals and Metallic Products, n.o.r.	597,265	591,063	604,916
Glass, Window Common, Unsilvered	154,107	101,640	136,035
Glass, and Glass or Vitrified Ware, n.o.r.	179,309	137,639	206,421
Cement (Hydraulic as Portland)	887,102	823,945	1,056,059
Chinaware, Fine	235,220	247,919	170,876
Enameled Ironware	247,920	391,650	375,795
Earth, Sand and Stone and Manufactures thereof, n.o.r.	242,584	245,626	349,628
Soap, Household and Laundry	299,091	171,923	241,224
Soda	237,613	318,186	265,976
Medical Preparations, Chemical	499,477	476,396	320,563
Perfunery and Costmetics	151,979	154,281	181,431
Salt	1,647,690	1,602,436	1,122,570
Chemicals and Chemical Compounds, n.o.r.	198,380	228,381	312,824
Books, Printed	1,917,107	2,740,106	2,443,313
Confectionery, Preserves and Sweetmeats	152,630	201,195	247,204
Firecrackers and Fireworks	489,000	615,015	329,272
Kittysols	639,107	789,406	659,489
Mats, Straw and Rush	353,605	390,836	799,964
Other Mineral Oils and Their Derivatives	981,428	1,464,967	1,564,102
Electric Lamps (including Bulbs)	294,257	333,483	310,861
Electrical Materials and Fittings	145,210	219,960	229,232
Toilet Requisites, n.o.r.	325,670	277,001	305,448
Sundries, n.o.r.	1,340,557	1,181,536	1,299,152
All Others	6,239,359	4,772,985	8,055,720
(Re-exports)	—	—	(1,616,261)
TOTAL	162,828,754	171,752,132	183,500,211

Commodities	Exports		
	1934	1935	1936
Animals, Living Pigs	339,383	292,656	249,406
Feathers, Duck	166,426	85,344	87,955
Animal Products, n.o.r.	213,226	172,503	181,231
Simply Tanned (including Chrone, Sole Leather)	330,239	328,135	269,628
Leather, n.o.r.	113,131	71,988	39,177
Fish, Cuttle	512,013	355,238	425,466
Fish, Dried and Salted	294,018	245,813	251,298
Fishery and Sea Products, n.o.r.	242,664	258,943	458,573
Flour, n.o.r.	5,574	205,067	275,430
Rice and Paddy	298,181	2,980,304	4,071,510
Other Cereal Products	231,924	12,510	2,468
Liches, Dried	976,034	183,572	1,976,647
Oranges, Fresh	720,952	838,985	713,329
Fruits, Canned and/or Preserved, n.o.r.	513,664	468,216	713,329
Fruits, Others, Dried	142,088	169,722	798,521
Fruits, Others, Fresh	780,782	1,162,730	1,142,905
Betelnuts	156,362	153,399	213,817
Medicinal Substances, n.o.r.	478,069	488,407	664,173
Spices, n.o.r.	246,014	159,212	200,939
Sugar of All Kinds	12,912,966	20,429,095	27,791,655
Tobacco Prepared	736,591	620,450	398,628
Sugar Canes	1,073,572	932,798	928,994
Vegetable Products, n.o.r.	143,096	163,340	183,763
Wood, Other Kinds	21,904	154,495	267,958
Paper, 1st Quality	299,519	460,050	619,678
Paper, 2nd Quality	100,551	76,054	92,152
Paper, Joss (including Joss-Paper Dollars)	1,248,136	1,403,101	2,143,233
Paper, n.o.r.	255,460	178,901	233,581
Silk, Raw, White, Steam Filature	151,933	14,373	271,275
Cotton Socks and Stocking	165,761	97,358	112,148
Drawn-Thread Work	1,118,382	897,570	156,820
Cross-Stitch Work and Embroideries other than Silk	7,290	196,511	597,914
Yarn and Thread, n.o.r.	142,659	140,957	191,425

Commodities	Exports		
	1934	1935	1936
Cotton Drills and Jeans	990,474	1,351,110	1,345,662
Nankeens	439,096	366,987	523,227
Cotton Piece Goods, n.o.r.	2,101,701	1,630,288	2,638,236
Gunny Bags	1,895,846	783,815	1,888,335
Boots and Shoes India Rubber	64,438	101,854	121,608
Clothing and Articles of Personal Wear	407,478	554,678	627,457
Iron Manufactures	116,441	138,312	139,914
Tin Ingots and Slabs	1,242,176	525,560	634,515
Metals and Metallic Products, n.o.r.	972,796	886,913	1,044,235
Cement (Hydraulic as Portland)	193,138	869,372	993,891
Chinaware, Coarse	157,175	112,407	165,029
Earth, Sand and Stone and Manufactures thereof, n.o.r.	135,109	126,122	251,550
Medical Preparations, Chemical	719,303	789,353	921,902
Perfumery and Cosmetics	250,444	131,405	199,139
Salt	1,629,400	1,431,351	1,282,988
Salt, Refined	90,000	171,000	76,508
Chemicals and Chemical Compounds, n.o.r.	206,405	243,725	592,819
Books, Printed	292,520	247,342	226,434
Fans	812,059	724,269	762,354
Firecrackers and Fireworks	176,702	159,592	92,787
Matches (not including those containing White or Yellow Phosporus)	678,561	402,885	235,899
Mats, Straw and Rush	677,277	652,340	1,112,318
Other Mineral Oils and Their Derivatives	958,590	1,257,473	1,697,843
Electrical Materials and Fittings	315,791	278,518	328,873
Sundries, n.o.r.	721,697	692,500	580,384
All Others	3,831,840	2,276,330	3,540,912
TOTAL	45,215,021	51,303,298	68,749,855

NOTES:—1. Source: *The Trade of China*, Vol. 4 or 5—"Analysis of Import Movement of Chinese Produce."
2. Figures: Total of Swatow, Kowloon, Lappa, Canton, Samshui, Kongmoon, Pakhoi, and Kiungchow, Luichow ports.
3. Unit: In Chinese standard dollars.

R. Yunnan: Part I. Through Maritime Customs

Commodities	Imports		
	1934	1935	1936
Flour, Wheat (Machine-Milled, including Semolina)	95,286	43,517	27,932
Cigarettes	527,404	962,804	1,201,912
Tobacco, Prepared	103,088	111,004	149,194
Cotton Yarn	10,609,868	13,379,338	10,421,303
Cotton Drills and Jeans	798,477	979,857	1,056,321
Cotton Shirtings and Sheetings	1,040,255	1,397,928	1,665,567
Cotton Piece Goods	639,621	1,078,184	1,299,354
Boots and Shoes, India Rubber	141,630	79,174	2,683
Clothing and Articles of Personal Wear	51,797	172,343	239,782
Metals and Metallic Products, Others	25,628	111,956	99,568
Chinaware, Fine	171,264	198,381	171,609
Medical Preparations Chemical	79,324	90,229	78,427
Toilet Requisites	98,402	114,931	134,157
All Others	1,059,767	1,341,628	1,720,110
(Re-exports)	—	—	—
TOTAL	15,441,811	20,061,274	18,267,919

Commodities	Exports		
	1934	1935	1936
Bristles	73,314	118,429	103,491
Skins, Dressed or Undressed	17,818	6,817	—
Hides, Others	—	10,105	—
Leather, Others	134,195	172,538	164,364
Dyestuffs, Vegetable, Others	16,522	19,080	1,430
Medicinal Substances	93,208	73,534	65,338
Tea, Black, Other Kinds	24,723	22,383	7,363
Tea, Brick, Black	99,841	50,083	3,970
Tea, Brick, Green	—	29,064	39,429
Mushrooms, Dried	10,088	42,894	8,227
Turnips, Dried and Salted	20,658	30,933	13,891
Tin Ingots And slabs	2,798,828	2,852,345	2,781,680
Earth, Sand and Stone and Manufactures thereof	34,103	17,676	9,031
Tea, Other Kinds	24,621	57,668	55,388
All Others	12,419	44,347	59,960
TOTAL	3,360,338	3,547,896	3,313,562

NOTES:—1. Source: *The Trade of China*, Vol. 4 or 5—"Analysis of Interport movement of Chinese Produce."
2. Figures: Total of Mengtsz, Szemao, and Tengyueh ports.
3. Unit: In Chinese standard dollars.

VII. TRADE BETWEEN CHINA PROPER AND THE FOUR NORTH-EASTERN PROVINCES

Liaoning, Kirin, Heilungkiang and Jehol.—The four Northeastern Provinces are noted for their enormous area, sparse population, fertility of soil and richness in agriculture, forests and minerals. Agricultural produce such as soya beans, wheat, millet, barley, kaoliang and corn are plentiful. Pine forests occupy about 60% of Heilungkiang Province, while Liaoning and Kirin are also rich in lumber. Minerals are abundant, the most notable being iron from Kunchangling (弓長嶺), Anshan (鞍山) and Miaoerkow (廟兒溝) in Liaoning; gold from Moho (漠河), Kwantu (觀都), Kumaho (庫瑪河), Yukingkow (餘慶溝), Chikeho (奇乾河) in Heilungkiang, Ilan (伊蘭) in Kirin, and from Hweipeh (輝北), Tunghwa (通化), Liaosiai (遼西), Tiehling (鐵嶺) and Hwaijen (懷仁) in Liaoning; and coal from Wuchunghsien (撫順) and Penhiho (本溪湖) in Liaoning, and from Hokiang (鶴崗) in Heilungkiang and Pehpiao (北票) and Nanpiao (南票) in Jehol.

According to the principle of geographical division of labor, trade on either side of Shanhaikwan consists of exchange between industrial products on the one hand and agricultural and mineral goods on the other. Exports from China Proper to the northeastern provinces comprise mainly cotton yarn, cotton cloth, silk and satin, flour, rolled tobacco and paper. Imports of China Proper from the northeastern provinces include soya bean, bean cake, bean oil, kaoliang, coal, lumber and salt. The total of imports in respect of soya bean, bean oil and bean cake alone often reach the enormous figure of from $80,000,000 to $90,000,000. China Proper accordingly has a large import surplus. The total value of imports and exports averages more than $300,000,000, excluding those commodities transported by land.

Since the Mukden Incident of 1931 the trade of the different ports of the four northeastern provinces has no longer been recorded in the Chinese Customs reports, and, owing to political circumstances, trade between China Proper and the four northeastern provinces can no longer be described as domestic trade. In order to make it clear how great a loss China has sustained in the severance of the four northeastern provinces, however, that part of our former domestic trade must be clearly and adequately portrayed.

Formerly the total value of exports from China Proper to the four north-

eastern provinces amounted to the large sum of $100,000,000. This total was reduced to a little over $35,000,000 in 1935, constituting only a third of the old record of four years ago. In other words, China's commodity market in the four provinces has already lost two thirds of its outlet. As to import trade, the total value of imports to China Proper from the northeastern provinces reached over $230,000,000 in 1931 but decreased in 1933 to $55,000,000, a bare fourth. The reduction was most conspicuous in industrial and agricultural raw materials like coal, bean cake and soya bean. In other words, the supply of raw materials to China's principal industries and agriculture has been reduced by three fourths. The effect of these declines upon both imports and exports is most serious for China's budding industries. The loss is beyond estimate.

In 1936 trade between China Proper and the four northeastern provinces seemed to take a turn for the better. The total value of imports and exports increased from $97,000,000 in 1935 to $176,000,000. But circumstances have changed and this development was proved of little benefit to China Proper.

There also occurred big changes in commodities. Bean and bean products and coal have been the main articles of importation to China Proper. In 1931 the import value of soya beans amounted to $57,000,000, that of bean cake to $38,000,000, bean oil to $30,000,000 and coal to $30,000,000. Towards the end of 1935 the import of soya beans was reduced to $12,000,000, bean cake to less than $10,000,000, while the import of bean oil amounted only to $2,200,000 and coal to $2,000,000. The decrease exceeded 90%. A similar condition prevailed in exports. In 1931 the export value of principal commodities, such as cotton cloth, cotton yarn and flour each amounted to more than $10,000,000 or $20,000,000 but in recent years some of these items have barely exceeded $1,000,000, while others have amounted to a mere $200,000 or $300,000. Both import and export aspects are pitiable.

The severance of the northeastern markets is one of the principal factors accounting for the sharp decline of China's textile industry and flour milling. The relationship between China Proper and the four northeastern provinces is really too important to be neglected. This is the reason why this trade is specially treated here. Furthermore, trade statistics since the Mukden Incident are summarized in Table 3 (see p. 620) in order to show the exact economic relationship between China Proper and the four northeastern provinces and to serve as an estimate of the loss in China's domestic trade since 1931.

VIII. PRINCIPAL COMMODITIES OF DOMESTIC TRADE

The principal commodities of domestic trade comprise 12 different items, including cotton yarn, cotton cloth, cigarette, flour, sugar, raw cotton, tea, rice, coal, tung oil, leaf tobacco and peanut seed. The bulk consists of agricultural and mineral produce, while industrial products occupy the smaller part, but where value is concerned industrial products take the lead. As to direction of movement, agricultural produce moves from the interior to the cities and industrial products move from cities to villages. The crossing movement generally occurs in this way. On the one hand, the northern provinces have sufficient raw material but lack foodstuffs and daily consumable goods, while with the lower Yangtze provinces it is just the opposite. On the other hand, upper Yangtze provinces have sufficient raw material and foodstuffs but lack daily consumable goods. The southern provinces have a deficiency of both raw materials and foodstuffs. This general trend is clearly shown in the provincial trade section.

Although Shanghai is the center of both the internal and external trade of China, it cannot as yet represent the whole picture of the Chinese domestic trade. Possessing the best facilities of communication and transportation and holding a concentration of industry together with a very large portion of commodity movements,

TABLE 3. CHINA PROPER'S TRADE WITH MANCHURIA, 1931–1936.

	1931		1932		1933		1934		1935		1936	
	Amount	*Index*	*Amount*	*Index*	*Amount*	*Index*	*Amount*	*Index*	*Amount*	*Index*	*Amount*	*Index*
Total of Exports and Imports..	319,600	100.00	225,000	70.40	135,100	42.27	123,300	38.58	97,345	30.46	176,260	55.15
Total Exports of China Proper ..	89,100	100.00	55,000	61.73	79,800	89.56	57,600	64.65	31,993	35.91	47,744	53.58
Cotton Piece Goods.	22,808	100.00	7,888	34.58	10,091	42.24	5,222	22.90	1,258	5.52	1,576	6.91
Silk Piece Goods ..	2,826	100.00	1,979	70.03	3,731	132.02	1,384	48.97	371	13.13	299	10.58
Cotton Yarn	11,911	100.00	6,855	57.55	12,938	108.62	7,055	59.23	2,538	21.31	673	5.65
Raw Cotton	3,527	100.00	1,243	35.24	912	25.86	507	14.37	1,128	31.98	3,431	97.28
Wheat Flour	13,701	100.00	7,851	57.30	18,024	131.55	6,575	47.99	572	4.17	3,291	24.02
Cigarettes	4,700	100.00	2,012	42.80	741	15.77	1,527	32.49	730	15.53	484	10.30
Leaf Tobacco	1,900	100.00	2,182	114.84	2,197	115.63	4,395	231.32	3,250	171.05	5,072	266.95
Papers	3,256	100.00	1,921	59.00	2,960	90.91	2,075	63.73	1,220	37.47	1,788	54.91
Others	24,471	100.00	23.069	94.27	28,206	115.26	28.860	117.94	20,926	85.51	31,130	127.21
Total Imports of China Proper ..	230,500	100.00	170,000	73.75	55,300	23.86	65,700	28.50	65,353	28.35	128,516	55.76
Soya Beans	57,370	100.00	40,045	69.80	7,807	13.61	9,031	15.74	12,049	21.00	18,816	32.80
Kaoliang..	13,292	100.00	17,819	134.06	3,812	28.68	3,839	28.88	1,887	14.20	6,119	46.04
Bean Cake	37,946	100.00	38,532	101.54	12,976	34.20	7,474	19.70	9,946	26.21	7,341	19.35
Bean Oil	30,729	100.00	27,975	91.04	10,519	34.23	4,792	15.60	2,208	7.19	3,110	10.12
Wild Raw Silk ..	5,370	100.00	652	12.14	188	3.50	734	13.67	999	18.60	1,751	32.61
Coal	29,374	100.00	8,794	29.94	7,322	24.93	3,777	12.86	2,636	8.97	2,350	8.00
Salt	3,189	100.00	3,143	98.56	158	4.95	—	—	—	—	—	—
Timber and Wood..	5,175	100.00	3,738	72.23	2,140	41.35	2,271	43.88	1,896	36.64	927	17.91
Others	48,055	100.00	29,302	60.98	10,378	21.60	32,782	68.22	33,732	70.19	88,102	183.34
Excess of Imports..	141,400	—	115,000	—	—	—	8,100	—	33,360	—	80,772	—
Excess of Exports..	—	—	—	—	24,500	—	—	—	—	—	—	—

NOTES :—1. Source : Monthly returns of the Foreign Trade of Manchuria.
2. Unit : In thousands of Manchurian dollars.
3. Index Numbers : 1931 = 100.

both foreign destined and for interport exchange, Shanghai's trade takes up more than half of the total value of domestic trade, but it still remains only part of the whole. Industrial enterprises such as textile and flour mills are plentiful in the interior. Movements of domestic produce, however, are not so simple as might be imagined. The respective conditions of production and the marketing of each of the principal commodities of domestic trade is shown in the following pages.

A. Industrial Products.—Cotton yarn, cotton cloth, cigarettes, flour, sugar, and tungoil:

1. *Cotton Yarn and Cotton Piece Goods.*—According to the statistics for March, 1936, compiled by the Union of Chinese Cotton Mills, the number and regional distribution of spindles and looms in China were as follows:

Region	*No. of Factories*	*No. of Spindles*	*Output of Cotton Yarn (Bales)*	*No. of Looms*	*Output of Cloth (Thousand Sq. Yard)*
Kiangsu	87	3,714,356	1,299,538	35,547	758,717
Hopei	10	317,543	115,835	2,310	23,214
Hupeh	8	338,536	124,423	3,322	36,414
Shantung	13	624,544	284,744	7,725	183,234
Honan	4	113,680	59,654	255	4,182
Anhwei	1	18,400	—	—	—
Chekiang	3	58,120	26,354	672	2,300
Kiangsi	1	20,480	18,260	—	—
Hunan	1	50,000	29,800	248	2,978
Liaoning	6	159,852	—	1,005	—
Shansi	5	74,724	65,781	2,312	24,526
Shensi	2	12,000	—	330	—
Kwangtung	1	21,200	1,100	120	10
Sinkiang	1	1,200	—	—	—
TOTAL	143	5,524,635	2,025,489	53,846	1,035,575

Of the above-mentioned regions only Kiangsu and Shantung can be considered as being more than self-sufficient in cotton yarn; the rest cannot produce enough cotton yarn to meet the provincial demand and still must depend on imports from outside. As a result, there is more import surplus than export surplus in the domestic trade of cotton yarn. The general trend is shown in Table 4 (see p. 622).

The condition of cotton piece goods is about the same as that of cotton yarn. According to the figures of output shown above, Kiangsu, Shantung, Shansi, and Hupeh must all be capable of meeting the demand of their respective provinces, but Hopei, though its output of cloth is fairly large, still has an excess of imports owing to the enormous quantity of cloth which is transferred to other provinces. For the rest, all need the surplus supply of Kiangsu and Shantung, except in the case of native cloth, which is a secondary product of the villages. Interport trade of cotton cloth is shown in Table 5 (see p. 623).

2. *Cigarettes.*—Although the cigarette is purely a consumption article its trade value ranks next only to the trade values of cotton yarn and cloth, which are principal necessities; so widespread is its popularity that it occupies the third position in domestic trade. According to the records of the Taxation Office, the output of cigarettes of Chinese and foreign factories in various provinces during the period from July, 1934, to June, 1935, is as follows: (unit: case)

Region	*Chinese Factories*	*Foreign Factories*	*Total*
Shanghai	50,833,734	26,631,678	77,465,412
Kiangsu	9,039	—	9,039
Chekiang	204,857	—	204,857
Anhwei	160,774	—	160,774
Hupeh	226,973	11,111,936	11,338,909
Shantung	995,263	6,626,328	7,621,591
Hopei	73,016	11,389,052	11,462,068
Shansi	1,034,438	—	1,034,438
TOTAL	53,538,094	55,758,994	109,297,088

TABLE. 4. STATISTICS OF COTTON YARN MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–36.

Ports	1934			1935			1936		
	Imports	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*
	$	$	$	$	$	$	$	$	$
Chinwangtao	921,933	—	+ 921,933	352,123	—	+ 352,123	254,950	—	+ 254,950
Tientsin	26,265,648	744,732	+ 25,520,916	20,707,862	588,907	+ 20,118,955	18,877,663	1,603,512	+ 17,274,151
Lungkow	208,835	—	+ 208,835	246,413	—	+ 246,413	71,321	—	+ 71,321
Chefoo	1,093,087	5,498	+ 1,087,589	1,199,220	8,290	+ 1,190,930	1,578,128	12,981	+ 1,565,147
Weihaiwei	798,840	—	+ 798,840	796,194	—	+ 796,194	400,539	—	+ 400,539
Kiaochow	6,677,152	4,862,287	+ 1,814,865	3,285,076	10,726,989	— 7,441,913	2,648,047	11,862,020	— 9,213,973
Chungking	18,486,799	—	+ 18,486,799	26,386,204	—	+ 26,386,204	18,129,711	19,300	+ 18,110,411
Wanhsien	4,357,419	1,929	+ 4,355,490	5,013,159	—	+ 5,013,159	2,905,740	—	+ 2,905,740
Ichang	1,133,811	41,253	+ 1,092,558	1,728,592	12,882	+ 1,715,710	1,157,392	36,316	+ 1,121,076
Shasi	57,411	1,318,643	— 1,261,232	105,664	1,511,737	— 1,406,073	40,820	1,679,773	— 1,638,953
Changsha	4,730,504	—	+ 4,730,504	8,057,549	—	+ 8,057,549	9,494,296	—	+ 9,494,296
Yochow	1,240,685	—	+ 1,240,685	370,855	—	+ 370,855	438,034	—	+ 438,034
Hankow	9,789,361	8,278,839	+ 1,510,522	6,985,367	10,496,972	— 3,511,605	9,849,707	7,503,259	+ 2,346,448
Kiukiang	6,868,437	203,636	+ 6,664,801	5,694,554	1,035,885	+ 4,658,669	2,267,452	1,549,880	+ 717,572
Wuhu	2,819,491	41,992	+ 2,777,499	3,056,302	135,000	+ 2,921,302	4,160,995	1,000	+ 4,159,995
Nanking	34,628	—	+ 34,628	8	—	+ 8	41,470	—	+ 41,470
Chinkiang	700	—	+ 700	—	—	—	—	—	—
Shanghai	5,648,064	123,938,489	—118,290,425	8,787,909	113,920,251	—105,132,342	7,985,138	98,119,790	— 90,134,652
Ningpo	1,275,297	2,082,316	— 807,019	586,753	2,528,321	— 1,941,568	897,685	2,068,313	— 1,170,628
Wenchow	1,017,629	5,257	+ 1,012,372	1,401,223	8,906	+ 1,392,317	942,845	3,991	+ 938,854
Santuao	12,000	—	+ 12,000	9,564	—	+ 9,564	2,991	—	+ 2,991
Foochow	878,718	—	+ 878,718	749,067	—	+ 749,067	600,906	154	+ 600,752
Amoy	1,068,183	—	+ 1,068,183	1,219,856	—	+ 1,219,856	1,168,190	—	+ 1,168,190
Swatow	8,031,661	—	+ 8,031,661	6,945,608	—	+ 6,945,608	6,332,377	920	+ 6,331,457
Canton	15,007,345	30,847	+ 14,976,498	15,513,705	13,742	+ 15,499,963	15,416,001	375,352	+ 15,040,649
Wuchow	5,695,098	—	+ 5,695,098	7,872,991	—	+ 7,872,991	7,132,988	3,208,361	+ 3,924,627
Nanning	2,540,286	—	+ 2,540,286	3,405,780	—	+ 3,405,780	2,889,309	—	+ 2,889,309
Kiungchow	865,586	—	+ 865,586	1,262,716	—	+ 1,262,716	961,248	640	+ 960,608
Pakhoi	1,683,692	—	+ 1,683,692	1,166,281	—	+ 1,166,281	851,592	—	+ 851,592
Luichow	—	—	—	—	—	—	18,395	—	+ 18,395
Mengtsz	10,609,868	—	+ 10,609,868	13,379,338	—	+ 13,379,338	10,401,193	—	+ 10,401,193
Tengyueh	—	—	—	—	—	—	20,110	—	+ 20,110
TOTAL	139,818,168	141,555,718	— 1,737,550	146,285,933	140,987,882	+ 5,298,051	127,937,233	128,045,562	— 108,329

TABLE. 5. STATISTICS OF COTTON PIECE GOODS MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–36.

Ports	1934			1935			1936		
	Imports	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*
	$	$	$	$	$	$	$	$	$
Chinwangtao	2,431,756	—	+ 2,431,756	1,225,923	—	+ 1,225,923	937,774	—	+ 937,774
Tientsin	31,620,050	1,755,155	+ 29,864,895	30,661,787	249,185	+ 30,412,602	29,167,270	419,082	+ 28,748,188
Lungkow	915,765	228	+ 915,537	854,823	—	+ 854,823	464,078	24,324	+ 439,754
Chefoo	2,816,737	58,452	+ 2,758,285	3,057,293	115,712	+ 2,941,581	3,678,262	78,681	+ 3,599,581
Weihaiwei	510,464	—	+ 510,464	651,425	—	+ 651,425	493,384	356	+ 493,028
Kiaochow	9,123,446	14,181,616	— 5,058,170	7,088,995	21,506,414	— 14,417,419	8,491,297	29,510,805	— 21,019,508
Chungking	1,684,480	8,540	+ 1,675,940	7,125,672	—	+ 7,125,671	16,951,954	779	+ 16,951,178
Wanhsien	1,103,271	—	+ 1,103,271	2,109,633	—	+ 2,109,633	3,042,356	810	+ 3,041,546
Ichang	1,017,347	405,969	+ 611,378	1,840,914	88,951	+ 1,751,963	1,658,988	43,722	+ 1,615,266
Shasi	760,834	—	+ 760,834	993,781	449	+ 993,332	1,432,505	300	+ 1,432,205
Changsha	1,527,265	1,364	+ 1,525,901	5,761,201	14,877	+ 5,746,324	7,582,704	19,675	+ 7,563,029
Yochow	1,733,335	—	+ 1,733,335	1,914,594	—	+ 1,914,594	3,694,526	—	+ 3,694,526
Hankow	26,145,455	4,990,824	+ 21,154,631	22,326,294	5,073,944	+ 17,252,350	36,210,284	6,170,463	+ 30,039,821
Kiukiang	7,460,826	205,197	+ 7,255,629	7,237,773	81,130	+ 7,156,643	5,515,435	23,710	+ 5,491,725
Wuhu	3,306,481	3,467	+ 3,303,014	3,687,579	4,130	+ 3,683,449	4,385,435	71,906	+ 4,313,529
Nanking	29,324	17,754	+ 11,570	36,153	23,137	+ 13,016	41,972	37,524	+ 4,448
Chinkiang	5,031	—	+ 5,031	2,606	—	+ 2,606	10,104	—	+ 10,104
Shanghai	7,704,725	115,443,098	—107,738,373	8,238,516	116,255,960	—108,017,444	17,148,515	145,493,333	—128,344,818
Soochow	—	—	—	—	—	—	2,750	—	+ 2,750
Ningpo	4,321,924	1,274,306	+ 3,047,618	3,260,394	1,801,786	+ 1,458,608	5,156,200	3,408,212	+ 1,747,988
Wenchow	2,377,411	284,984	+ 2,092,427	2,613,401	119,329	+ 2,494,072	3,105,308	69,213	+ 3,036,095
Santuao	520,038	—	+ 520,038	421,879	—	+ 421,879	219,322	—	+ 219,322
Foochow	3,328,862	486	+ 3,328,376	3,660,022	451	+ 3,659,571	3,597,381	165,740	+ 3,431,641
Amoy	2,322,541	61	+ 2,322,480	2,842,190	11,072	+ 2,831,118	2,411,463	22,782	+ 2,388,681
Swatow	5,060,600	55,952	+ 5,004,648	4,934,754	45,787	+ 4,888,967	6,541,217	72,464	+ 6,468,753
Canton	8,638,075	3,501,206	+ 5,136,869	10,920,212	3,287,513	+ 7,632,699	14,552,045	4,455,003	+ 10,097,042
Kongmoon	6	—	+ 6	—	—	—	338	—	+ 338
Samshui	—	7	— 7	—	—	—	—	—	—
Wuchow	4,473,105	—	+ 4,473,105	7,572,861	—	+ 7,572,861	6,168,280	1,271,087	+ 4,897,193
Nanning	808,977	—	+ 808,977	981,327	5,900	+ 975,427	1,119,861	—	+ 1,119,861
Luichow	—	—	—	—	—	—	22,400	—	+ 22,400
Kiungchow	1,364,081	340	+ 1,363,741	1,813,684	776	+ 1,812,908	1,228,122	204	+ 1,227,918
Pakhoi	670,626	8,906	+ 661,720	511,719	33,132	+ 478,587	648,512	22,315	+ 626,197
Mengtsz	2,535,179	—	+ 2,535,179	3,498,372	—	+ 3,498,372	4,051,839	—	+ 4,051,839
Tengyueh	203	—	+ 203	—	—	—	—	—	—
TOTAL	136,318,220	142,197,912	— 5,879,692	147,845,777	148,719,635	— 873,858	189,731,881	191,382,487	— 1,650,606

NOTES :—(1) Figures including : Cotton drills, Jeans, Shirtings, Sheeting, Nankeens, and other cotton piece goods.

From the above it will be seen that more than 70% of the cigarette industry is concentrated in Shanghai. Aside from Hopei and Hupeh Provinces in both of which production reaches more than a million cases, the rest are insignificant. Therefore the domestic trade of rolled tobacco moves outward in wide general dispersion from the center of production in Shanghai. Its movements are shown in Table 6 (see page 625).

3. *Flour.*—Flour is the principal foodstuff of the North. Numerous native mills already existed throughout the northern provinces before the knowledge of machine operation came in. Following the importation of milling machines at the close of the Ching dynasty, however, modern mills sprang up like mushrooms, especially after the World War, owing to the fine product and low cost of production. The total number amounted to over 150. According to statistics of the Taxation Office for the period ending June 30, 1935, the numbers, capital, output and regional distribution of producing flour mills were as follows:

Region	*No. of Mills*	*Volume of Capital (Dollars)*	*Output from July, 1932 to June, 1935 (Sacks)*
Shanghai	11	7,940,000	31,146,445
Kiangsu	14	5,493,000	15,085,889
Anhwei	4	1,120,000	1,813,262
Chekiang	1	24,000	19,800
Hunan	2	210,000	261,190
Hupeh	9	3,201,315	5,182,775
Szechwen	2	310,000	Unknown
Shantung	26	6,280,200	10,006,015
Honan	9	1,261,400	3,074,731
Hopei	19	4,117,600	7,093,361
Shansi	5	1,274,400	958,909
Suiyuan	2	580,000	288,068
Charhar	2	60,000	Unknown
TOTAL	106	31,871,915	74,930,445

The total output of flour amounts to 75 million sacks per annum. As Kiangsu alone claims 60% of this total, flour in domestic trade is mostly exported from Shanghai and Nanking. Although the outputs of Hopei and Shantung are also quite big, the available volume for export is rather limited, owing to extensive local consumption. The interport movements of flour are shown in Table 7 (see page 626).

4. *Wood Oil.*—The export of wood oil has become more and more important in foreign trade but the Customs differentiate between its internal and external trade according to destination as reported by merchants. Even if wood oil has sometimes to be shipped abroad through another port, that phase of interport movement would be deducted from domestic trade when the commodity was reported as assigned for foreign consumption. Therefore, although wood oil is a principal article in international trade, it ranks lower than cotton yarn, cotton piece goods and flour in domestic trade.

TABLE 6. STATISTICS OF CIGARETTES MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–36.

Ports	1934			1935			1936		
	Imports	Exports	Excess of Imp. (+) or Exp. (—)	Imports	Exports	Excess of Imp. (+) or Exp. (—)	Imports	Exports	Excess of Imp. (+) or Exp. (—)
	$	$	$	$	$	$	$	$	$
Chinwangtao	26,655	—	+ 26,655	32,310	—	+ 32,310	27,145	—	+ 27,145
Tientsin	4,586,916	471,179	+ 4,115,737	3,005,386	50,129	+ 2,955,257	3,533,592	256,592	+ 3,277,000
Lungkow	134,864	—	+ 134,864	161,529	—	+ 161,529	168,382	460	+ 167,922
Chefoo	379,325	4,386	+ 374,939	413,385	3,050	+ 410,335	435,090	16,675	+ 418,415
Weihaiwei	122,522	—	+ 122,522	141,048	—	+ 141,048	125,077	1,812	+ 123,265
Kiaochow	1,328,787	1,529,915	— 201,128	1,238,975	1,221,924	+ 17,051	1,187,212	4,484,199	— 3,296,987
Chungking	2,092,286	—	+ 2,092,286	4,273,355	—	+ 4,273,355	5,118,542	4,460	+ 5,114,082
Wanhsien	1,547,097	5,800	+ 1,541,297	650,921	—	+ 650,921	570,223	23,765	+ 546,458
Ichang	216,768	—	+ 216,768	638,512	606	+ 637,912	656,111	12,082	+ 644,029
Shasi	324,878	2,502	+ 322,376	488,537	668	+ 487,869	613,987	2,000	+ 611,987
Changsha	259,914	2,588	+ 257,326	1,279,570	961	+ 1,278,609	1,807,188	4,009	+ 1,803,179
Yochow	287,607	174	+ 287,433	591,736	—	+ 591,736	167,206	140	+ 167,066
Hankow	6,388,369	1,680,567	+ 4,707,802	5,208,339	4,271,858	+ 936,481	5,950,275	5,408,146	+ 542,129
Kiukiang	4,668,875	4,529	+ 4,664,346	4,035,638	9,792	+ 4,025,846	3,100,816	15,563	+ 3,085,253
Wuhu	3,118,740	20,584	+ 3,098,156	3,708,686	39,920	+ 3,668,766	2,394,369	9,488	+ 2,384,881
Nanking	1,100,074	36,101	+ 1,063,973	1,889,646	15,364	+ 1,874,282	3,695,929	37,271	+ 3,658,658
Chinkiang	305,172	17,360	+ 287,812	403,920	7,540	+ 396,380	925,431	22,793	+ 902,638
Shanghai	686,180	54,393,770	— 53,707,590	845,210	52,894,681	— 52,049,471	3,062,727	56,971,435	— 53,908,708
Soochow	549,553	—	+ 549,553	782,868	—	+ 782,868	973,919	—	+ 973,919
Hangchow	5,519,826	2,307	+ 5,517,519	4,458,689	—	+ 4,458,689	7,384,033	31,893	+ 7,352,140
Ningpo	4,278,632	28,799	+ 4,249,833	3,482,640	56,379	+ 3,426,261	3,838,194	28,701	+ 3,809,493
Wenchow	734,409	8,276	+ 726,133	881,021	22,190	+ 858,831	921,088	13,132	+ 907,956
Santuao	96,272	—	+ 96,272	114,572	—	+ 114,572	109,962	1,340	+ 108,622
Foochow	840,060	—	+ 840,060	843,787	1,137	+ 842,650	1,271,022	125,787	+ 1,145,235
Amoy	2,311,391	—	+ 2,311,391	2,448,882	259	+ 2,448,623	2,204,774	28,174	+ 2,176,600
Swatow	2,821,940	151	+ 2,821,789	3,056,930	182	+ 3,056,748	3,207,479	34,515	+ 3,172,964
Canton	9,650,085	17,132	+ 9,632,953	10,001,748	16,615	+ 9,985,133	10,518,539	342,850	+ 10,175,689
Wuchow	619,031	—	+ 619,031	939,836	—	+ 939,826	1,499,366	230,775	+ 1,268,591
Nanning	110,986	—	+ 110,986	224,390	—	+ 224,390	120	180	— 60
Kiungchow	279,621	80	+ 279,541	371,115	821	+ 370,294	512,480	9,627	+ 502,853
Pakhoi	82,419	—	+ 82,419	101,620	—	+ 101,620	115,130	1,094	+ 114,036
	527,404	—	+ 527,404	962,804	—	+ 962,804	7	—	+ 7
TOTAL	55,996,658	58,226,200	2,229,542	57,677,605	58,614,070	— 936,465	66,095,415	68,118,958	— 2,023,543

TABLE 7. STATISTICS OF WHEAT FLOUR MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–36.

Ports	1934			1935			1936		
	Imports	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*
	$	$	$	$	$	$	$	$	$
Chinwangtao	1,952,989	—	+ 1,952,989	1,707,152	—	+ 1,707,152	2,186,269	—	+ 2,186,269
Tientsin	29,632,054	10,527	+ 29,621,527	30,394,367	371	+ 30,393,996	22,862,447	642	+ 22,861,805
Lungkow	2,137,376	5,960	+ 2,131,416	2,554,764	855	+ 2,553,909	1,719,720	—	+ 1,719,720
Chefoo	3,085,205	169	+ 3,085,036	3,640,203	334	+ 3,639,869	2,402,492	6,951	+ 2,395,541
Weihaiwei	608,984	—	+ 608,984	846,687	—	+ 846,687	692,703	1,818	+ 690,885
Kiaochow	1,114,677	39,211	+ 1,075,466	1,986,405	18,495	+ 1,967,910	1,429,387	157,642	+ 1,271,745
Chungking	6,458	—	+ 6,458	10,312	—	+ 10,312	8,867	—	+ 8,867
Wanhsien	9,701	—	+ 9,701	5,707	—	+ 5,707	15,808	1,520	+ 14,288
Ichang	94,532	—	+ 94,532	213,436	—	+ 213,436	167,417	2,700	+ 164,717
Shasi	73,564	27,658	+ 45,906	202,240	—	+ 202,240	127,474	22,295	+ 105,179
Changsha	879,216	—	+ 879,216	2,114,625	—	+ 2,114,625	2,086,092	27,000	+ 2,059,092
Yochow	19,078	—	+ 19,078	193,537	—	+ 193,537	108,547	—	+ 108,547
Hankow	879,719	1,506,420	— 626,701	508,108	3,995,603	— 3,487,495	42,480	6,529,137	— 6,486,657
Kiukiang	2,008,139	9	+ 2,008,130	3,393,678	—	+ 3,393,678	750,606	5,214	+ 745,392
Wuhu	83,859	186,691	— 102,832	333,933	63,950	+ 269,983	222,202	112,850	+ 109,352
Nanking	99	2,563,800	— 2,563,701	27,000	2,159,660	— 2,132,660	—	1,481,022	— 1,481,022
Chinkiang	—	335,382	— 335,382	3,603	1,272,805	— 1,269,202	880	1,128,486	— 1,127,606
Shanghai	40,529	58,206,755	— 58,166,226	313,640	53,507,610	— 53,193,970	290,590	37,376,389	— 37,085,799
Soochow	—	—	—	—	—	—	—	51,250	— 51,250
Hangchow	91,475	—	+ 91,475	277,200	—	+ 277,200	123,175	—	+ 123,175
Ningpo	1,470,237	3,624	+ 1,466,613	874,825	146,826	+ 727,999	255,767	45,940	+ 209,827
Wenchow	524,118	1,140	+ 522,978	430,626	—	+ 430,626	251,154	—	+ 251,154
Santuao	220,596	—	+ 220,596	224,973	—	+ 224,973	105,416	—	+ 105,416
Foochow	2,841,168	2,337	+ 2,838,831	3,241,878	—	+ 3,241,878	2,443,396	74,901	+ 2,368,495
Amoy	2,852,029	—	+ 2,852,029	2,820,460	—	+ 2,820,460	2,539,607	—	+ 2,539,607
Swatow	2,837,247	—	+ 2,837,247	3,138,754	—	+ 3,138,754	2,339,167	1,257	+ 2,337,910
Canton	2,016,120	154	+ 2,015,966	2,350,050	140	+ 2,349,910	2,646,746	2,775	+ 2,643,971
Kongmoon	18,819	—	+ 18,819	—	—	—	—	—	—
Wuchow	58,876	—	+ 58,876	219,003	—	+ 219,003	188,405	17,100	+ 171,305
Nanning	3,948	—	+ 3,948	15,127	—	+ 15,127	16,596	—	+ 16,596
Kiungchow	55,304	—	+ 55,304	173,649	—	+ 173,649	189,557	—	+ 189,557
Pakhoi	42,502	—	+ 42,502	93,813	—	+ 93,813	83,741	—	+ 83,741
Mengtsz	95,286	—	+ 95,286	43,517	—	+ 43,517	27,932	—	+ 27,932
TOTAL	55,753,904	62,889,837	— 7,135,933	62,353,272	61,166,649	+ 1,186,623	46,324,640	47,046,889	— 722,249

Szechwan Province leads the rest in wood oil production. Next comes Hunan, then Hupeh, Kweichow, Chekiang and Kwangsi. Szechwan can produce approximately 600,000 Shi-piculs per annum; Hunan 480,000; Hupeh 360,000; Kweichow 200,000; Chekiang 190,000; and Kwangsi 240,000 aggregating in all a total of 2,100,000 Shi-piculs. Wood oil assigned for foreign destination is mostly assembled in Shanghai or Hankow before proceeding abroad. Therefore, from the viewpoint of wood oil, Szechwan and Hunan have the largest export, while Kiangsu and Hupeh have the largest import. The interport movements of wood oil are shown in Table 8 (see page 628).

5. *Sugar.*—The production of sugar in China is not yet sufficient to meet the domestic demand and the country therefore has to depend on the supply of foreign sugar. However, although the volume of international trade of sugar is rather small, it has quite an extensive interport movement, as shown in Table 9 (see page 629).

B. Agricultural Produce.—There are six principal agricultural products in circulation within domestic trade, namely, raw cotton, tea, rice, leaf tobacco, peanut seed, and coal. Narrowly speaking, the item of coal should be classified as mineral. There are very few minerals other than coal included in domestic trade, however, their output is so small that it is not appropriate to consider them equally with coal. Therefore from the standpoint of domestic trade it is better to regard agricultural produce broadly and to treat coal as one of the principal agricultural products.

1. *Raw Cotton.*—According to the estimate of the Central Agriculture Laboratory, the total cotton crop of various provinces in China Proper in 1935 amounted to more than 14,580,000 Shi-piculs and the area of cultivation covered more than 52,180,000 Shi-mows. The provincial distribution was given as follows:

Province	*Area of Cultivation (1,000 Shi-mows)*	*Volume of Output (1,000 Shi-piculs)*
Hopei	8,508	2,538
Shantung	4,336	854
Shansi	2,389	628
Honan	5,008	1,220
Kansu	97	22
Shensi	4,718	1,314
Kiangsu	11,998	3,951
Chekiang	2,137	642
Fukien	28	8
Anhwei	2,131	495
Kiangsi	962	213
Hupeh	5,585	1,348
Hunan	1,237	372
Szechwan	2,572	838
Yunnan	157	41
Kweichow	277	93
Kwangtung	42	9
TOTAL	52,182	14,586

Kiangsu Province has the largest output of cotton. Next comes Hopei, with Hupeh, Honan and Shensi in succession. These provinces are all more than self-sufficient. On the other hand, the provinces in the South and those in the Northwest cannot produce enough cotton for their own consumption but have to depend on imports from other parts. The figures of interport movement of raw cotton are as shown in Table 10 (see page 630).

2. *Rice.*—Rice is the principal foodstuff of Central and South China. Usually there is surplus production in the central provinces, but the South still depends on imports from other provinces or abroad to supply the defficiency. As to the North, its need of rice not being so great as the other

TABLE 8. STATISTICS OF WOOD OIL MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–36.

Ports	1934			1935			1936		
	Imports	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*
	$	$	$	$	$	$	$	$	$
Chinwangtao	1,338	—	+ 1,338	1,221	—	+ 1,221	1,688	—	+ 1,688
Tientsin	221,176	1,750	+ 219,426	35,007	—	+ 35,007	757,207	249	+ 756,958
Lungkow	20,063	40	+ 20,023	15,273	—	+ 15,273	17,846	—	+ 17,846
Chefoo	172,117	31	+ 172,086	126,669	—	+ 126,669	233,209	2,949	+ 230,260
Weihaiwei	17,204	—	+ 17,204	22,089	—	+ 22,089	24,611	—	+ 24,611
Kiaochow	177,215	—	+ 177,215	145,705	—	+ 145,705	711,866	5,549	+ 706,317
Chungking	—	1,192,663	— 1,192,663	—	5,266,215	— 5,266,215	45	14,592,730	— 14,592,685
Wanhsien	250,799	4,983,661	— 4,732,862	—	8,361,967	— 8,361,967	1,466	14,424,000	— 14,422,534
Ichang	—	824,673	— 824,673	3,243	1,307,654	— 1,310,897	25,990	3,308,729	— 3,282,739
Shasi	11,270	190,498	— 179,228	—	189,179	— 189,179	—	23,927	— 23,927
Changsha	49	939,061	— 939,012	321	1,360,862	— 1,360,541	—	1,518,856	— 1,518,856
Yochow	—	4,290,554	— 4,290,554	196,492	5,931,848	— 5,735,356	—	11,651,188	— 11,651,188
Hankow	178,882	7,912,568	— 7,733,686	921,024	10,852,158	— 11,773,182	11,898,793	33,522,103	— 21,623,310
Kiukiang	380	645	— 265	77,121	135,877	— 58,756	155,934	136,656	+ 19,278
Wuhu	6,336	20,235	— 13,899	86,313	2,460	+ 83,853	389,451	21,049	+ 368,402
Nanking	49,253	—	+ 49,253	51,608	10	+ 51,598	89,977	649	+ 89,328
Chinkiang	1,272,685	9	+ 1,272,676	1,463,315	38	+ 1,463,277	2,383,452	35,370	+ 2,348,082
Shanghai	19,005,827	190,602	+ 18,815,225	31,938,997	237,506	+ 31,701,491	63,508,263	980,974	+ 62,527,289
Soochow	41,362	—	+ 41,362	872	—	+ 872	—	—	—
Hangchow	4,449	126,836	— 122,387	2,751	137,297	— 134,546	3,697	281,784	— 278,087
Ningpo	20,978	56	+ 20,922	19,949	45	+ 19,904	33,725	—	+ 33,725
Wenchow	56	112,478	— 112,422	—	234,008	— 234,008	6	273,004	— 272,998
Santuao	—	15,406	— 15,406	—	2,008	— 2,008	—	2,275	— 2,275
Foochow	14,141	13,478	+ 663	3,487	1,247	+ 2,240	2,562	14,592	— 12,030
Amoy	19,359	—	+ 19,359	12,221	—	+ 12,221	15,964	665	+ 15,299
Swatow	167,063	—	+ 167,063	25,267	—	+ 25,267	160,823	5,886	+ 154,937
Canton	—	1,632	— 1,632	223,800	1,496	+ 222,304	295	22,769	— 22,474
Wuchow	—	112,867	— 112,867	—	270,447	— 270,447	81,985	15,283	+ 66,702
Nanning	—	438,321	— 438,321	—	145,556	— 145,556	—	148,257	— 148,257
Kiungchow	6,826	—	+ 6,826	4,196	—	+ 4,196	16,855	215	+ 16,640
Pakhoi	—	20,107	— 20,107	12	6,007	— 5,995	—	16,186	— 16,186
Kongmoon	—	—	—	—	—	—	—	605	— 605
Mengtsz	—	—	—	—	—	—	—	2,333	— 2,333
TOTAL	21,658,828	21,388,171	+ 270,657	33,528,419	34,443,885	— 915,466	80,515,710	81,008,832	— 493,122

TABLE 9. STATISTICS OF SUGAR MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–36.

Ports	1934			1935			1936		
	Imports	Exports	Excess of Imp. (+) or Exp. (—)	Imports	Exports	Excess of Imp. (+) or Exp. (—)	Imports	Exports	Excess of Imp. (+) or Exp. (—)
	$	$	$	$	$	$	$	$	$
Chinwangtao	5,956	—	+ 5,956	1,644	—	+ 1,644	1,922	—	+ 1,922
Tientsin	2,698,072	4	+ 2,698,068	2,514,344	—	+ 2,514,344	2,676,751	24,061	+ 2,652,690
Lungkow	4,337	—	+ 4,337	43,975	—	+ 43,975	17,837	—	+ 17,837
Chefoo	355,801	—	+ 355,801	394,321	—	+ 394,321	291,289	28,725	+ 262,564
Weihaiwei	3,722	—	+ 3,722	6,670	—	+ 6,670	23,840	17	+ 23,823
Tsingtao	1,548,787	—	+ 1,548,787	1,589,808	152	+ 1,589,656	1,431,307	6,303	+ 1,425,004
Chungking	983	1,677,565	— 1,676,582	1,774	2,306,546	— 2,304,772	15,956	1,962,649	— 1,946,693
Wanhsien	13,202	5,417	+ 7,785	14,621	11,069	+ 3,552	9,416	—	+ 9,416
Ichang	1,339,268	—	+ 1,339,268	2,028,333	399	+ 2,027,934	1,829,845	164,603	+ 1,665,242
Shasi	10,972	270	+ 10,702	19,811	—	+ 19,811	44,543	—	+ 44,543
Changsha	450,087	448	+ 449,639	417,371	—	+ 417,371	610,498	—	+ 610,498
Yochow	37,141	—	+ 37,141	8,286	14	+ 8,272	34,454	—	+ 34,454
Hankow	2,047,069	—	+ 2,047,069	2,747,533	166	+ 2,747,367	4,022,889	63,813	+ 3,959,076
Kiukiang	477,102	—	+ 477,102	562,886	—	+ 562,886	669,683	20	+ 669,663
Wuhu	433,602	—	+ 433,602	611,199	—	+ 611,199	755,236	13,865	+ 741,371
Nanking	132,905	—	+ 132,905	401,868	—	+ 401,868	312,149	—	+ 312,149
Chinkiang	540,390	509	+ 539,881	899,726	395	+ 899,331	1,413,410	1,155	+ 1,412,255
Shanghai	3,802,542	558,066	+ 3,244,476	8,636,349	452,511	+ 8,183,838	17,145,470	7,228,401	+ 9,917,069
Soochow	71,314	—	+ 71,314	373,894	—	+ 373,894	1,535,359	—	+ 1,535,359
Hangchow	53,313	—	+ 53,313	572,638	—	+ 572,638	1,222,175	6,468	+ 1,215,707
Ningpo	1,154,523	—	+ 1,154,523	1,087,139	248	+ 1,086,891	1,537,187	31,778	+ 1,505,409
Wenchow	98,551	2,210	+ 96,341	113,287	7,357	+ 105,930	30,195	4,141	+ 26,054
Santuao	5,436	19,915	— 14,479	1,351	758	+ 593	3,798	455	+ 3,343
Foochow	148,015	189	+ 147,826	87,102	12,134	+ 74,968	99,313	3,862	+ 95,451
Amoy	7,587	394,297	— 386,710	3,606	340,569	— 336,963	14,007	630,873	— 616,866
Swatow	1,099,381	8,274,314	— 7,174,933	645,606	13,841,834	— 13,196,228	972,200	16,315,941	— 15,343,741
Canton	6,816	2,500,650	— 2,493,834	13,521	5,342,446	— 5,328,925	411,954	10,068,240	— 9,656,286
Kongmoon	143,043	2,560	+ 140,483	179,970	—	+ 179,970	74,646	—	+ 74,646
Luichow	—	—	—	—	—	—	—	173,718	— 173,718
Wuchow	1,264	287,008	— 285,744	—	146,574	— 146,574	45,595	116,448	— 70,853
Nanning	—	105,842	— 105,842	—	25,853	— 25,853	—	89,437	— 89,437
Kiungchow	80,862	774,074	— 693,212	44,508	691,192	— 646,684	30,708	965,453	— 934,745
Pakhoi	23,000	1,361,368	— 1,338,368	507	553,623	— 553,116	13,680	268,303	— 254,623
Mengtsz	—	—	—	794	—	+ 794	2,732	—	+ 2,732
TOTAL	16,795,043	15,964,706	+ 830,337	24,024,442	23,733,840	+ 290,602	37,300,044	38,168,729	— 868,685

TABLE 10. STATISTICS OF RAW COTTON MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–36

Ports	1934			1935			1936		
	Imports	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*
	$	$	$	$	$	$	$	$	$
Tientsin	834,831	12,449,341	— 11,614,510	72,459	7,632,745	— 7,560,286	63,651	12,236,293	— 12,172,642
Lungkow	2,492	—	+ 2,492	—	—	—	—	—	—
Chefoo	64,902	—	+ 64,902	74,463	—	+ 74,463	129,078	—	+ 129,078
Weihaiwei	95,253	—	+ 95,253	128,971	—	+ 128,971	107,023	—	+ 107,023
Kiaochow	3,482,299	721,300	+ 2,760,999	4,787,216	647,098	+ 4,140,118	3,315,194	2,500,413	+ 814,781
Chungking	82,390	—	+ 82,390	58,778	—	+ 58,778	2	—	+ 2
Wanhsien	55,546	—	+ 55,546	6,242	—	+ 6,242	—	—	—
Ichang	1,859	1,016,699	— 1,018,558	—	330,619	— 330,619	—	718,817	— 718,817
Shasi	29,964	11,985,288	— 11,955,324	—	5,933,247	— 5,933,247	20,651	9,715,043	— 9,694,392
Changsha	—	232	— 232	—	—	—	1,490	—	— 1,490
Yochow	—	211,619	— 211,619	—	19,967	— 19,967	—	110,569	— 110,569
Hankow	114,921	26,373,423	— 26,258,502	211,549	19,397,589	— 19,609,138	425,332	36,899,631	— 36,474,299
Kiukiang	221,078	272,968	— 51,890	245,309	747,337	— 502,028	10,743	348,606	— 337,863
Wuhu	1,025	—	+ 1,025	33,006	47,718	— 14,712	262,020	7,199	+ 254,821
Chinkiang	—	—	—	—	—	—	14,218	152	+ 14,066
Shanghai	51,519,173	1,418,302	+ 50,100,871	33,291,977	2,938,552	+ 30,353,425	58,169,465	2,352,373	+ 55,817,092
Hangchow	—	—	—	—	62	— 62	—	—	—
Ningpo	183,976	5,713,749	— 5,529,773	35,800	1,218,164	— 1,182,364	8,123	534,170	— 526,047
Wenchow	122,811	2,252	+ 120,559	27,250	1,413	+ 25,837	850	—	+ 850
Santuao	5,066	—	+ 5,066	3,904	—	+ 3,904	2,159	—	+ 2,159
Foochow	18,029	—	+ 18,029	10,232	—	+ 10,232	14,059	2,145	+ 11,914
Amoy	71,633	—	+ 71,633	73,548	—	+ 73,548	35,525	225	+ 35,300
Swatow	346,381	—	+ 346,381	269,886	—	+ 269,886	263,889	1,638	+ 262,251
Canton	762,926	—	+ 762,926	828,725	—	+ 828,725	1,597,390	5,535	+ 1,591,855
Kongmoon	—	—	—	—	2	— 2	—	—	—
Wuchow	38,181	—	+ 38,181	24,330	—	+ 24,330	22,302	702	+ 21,600
Nanning	234	—	+ 234	702	—	+ 702	702	159	+ 543
Kiungchow	65,449	—	+ 65,449	48,792	—	+ 48,792	37,249	—	+ 37,249
Pakhoi	112,897	—	+ 112,897	61,848	—	+ 61,848	42,664	—	+ 42,664
Luichow	—	—	—	—	—	—	234	—	+ 234
Mengtsz	—	—	—	38,157	—	+ 38,157	11,907	—	+ 11,907
TOTAL	58,229,598	60,165,173	— 1,935,575	39,910,046	38,914,513	+ 995,533	64,555,920	65,433,670	— 877,750

two parts, it follows that the area of rice cultivation is limited and the crop small. In total, according to the estimates of the Central Agriculture Laboratory, the area of rice cultivation throughout the country covers about 25,000,000 Shi-mows and the crop amounts to more than 878,000,000 Shi-piculs. Yet, as rice is the principal food of the people, it is always first reserved to supply local demand. Even when there is a surplus, it is not transported to other provinces until it has been stored for a time and there is proof that there is no local need for it. Therefore the volume and value of the domestic circulation of rice are both somewhat small. Rice is not very important in internal trade as is shown by its interport movements in Table 11 (see p. 633).

3. *Tea.*—Although tea is a common beverage in daily life and a necessity in social intercourse, its market has been greatly restricted by the economic depression prevailing at home and abroad. Just as exports in external trade have been sharply reduced in recent years, the internal trade of tea has also declined, largely due to the collapse of rural economy. Farmers struggle hard without getting enough food, and tea has for long been considered a luxury in their lives of bare subsistence. Conditions became a little better only in 1936. The figures of interport movements of tea are shown in Table 12 (see p. 634).

4. *Groundnuts.*—Formerly it was the four northeastern provinces which were richest in the production of groundnuts but this trade has declined abruptly since the Japanese occupation of that region. Furthermore both the foreign and the internal trade of China Proper have been greatly disturbed by the competition of northeastern products, especially in 1936, when Shantung was robbed entirely of its foreign trade in peanut seed by exports from Dairen. Also the price of the commodity in domestic trade has been repeatedly lowered by competition, causing severe losses to the farmers. The general trend of groundnuts during the last three years is shown in Table 13 (see page 635).

5. *Leaf Tobacco.*—Formerly, during the infancy of China's rolled tobacco industry, production of tobacco leaves was very small, so that foreign supply was indispensable. Ever since the success of the experimental cultivation started in Hsuchang (許昌), and Kiaochow (膠州), respectively by the British American Tobacco Company (British capital) and the Chinese Nanyang Brothers Tobacco Company, the area of tobacco plantations in China has kept expanding. Leaf tobacco is now grow in 21 provinces. According to estimates of the Central Agriculture Laboratory, the area of tobacco cultivation covers more than 8,000,000 Shi-mows and the total crop amounts to 12,000,000 Shi-piculs. Szechwan Province ranks first in production, with Kweichow, Honan and Shantung following. Except for a small portion which is used to make wet tobacco and dry tobacco, these tobacco leaves are mostly transported to Shanghai. The interport movements of leaf tobacco during the past three years are shown in Table 14 (see page 636).

6. *Coal.*—China is fairly rich in coal. According to reports published by the China Geological Institute, the result of detailed surveys conducted in 21 provinces and including the temporary estimates for two other prov-

inces, the volume of coal deposits in China Proper amounts to 239,059,000,000 tons, of which anthracite yields 45,916,000,000 tons, bituminous 183,817,000,000 tons and lignite, or brown coal, 2,826,000,000 tons, and pure estimates 6,500,000,000 tons. But though coal deposits are quite rich, we still do not know how to exploit it. The total output of China amounts to only 20 million tons per annum, mostly dug by primitive methods. Modern coal mines undertaken by our countrymen are very few. Here we show provincial distribution of coal production in the year of 1934 in the following table. (unit: 1,000 tons)

Province	*Bituminous*	*Anthracite*	*Lignite*	*Estimates*	*Total*
Hopei	6,353	1,387	—	—	7,740
Shansi	1,532	1,168	—	—	2,700
Shantung	3,504	—	—	—	3,504
Honan	966	1,165	—	—	2,131
Hunan..	306	583	—	—	889
Szechwan	638	—	—	—	638
Kiangsi	292	40	—	—	332
Anhwei	506	128	—	—	634
Hupeh	42	416	—	—	458
Shensi	204	—	—	—	204
Kwangtung	57	281	—	—	338
Chekiang	250	—	—	—	250
Yunnan	70	25	20	—	115
Kweichow	41	33	—	—	74
Kiangsu	267	—	—	—	267
Chahar	132	70	—	—	202
Ninghsia	11	4	—	—	15
Kansu	100	—	—	—	100
Suiyuan	30	10	18	—	58
Kwangsi	—	—	—	100	100
Fukien	—	—	—	50	50
Sinkiang	—	—	—	100	100
TOTAL	15,301	5,310	38	250	20,899

Coal is the principal fuel for industry. The major part of coal production in each place is consumed locally. As a result, figures in Customs records are rather small. They are shown in Table 15 (see page 637),

TABLE 11. STATISTICS OF RICE AND PADDY MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–1936

Ports	1934			1935			1936		
	Imports	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*
	$	$	$	$	$	$	$	$	$
Chinwangtao	132,922	—	+ 132,922	154,525	—	+ 154,525	232,856	—	+ 232,856
Tientsin	5,321,400	60,698	+ 5,260,702	6,739,184	10	+ 6,739,174	12,027,411	6,137	+ 12,021,274
Lungkow	208,417	—	+ 208,417	350,761	1,080	+ 349,681	460,713	—	+ 460,713
Chefoo	913,781	21,131	+ 892,650	1,414,005	22,997	+ 1,391,008	1,639,605	2,983	+ 1,636,622
Weihaiwei	475,070	1,914	+ 473,156	902,534	3,011	+ 899,523	957,427	3,230	+ 954,197
Kiaochow	1,002,535	7,059	+ 995,476	1,322,439	293	+ 1,322,146	2,863,951	3,619	+ 2,860,332
Chungking	39,945	127,614	— 87,669	—	287,561	— 287,561	172,777	97,851	+ 74,926
Wanhsien	86,067	—	+ 86,067	—	14,159	— 14,159	51,974	1,520	+ 50,454
Ichang	56,824	134,298	— 77,474	101,362	64,732	+ 36,630	137,236	57,068	+ 80,168
Shasi	27	2,563,012	— 2,562,985	61,926	1,329,814	— 1,267,888	51,682	1,674,704	— 1,623,022
Changsha	230	4,670,511	— 4,670,281	21,015	1,688,755	— 1,667,740	9,986	7,307,263	— 7,297,277
Yochow	58	16,755	— 16,697	133	9,972	— 9,839	203	26,107	— 25,904
Hankow	518,651	3,512,081	— 2,993,430	3,431,547	1,101,996	+ 2,329,551	4,183,628	4,219,828	— 36,200
Kiukiang	1,259,047	493,089	+ 765,958	2,929,474	3,273,860	— 344,386	75,307	18,441,897	— 18,366,590
Wuhu	8,583	8,834,273	— 8,825,690	377,151	6,404,557	— 6,027,406	43,490	14,475,304	— 14,431,814
Nanking	3,762	364,359	— 360,597	728,856	149,631	+ 579,225	567,765	52,684	+ 515,081
Chinkiang	7,475	191,021	— 183,546	292,039	186,981	+ 105,058	3,872	365,057	— 361,185
Shanghai	10,653,576	14,841,759	— 4,188,183	8,305,643	16,771,455	— 8,465,812	22,245,271	18,440,102	+ 3,805,169
Hangchow	—	—	—	36,163	—	+ 36,163	—	—	—
Ningpo	1,924,488	—	+ 1,924,488	1,583,443	1,423,821	+ 159,622	795,603	386,552	+ 409,051
Wenchow	190,948	16,717	+ 174,231	15	34,594	— 34,579	1,800	53,228	— 51,428
Santuao	31,304	5,548	+ 25,756	1,000	8,209	— 7,209	—	39,475	— 39,475
Foochow	3,066,548	37,471	+ 3,029,077	121,308	75,207	+ 46,101	228,905	420,541	— 191,636
Amoy	940,668	777,865	+ 162,803	107,751	305,273	— 197,522	1,132,772	120,346	+ 1,012,426
Swatow	7,158,909	—	+ 7,158,909	4,001,141	—	+ 4,001,141	12,159,442	7,068	+ 12,152,374
Canton	543,036	180,263	+ 362,773	248,089	2,906,579	— 2,658,490	8,686,205	4,040,668	+ 4,645,537
Wuchow	—	7,305	— 7,305	—	214,364	— 214,364	11,655	379,059	— 367,404
Kiungchow	22,230	—	+ 22,230	5,437	69,303	— 63,866	3,617	19,506	— 15,889
Pakhoi	—	117,918	— 117,918	16	4,422	— 4,406	2,625	4,268	— 1,643
Nanning	—	—	—	—	—	—	—	6,265	— 6,265
TOTAL	34,566,501	36,982,661	— 2,416,160	33,236,957	36,352,636	— 3,115,679	68,747,778	70,652,330	— 1,904,552

TABLE 12. STATISTICS OF TEA MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–1936

Ports	1934			1935			1936		
	Imports	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*
	$	$	$	$	$	$	$	$	$
Chinwangtao	34,552	—	+ 34,552	9,152	—	+ 9,152	13,284	—	+ 13,284
Tientsin	5,448,329	1,114	+ 5,447,215	4,094,865	184	+ 4,094,681	5,556,323	87,238	+ 5,469,085
Lungkow	9,858	1,921	+ 7,937	21,518	148	+ 21,370	18,508	—	+ 18,508
Chefoo	363,209	1,378	+ 361,831	315,448	1,873	+ 313,575	422,603	4,839	+ 417,764
Weihaiwei	434	—	+ 434	619	—	+ 619	1,277	—	+ 1,277
Kiaochow	1,159,344	3,244	+ 1,156,100	1,064,298	154	+ 1,064,144	1,053,313	16,207	+ 1,037,106
Chungking	4,710	3,412	+ 1,298	5,736	311	+ 5,425	8,424	9,763	— 1,339
Wanhsien	2,029	—	+ 2,029	542	—	+ 542	150	—	+ 159
Ichang	283	43,600	— 43,317	230	192,193	— 191,963	66	195,060	— 194,994
Shasi	1,730	73	+ 1,657	2,227	—	+ 2,227	2,484	583	+ 1,901
Changsha	—	108	— 108	251	16,167	— 15,916	161	36,148	— 35,987
Yochow	15	376,516	— 376,501	78	153,322	— 153,244	—	154,047	— 154,047
Hankow	573,594	10,015,058	— 9,441,464	282,103	5,087,429	— 4,805,326	422,067	5,201,420	— 4,779,353
Kiukiang	25,781	5,066,041	— 5,040,260	49,736	3,442,272	— 3,392,536	38,605	887,653	— 849,048
Wuhu	36	32,845	— 32,809	492	45,543	— 45,051	—	299,176	— 299,176
Nanking	15,216	—	+ 15,216	21,383	1,445	+ 19,938	19,356	306	+ 19,050
Chinkiang	48,868	1,058	+ 47,810	50,651	446	+ 50,205	30,257	307	+ 29,950
Shanghai	32,119,717	2,913,074	+ 29,206,643	23,089,148	2,299,871	+ 20,789,277	25,298,068	2,728,752	+ 22,569,316
Soochow	—	175,004	— 175,004	235	126,914	— 126,679	—	140,651	— 140,651
Hangchow	827	11,677,530	— 11,676,703	1,506	10,009,915	— 10,008,409	165	11,403,267	— 11,403,102
Ningpo	—	6,447,712	— 6,447,712	2,430	5,234,349	— 5,231,919	233	6,311,042	— 6,310,809
Wenchow	38	813,440	— 813,402	—	287,467	— 287,467	—	289,369	— 289,369
Santuao	138	4,861,530	— 4,861,392	2,500	2,604,737	— 2,602,237	—	4,641,842	— 4,641,842
Foochow	6,643,881	7,383,029	— 739,148	4,046,966	5,979,783	— 1,932,817	6,328,858	7,973,501	— 1,644,643
Amoy	155,577	105,123	+ 50,454	160,302	145,380	+ 14,922	146,012	139,818	+ 6,194
Swatow	401,616	1,954	+ 399,662	535,990	3,778	+ 532,212	517,099	8,177	+ 508,922
Canton	1,173,799	11,503	+ 1,162,296	1,271,327	6,182	+ 1,265,145	1,001,218	16,723	+ 984,495
Lappa	160	—	+ 160	1,999	—	+ 1,999	—	—	—
Kongmoon	2,284	—	+ 2,284	3,897	—	+ 3,897	1,572	—	+ 1,572
Wuchow	34	—	+ 34	540	—	+ 540	600	600	—
Nanning	870	—	+ 870	—	—	—	854	—	+ 854
Kiungchow	13,035	—	+ 13,035	12,096	—	+ 12,096	11,238	—	+ 11,238
Pakhoi	2,700	—	+ 2,700	1,735	—	+ 1,735	1,890	—	+ 1,890
Mengtsz	273	116,964	— 116,691	4	106,774	— 106,770	1,208	74,234	— 73,026
Szemas	—	25,221	— 25,221	—	57,668	— 57,668	—	31,916	— 31,916
Tengyueh	3	—	+ 3	—	—	—	—	—	—
TOTAL	48,202,940	50,078,452	— 1,875,512	35,050,004	35,804,305	— 754,301	40,895,893	40,652,639	+ 243,254

NOTES :—(1) Figures including : Congou and other kinds of black tea ; black and green tea brick ; gunpower, hyson, young hyson and other kinds of green tea ; unfired tea leaf ; and all other kinds of tea.

TABLE 13. STATISTICS OF GROUNDNUT MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–1936

Ports	1934			1935			1936		
	Imports	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*
	$	$	$	$	$	$	$	$	$
Chinwangtao	—	58,663	— 58,663	—	50,110	— 50,110	—	29,902	— 29,902
Tientsin	—	4,152,852	— 4,152,852	—	5,976,304	— 5,976,304	7	6,930,029	— 6,930,022
Lungkow	—	—	—	—	—	—	—	904	— 904
Chefoo	10,326	1,359,282	— 1,348,956	44,014	1,178,029	— 1,134,015	3,767	1,299,491	— 1,295,724
Weihaiwei	—	984,133	— 984,133	—	1,338,643	— 1,338,643	2,696	2,329,829	— 2,327,133
Kiaochow	14,898	12,807,432	— 12,792,534	14,066	13,253,082	— 13,239,016	23,333	13,005,875	— 12,982,542
Chungking	1,694	—	+ 1,694	58	—	+ 58	—	—	—
Wanhsien	4,016	—	+ 4,016	2,271	—	+ 2,271	714	—	+ 714
Ichang	—	1,789	— 1,789	—	317	— 317	—	—	—
Shasi	—	237	— 237	—	170	— 170	—	—	—
Yochow	33	—	+ 33	124	—	+ 124	—	—	—
Hankow	45	5,662	— 5,617	30	109,393	— 109,363	209	52,231	— 52,022
Kiukiang	7,718	65	+ 7,653	1,120	57	+ 1,063	1,440	119	+ 1,321
Wuhu	405	175,546	— 175,141	—	12,811	— 12,811	—	30,094	— 30,094
Nanking	—	163,485	— 163,485	—	498	— 498	—	124	— 124
Chinkiang	—	1,474	— 1,474	—	18	— 18	1	—	+ 1
Shanghai	464,994	3,451,355	— 2,986,361	1,374,774	4,060,228	— 2,685,454	2,017,862	2,042,794	— 24,932
Soochow	40	—	+ 40	—	—	—	405	—	+ 405
Hangchow	8,063	—	+ 8,063	4,575	—	+ 4,575	7,930	—	+ 7,930
Ningpo	131,255	—	+ 131,255	82,217	—	+ 82,217	50,678	—	+ 50,678
Wenchow	53,474	108	+ 53,366	35,753	—	+ 35,753	22,842	—	+ 22,842
Santuao	37,769	—	+ 37,769	19,909	—	+ 19,909	8,520	—	+ 8,520
Foochow	406,014	50	+ 405,964	371,559	—	+ 371,559	316,846	7,870	+ 308,976
Amoy	416,466	—	+ 416,466	217,681	17,156	+ 200,525	144,895	15,226	+ 129,669
Swatow	2,515,696	—	+ 2,515,696	2,396,942	—	+ 2,396,942	2,223,946	—	+ 2,223,946
Canton	16,361,242	33	+ 16,361,209	22,164,600	956	+ 22,163,644	19,525,526	3,849	+ 19,521,677
Kongmoon	537,413	—	+ 537,413	294,581	—	+ 294,581	451,172	—	+ 451,172
Wuchow	86,269	—	+ 86,269	68,819	—	+ 68,819	47,560	—	+ 47,650
Nanning	433	—	+ 433	—	—	—	—	—	—
Kiungchow	4,419	—	+ 4,419	1,195	—	+ 1,195	2,708	—	+ 2,708
Pakhoi	—	—	—	11,241	—	+ 11,241	84	—	+ 84
Mengtsz	284	—	+ 284	—	—	—	—	—	—
TOTAL	21,062,966	23,162,166	— 2,099,200	27,105,529	25,997,772	+ 1,107,757	24,853,141	25,748,337	— 895,196

TABLE 14. STATISTICS OF LEAF TOBACCO MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–1936

Ports	1934			1935			1936		
	Imports	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*
	$	$	$	$	$	$	$	$	$
Tientsin	1,302,475	5,454	+ 1,297,021	1,515,661	9,542	+ 1,506,119	1,900,975	534	+ 1,900,441
Chefoo	619	—	+ 619	751	—	+ 751	1,240	—	+ 1,240
Weihaiwei	340	—	+ 340	1,324	—	+ 1,324	—	—	—
Kiaochow	1,143	6,958,143	— 6,957,000	743	9,185,256	— 9,184,513	28,559	9,127,734	— 9,099,175
Chungking	—	1,675,438	— 1,675,438	—	1,541,277	— 1,541,277	—	1,335,858	— 1,335,858
Wanhsien	509,334	1,753	+ 507,581	426,794	—	+ 426,794	1,333	—	+ 1,333
Ichang	1,078,658	—	+ 1,078,658	1,074,243	—	+ 1,074,243	1,370,967	989	+ 1,369,978
Shasi	39,669	1,262	+ 38,407	—	225	— 225	3,387	—	+ 3.387
Changsha	241,495	110	+ 241,385	189,227	—	+ 189,227	284,501	—	+ 284,501
Yochow	—	—	—	—	—	—	960	—	+ 960
Hankow	1,075,291	12,664,779	— 11,589,488	2,836,610	11,849,726	— 9,013,116	3,121,147	14,474,847	— 11,353,700
Kiukiang	18,448	587,293	— 568,845	3,551	563,009	— 559,458	2,303	646,984	— 644,681
Wuhu	78,011	3,928	+ 74,083	98,530	3,045	+ 95,485	68,762	2,184	+ 66,578
Nanking	4,963	577,217	— 572,254	4,171	1,298,836	— 1,294,665	2,423	2,318,708	— 2,316,285
Chinkiang	299,414	172	+ 299,242	259,968	2,366	+ 257,602	330,637	—	+ 330,637
Shanghai	17,759,533	492,154	+ 17,267,379	18,822,912	1,588,108	+ 17,234,804	21,755,404	2,124,481	+ 19,630,923
Hangchow	675	462	+ 213	—	—	—	—	—	—
Ningpo	248,341	124,281	+ 124,060	215,015	143,903	+ 71,112	20,599	91,266	— 70,667
Wenchow	16,357	147,056	— 130,699	21,928	233,279	— 211,351	31,055	155,496	— 124,441
Santuao	540	5,159	— 4,619	—	2,200	— 2,200	281	3,300	— 3,019
Foochow	9,154	—	+ 9,154	3,500	—	+ 3,500	11,177	267	+ 10,910
Amoy	162,596	207	+ 162,389	172,200	240	+ 171,960	269,533	1,473	+ 268,060
Swatow	563,545	—	+ 563,545	719,981	—	+ 719,981	545,240	5,964	+ 539,276
Canton	19,789	82,298	— 62,509	163,693	22,363	+ 141,330	7,392	12,873	— 5,481
Samshui	—	850	— 850	—	333	— 333	—	—	—
Wuchow	—	—	—	3,276	360	+ 2,916	450	—	+ 450
Nanning	—	4,870	— 4,870	—	—	—	—	450	— 450
Kiungchow	—	—	—	1,775	—	+ 1,775	120	—	+ 120
Pakhoi	175	2,961	— 2,786	26	3,471	— 3,445	—	2,208	— 2,208
Mengtsz	2,663	—	+ 2,663	2,785	—	+ 2,785	1,201,912	—	+ 1,201,912
Tengyueh	—	—	—	—	—	—	257	—	+ 257
TOTAL	23,433,228	23,335,847	+ 97,381	26,538,664	26,447,539	+ 91,125	30,960,614	30,305,616	+ 654,998

TABLE 15. STATISTICS OF COAL MOVEMENT IN PRINCIPAL PORTS OF CHINA, 1934–1936

Ports	1934			1935			1936		
	Imports	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*	*Imports*	*Exports*	*Excess of Imp. (+) or Exp. (—)*
	$	$	$	$	$	$	$	$	$
Chinwangtao	8,633	15,012,859	— 15,004,226	3,747	13,413,947	— 13,410,200	—	10,346,654	— 10,346,654
Tientsin	20	3,900,562	— 3,900,542	—	4,065,596	— 4,065,596	—	4,298,697	— 4,298,697
Lungkow	116,471	2,396	+ 114,075	157,738	108	+ 157,630	234,488	4,471	+ 230,017
Chefoo	647,736	1,655	+ 646,081	676,316	—	+ 676,316	985,447	6,594	+ 978,853
Weihaiwei	48,419	—	+ 48,419	73,481	—	+ 73,481	87,696	14	+ 87,682
Kiaochow	—	6,845,168	— 6,845,168	40,047	8,110,832	— 8,070,785	30,588	10,174,830	— 10,144,242
Chungking	—	362,988	— 362,988	50	478,529	— 478,479	—	579,359	— 579,359
Wanhsien	835	—	+ 835	—	—	—	—	—	—
Ichang	43,609	92,813	— 49,204	41,977	78,928	— 36,951	63,495	97,011	— 33,516
Shasi	3,909	—	+ 3,909	4,438	700	+ 3,738	5,864	715	+ 5,149
Changsha	4,996	24,231	— 19,235	4,423	240	+ 4,183	1,939	574	+ 1,365
Yochow	1,580	300	+ 1,280	2,408	—	+ 2,408	6,460	—	+ 6,460
Hankow	899,615	988,228	— 88,613	1,282,055	2,624,758	— 1,342,703	1,109,900	2,947,027	— 1,837,127
Kiukiang	105,123	396,331	— 291,208	12,923	576,092	— 563,169	167,912	234,100	— 66,188
Wuhu	169,354	88,930	+ 80,424	119,278	107,169	+ 12,109	129,796	2,194,707	— 2,064,911
Nanking	647,093	7,521,896	— 6,874,803	545,689	8,447,548	— 7,901,859	1,135,452	7,822,191	— 6,686,739
Chinkiang	781,002	446,772	+ 334,230	547,989	—	+ 547,989	725,726	—	+ 725,726
Shanghai	21,901,827	20,831	+ 21,880,996	26,886,043	47,635	+ 26,838,408	25,782,859	2,747,879	+ 23,034,980
Soochow	220	—	+ 220	185	—	+ 185	24,531	—	+ 24,531
Hangchow	—	—	—	—	—	—	178	—	+ 178
Ningpo	372,346	—	+ 372,346	395,926	34	+ 395,892	382,972	60	+ 382,912
Wenchow	25,881	11,146	+ 14,735	24,858	11,277	+ 13,581	14,053	15,507	— 1,454
Foochow	261,120	—	+ 261,120	178,962	—	+ 178,962	226,910	1,344	+ 225,566
Amoy	304,909	—	+ 304,909	374,470	—	+ 374,470	348,688	2	+ 348,686
Swatow	467,945	—	+ 467,945	445,765	—	+ 445,765	473,419	10,915	+ 462,504
Canton	2,028,040	35,633	+ 1,992,407	2,441,356	36,459	+ 2,404,897	2,961,022	139,645	+ 2,821,377
Pakhoi	—	13	— 13	—	—	—	—	—	—
TOTAL	28,840,683	35,752,752	— 6,912,069	34,260,124	37,999,852	— 3,739,728	34,899,395	41,622,296	— 6,722,901

APPENDIX I

DAILY INDEX OF STAPLE COMMODITIES PRICES IN CHINA

Quotations / Localities / Period	11	11	11	11	12
	Shanghai	*Hankow*	*Canton*	*Tientsin*	*General Index*
1934					
Oct.	101.12	99.88	99.02	99.88	100.06
Nov.	101.30	98.06	97.94	100.69	99.68
Dec.	105.91	99.74	100.03	101.74	101.64
1935					
Jan.	107.23	100.65	103.12	102.65	103.23
Feb.	106.93	101.19	105.50	104.21	103.92
Mar.	104.66	105.77	104.10	102.61	103.78
Apr.	105.05	106.74	104.26	104.60	104.54
May	106.78	104.26	99.96	107.51	104.22
June	103.56	100.45	98.20	106.43	102.34
July	103.22	98.79	96.33	106.47	101.96
Aug.	106.09	99.30	89.31	110.88	105.40
Sept.	108.05	101.14	100.23	110.92	107.47
Oct.	111.96	107.45	104.17	114.23	112.31
Nov.	116.99	117.26	120.68	119.21	118.76
Dec.	114.99	109.54	123.80	120.93	119.55
1936					
Jan.	114.28	107.07	124.85	122.01	120.13
Feb.	115.61	108.31	126.27	104.89	122.35
Mar.	116.95	113.42	139.04	128.96	129.24
Apr.	118.31	114.93	144.25	132.45	132.78
May	117.61	115.85	146.23	128.27	130.36
June	123.24	113.35	156.48	128.28	134.46
July	124.58	113.70	161.26	131.32	137.41
Aug.	121.30	111.24	154.93	129.95	134.79
Sept.	119.37	109.15	153.02	127.64	133.09
Oct.	119.55	111.73	155.00	126.99	133.78
Nov.	122.44	115.99	154.80	132.42	138.45
Dec.	130.23	123.35	160.02	142.77	147.83
1937					
Jan.	131.73	124.38	166.54	146.04	152.09
Feb.	133.81	128.29	169.07	146.55	154.00

NOTES :—1. Source: Compiled by the Directorate of Statistics, National Government.
2. Base Period: Oct. 14, 1934 = 100.
3. Method of Computation: Simple geometric average.

APPENDIX II

INDEX NUMBER OF WHOLESALE PRICES IN CHINA

A. Shanghai

Commodities / Quotations / Period	*Cereals*	*Other Food Products and Provisions*	*Textile Fibers and Manufactures Thereof*	*Metals*	*Fuel and Lighting*	*Building Materials*	*Chemicals and Preparations Thereof*	*Miscellaneous*	*All Commodities*
	*22**	*30**	*38**	*12**	*13**	*11**	*9**	*18**	*153**
				(1926	=100)				
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	100.6	108.1	100.9	109.1	112.7	105.4	102.6	102.1	104.4
1928	89.6	108.7	102.1	102.9	104.0	103.0	101.2	102.0	101.7
1929	97.2	109.5	101.9	111.0	104.1	108.1	105.8	104.2	104.5
1930	110.3	120.3	105.6	136.2	117.1	118.2	120.1	111.4	114.8
1931	94.4	138.3	118.8	154.2	148.5	135.4	150.7	122.1	126.7
1932	81.7	131.1	98.4	130.1	132.8	124.4	151.6	109.1	112.4
1933	69.6	123.2	89.9	132.9	119.1	113.1	153.4	100.7	103.8
1934	69.1	111.1	82.2	123.8	122.1	106.9	139.2	93.1	97.1
1935	80.0	111.5	78.9	114.1	119.7	99.2	133.2	90.9	96.4
1936	92.9	124.5	90.5	130.9	130.9	111.2	137.6	101.9	108.5
1937									
Jan.	108.7	132.9	103.0	172.4	143.1	123.1	135.5	113.4	121.6
Feb.	109.3	133.8	103.1	184.7	140.4	121.8	137.0	117.6	122.9
Mar.	108.0	132.2	102.5	193.2	138.1	124.0	138.6	119.6	123.0
Apr.	105.8	133.0	103.4	202.4	137.4	129.4	138.6	120.5	123.9
				(Oct.,	1935 =	100)†			
1926	126.42	91.32	132.28	85.25	87.11	106.95	78.55	110.01	106.27
1927	127.18	98.72	133.47	93.01	98.17	112.73	80.60	112.32	110.95
1928	113.27	99.27	135.05	87.72	90.59	110.16	79.50	112.21	108.08
1929	122.88	100.00	134.79	94.63	90.68	115.61	83.11	114.63	111.05
1930	139.44	109.86	139.68	116.11	102.00	126.42	94.34	122.55	122.00
1931	119.34	126.30	157.14	131.46	129.36	144.81	118.38	134.32	134.64
1932	103.29	119.73	130.16	110.91	115.68	133.05	119.09	120.02	119.45
1933	87.99	112.51	118.92	113.30	103.75	120.96	120.50	110.78	110.31
1934	87.36	101.46	108.73	105.54	106.36	114.33	109.35	102.42	103.19
1935	101.14	101.83	104.36	97.27	104.27	106.10	104.63	100.00	102.44
1936	117.45	113.70	119.71	111.59	114.02	118.93	108.09	112.10	115.30
1937									
Jan.	137.42	121.37	136.24	146.97	124.65	131.66	106.44	124.75	129.22
Feb.	138.18	122.19	136.38	157.46	122.30	130.27	107.62	129.37	130.61
Mar.	136.54	120.73	135.58	164.71	120.30	132.62	108.88	131.57	130.71
Apr.	133.75	121.46	136.77	172.55	119.69	138.40	108.88	132.56	131.67

NOTES :—1. Source: Compiled by the National Tariff Commissions.
2. Method of Computation: simple geometric Average.
3. * The quotations for Bichs de Mar which was originally included in the group index for " Other Food Products and Provisions " has, since Jan., 1932, been iliminated from the list, thus reducing this index to 30 items and the general index to 154. The quotation for potassium chlorate in the group index for " Chemicals and Preparations Thereof " has, since July, 1936, also been eliminated. The index is thereby reduced to 9 items and the general index to 153.
4. † Indices based on October, 1935 are calculated by the China Economic Research Institute.

B. Nanking

Commodities / Quotations / Period	Food	Clothing	Fuel and Light	Metals and Electrical Supplies	Building Materials	Miscellaneous	General Index
	35*	14*	10*	14*	10*	8*	92*
				(1930 = 100)			
1930	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1931	99.0	109.6	112.9	115.1	105.3	112.4	106.1
1932	93.0	102.5	104.8	100.3	118.2	115.7	100.8
1933	85.9	83.3	95.7	92.6	112.9	114.3	92.1
1934	77.2	74.0	89.1	73.4	98.0	96.7	80.6
1935	85.6	67.4	85.6	64.9	89.4	93.8	80.3
1936	91.1	72.8	91.4	66.7	92.1	95.4	84.8
1937							
Jan.	104.7	87.8	101.9	75.2	103.0	101.0	96.1
Feb.	104.9	88.6	100.9	76.5	104.7	103.3	96.8
Mar.	103.5	88.2	100.5	78.3	104.4	102.8	96.5
Apr.							
				(Oct., 1935 = 100)†			
1930	119.19	153.61	122.70	161.55	122.70	104.28	128.04
1931	118.00	168.36	138.53	185.95	129.20	117.21	135.85
1932	110.85	157.45	128.59	162.04	145.03	120.65	129.07
1933	102.38	127.96	117.42	149.60	138.53	119.19	117.93
1934	92.01	113.67	109.33	118.58	120.25	100.83	103.20
1935	102.03	103.53	105.03	104.85	109.69	97.81	102.82
1936	108.58	111.83	112.15	107.75	113.01	99.48	108.58
1937							
Jan.	124.79	134.87	125.03	121.49	126.38	105.32	123.05
Feb.	125.03	136.10	123.80	123.59	128.47	107.72	123.94
Mar.	123.36	135.48	123.31	126.49	128.10	107.19	123.56
Apr.	—	—	—	—	—	—	—

NOTES :—1. Source : Compiled by the Ministry of Industry.
2. Method of Computation : Simple geometric average.
3. * The quotations included in the indices prior to September, 1935, consist of the following ; Food, 43 ; Clothing, 16 ; Fuel and Light, 10 ; Metals and Electric Supplies, 17 ; Building Materials, 11 ; Miscellaneous, 9 General Index, 106.
4. † The indices based on October, 1935, are calculated by the China Economic Research Institute.

C. Hankow

Commodities / Quotations / Period	Food	Clothing	Fuel and Light	Metals and Electrical Supplies	Building Materials	Miscellaneous	General Index
	47*	20*	14*	17*	9*	13*	120*
				(1930 = 100)			
1930	100.0	100.0	100.0	100.0		100.0	100.0
1931	109.6	114.1	121.7	126.7		109.2	114.5
1932	108.5	109.4	120.9	125.7		103.9	112.4
1933	94.0	95.9	101.8	116.2		95.5	98.7
1934	80.9	89.8	95.4	108.9		89.5	89.0
1935	86.3	83.8	88.8	102.0		94.5	89.2
1936	95.2	90.8	92.1	113.5†	110.1†	98.7	97.2

1937							
Jan.	107.8	95.2	103.5	142.4	117.4	101.4	109.3
Feb.	110.6	94.9	101.8	146.7	118.7	103.3	110.9
Mar.	108.2	95.3	103.7	146.6	119.5	86.8	108.3
Apr.	—	—	—	—	—	—	—
			(Oct., 1935 = 100)‡				
1930	119.90	125.31	123.92	95.33		105.82	115.74
1931	131.41	142.98	150.81	120.78		115.56	132.52
1932	130.10	137.09	149.81	119.83		109.95	130.09
1933	112.71	120.18	126.15	110.77		101.06	114.24
1934	97.00	112.53	118.22	103.81		94.71	103.01
1935	103.48	105.01	110.04	97.24		100.00	103.24
1936	114.15	113.78	114.13	106.58		104.44	112.50
1937							
Jan.	129.26	119.30	128.25	123.83		107.30	126.50
Feb.	132.61	118.92	126.15	126.50		109.31	128.36
Mar.	129.74	119.42	128.50	126.84		91.85	125.35
Apr.	—	—	—	—	—	—	—

NOTES :—1. Source : Compiled by the Ministry of Industry.
2. Method of Computation : Simple geometric average.
3. * The quotations included in the indices prior to July, 1936, Consist of following : Food, 48 ; Clothing, 19 ; Fuel and Light, 14 ; Metals and Building Materials, 17 ; Miscellaneous, 10 ; General Index, 108.
4. † Based upon the monthly average prices of July–December, 1936.
5. ‡ The indices based on October, 1935 are calculated by the China Economic Research Institute.

D. Changsha

Commodities / Quotations / Period	*Cereals*	*Other Food Products*	*Cloth and Clothing*	*Fuel*	*Metals and Building Materials*	*Miscellaneous*	*General Index*
	12	*15*	*13*	*6*	*13*	*10*	*69*
			(June, 1931 = 100)				
1931	112.1	101.8	103.6	97.5	99.5	101.0	104.3
1932	106.3	112.3	98.0	95.4	98.1	103.4	103.5
1933	69.2	94.2	83.6	83.7	89.6	93.5	83.6
1934	74.0	81.2	77.0	82.2	86.6	89.5	80.1
1935	97.4	85.7	75.3	80.3	92.2	85.2	87.5
1936	96.5	96.4	83.3	88.3	108.8	89.5	94.4
1937							
Jan.	110.4	110.9	95.0	99.5	123.0	96.4	107.1
Feb.	112.3	112.1	92.7	111.6	128.2	98.3	109.3
Mar.	—	—	—	—	—	—	—
Apr.	—	—	—	—	—	—	—
			(Oct., 1935 = 100)†				
1931	120.15	116.21	141.92	126.79	95.03	119.95	118.79
1932	113.93	128.20	134.25	124.06	93.70	122.80	117.88
1933	74.17	107.53	114.52	108.84	85.58	111.05	95.22
1934	79.31	92.69	105.48	106.89	82.71	106.29	91.23
1935	104.39	97.83	103.15	104.42	88.06	101.19	99.66
1936	103.43	110.05	114.11	114.82	103.92	106.29	107.52
1937							
Jan.	118.33	126.60	130.14	129.39	117.48	114.49	121.98
Feb.	120.36	127.97	126.99	145.12	122.45	116.75	124.49
Mar.	—	—	—	—	—	—	—
Apr.	—	—	—	—	—	—	—

NOTES :—1. Source : Compiled by the Bureau of Finance, Hunan Province.
2. Method of Computations : Simple arithmetic average.
3. † The indices based on October, 1935, are calculated by the China Economic Research Institute.

E. Northern China

Commodities / Quotations / Period	Foods	Cloth and Clothing	Metals and Metal Products	Building Materials	Fuel and Light	Miscellaneous	General Index
	43	19	15	12	12	5	106
				(1926 = 100)			
1926	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1927	106.95	99.96	101.22	96.04	101.52	108.11	103.02
1928	113.07	103.26	99.51	103.81	110.02	110.72	107.98
1929	116.52	107.35	104.63	107.45	109.77	107.40	111.08
1930	119.72	103.76	131.67	104.34	116.50	116.11	115.85
1931	114.39	117.03	145.34	116.88	139.43	132.35	122.55
1932	108.53	107.55	120.71	121.06	125.30	103.90	112.87
1933	92.76	97.87	111.86	112.99	116.40	96.23	101.00
1934	80.64	90.73	105.60	106.22	110.99	97.66	92.31
1935	94.70	86.96	99.05	102.69	104.04	89.80	95.51
1936	115.50	99.07	116.42	110.74	111.40	98.68	110.62
1937							
Jan.	127.01	115.72	165.04	112.98	117.76	118.26	126.33
Feb.	131.07	116.17	165.81	116.18	116.92	125.94	128.88
Mar.	130.74	114.78	175.31	117.53	117.61	125.93	129.71
Apr.	130.60	118.23	205.16	121.76	118.30	129.79	134.12
			(Oct.,	1935 = 100)†			
1926	106.75	117.18	98.45	97.62	101.61	117.54	106.16
1927	114.17	117.13	99.66	93.75	103.15	127.07	109.36
1928	120.70	121.00	97.97	101.34	111.79	130.14	114.63
1929	124.38	125.79	103.01	104.89	111.53	126.23	117.92
1930	127.80	121.58	129.63	101.85	118.37	136.47	122.98
1931	122.11	137.13	143.09	114.10	141.67	155.56	130.10
1932	115.85	126.03	118.84	118.18	127.31	112.12	119.82
1933	99.02	114.68	110.13	110.30	118.27	113.11	107.22
1934	86.08	106.32	103.97	103.69	112.77	114.79	97.99
1935	101.09	101.90	97.52	100.24	105.71	105.55	101.39
1936	123.29	116.09	114.62	108.10	113.19	115.98	117.43
1937							
Jan.	135.58	135.60	162.49	110.29	119.65	139.00	134.11
Feb.	139.91	136.13	163.25	113.41	118.80	148.03	136.82
Mar.	139.56	134.50	172.60	114.73	119.50	148.01	137.70
Apr.	139.41	138.54	201.99	118.86	120.20	152.55	142.38

NOTES :—1. Source : Compiled by Nankai Institute of Economics, Nankai University Tientsin.
2. Method of Computation : Simple geometric average.
3. †The indices based on October, 1935, are calculated by the China Economic Research Institute.

F. Tsingtao

Commodities / Quotations / Period	Food	Clothing	Fuel and Light	Metals	Building Materials	Miscellaneous	General Index
	49	21	9	13	15	13	120
				(1930 = 100)			
1930	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1931	99.5	108.2	115.2	115.7	115.3	109.5	107.6
1932	99.4	98.2	113.1	92.8	125.7	110.8	103.6
1933	90.3	82.1	110.3	85.0	121.8	110.7	94.9
1934	80.1	77.9	105.7	80.4	108.8	101.6	86.8
1935	86.6	78.2	108.9	78.9	107.2	100.2	89.4
1936	94.0	79.7	110.0	78.3	107.7	106.0	93.4

1937							
Jan.	98.0	83.1	109.3	77.6	106.7	108.0	95.6
Feb.	98.0	82.5	108.6	77.1	106.7	107.4	95.3
Mar.	89.1	82.8	109.6	77.0	106.2	107.5	95.4
Apr.	—	—	—	—	—	—	—
			(Oct.,	1935 = 100)†			
1930	115.47	129.87	93.90	128.37	94.79	99.60	112.74
1931	114.90	140.52	108.17	148.52	109.29	109.06	121.31
1932	114.78	127.53	106.20	119.13	119.15	110.36	116.80
1933	104.27	106.62	103.57	109.11	115.45	110.26	106.99
1934	92.49	101.17	99.25	103.21	103.13	101.20	97.86
1935	100.00	101.56	102.25	101.28	101.61	99.80	100.79
1936	108.55	103.51	103.29	100.51	102.09	105.58	105.30
1937							
Jan.	113.16	107.92	102.63	99.61	101.14	107.57	107.78
Feb.	113.16	107.14	101.97	98.97	101.14	106.97	107.44
Mar.	113.28	107.53	102.91	98.84	100.66	107.07	107.55
Apr.	—	—	—	—	—	—	—

NOTES :—1. Source : Compiled by the Ministry of Industry.
2. Method of Computation : Simple geometric average.
3. † The indices based on October, 1935, are calculated by the China Economic Research Institute.

G. Canton

Commodities / Quotations / Period	*Rice*	*Other Food Products*	*Clothing*	*Fuel*	*Metals and Building Materials*	*Miscellaneous*	*General Index*
	16	*55*	*32*	*17*	*37*	*23*	*180*
				(1926 = 100)			
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	102.2	108.1	93.2	107.0	97.0	95.4	100.8
1928	97.6	103.6	92.9	87.2	94.6	94.9	96.8
1929	103.5	104.8	92.4	85.7	90.6	95.5	96.7
1930	113.4	106.1	93.7	97.2	97.7	101.4	101.4
1931	102.1	118.9	106.8	109.0	111.3	123.0	112.6
1932	95.54	121.05	101.91	129.75	113.41	128.7	113.79
1933	84.02	109.12	91.6	111.19	113.20	122.23	104.54
1934	74.64	100.24	76.71	109.91	99.84	111.54	94.28
1935	77.95	96.45	63.29	100.49	81.71	98.6	84.63
1936	104.19	117.40	90.02	117.36	94.20	118.49	105.40
1937							
Jan.	125.92	127.68	98.90	119.31	105.91	123.21	115.73
Feb.	127.29	131.42	98.17	120.45	110.74	124.06	118.04
Mar.	129.03	130.05	96.06	118.88	111.69	124.62	117.50
Apr.	—	—	—	—	—	—	—
			(Oct.,	1935 = 100)†			
1927	130.62	116.74	147.52	115.93	124.41	100.13	123.03
1928	124.74	111.88	147.04	94.47	121.33	99.60	118.15
1929	132.29	113.17	146.25	92.85	116.20	100.23	118.03
1930	144.94	114.58	148.31	105.31	125.30	106.42	123.76
1931	130.50	128.40	169.04	118.09	142.75	129.09	137.43
1932	122.11	130.72	161.30	140.57	145.45	135.08	138.89
1933	107.39	117.84	144.98	120.47	145.18	128.29	127.60
1934	95.40	108.25	131.42	119.08	128.05	117.07	115.07
1935	99.63	104.16	100.17	108.87	104.80	103.48	103.30
1936	133.17	126.78	142.48	127:15	120.82	124.36	128.65
1937							
Jan.	160.94	137.88	156.54	129.26	135.83	129.31	141.25
Feb.	162.69	141.92	155.38	130.50	142.03	130.21	144.07
Mar.	164.92	140.44	152.04	128.80	143.25	130.79	143.42
Apr.	—	—	—	—	—	—	—

NOTES :—1. Source : Compiled by the Kwangtung Provincial Statistics Bureau.
2. Method of Computation : Simple geometric average.
3. † The indices based on October, 1935, are calculated by the China Economic Research Institute.

APPENDIX III

1. *STATISTICS OF COMPANIES REGISTRATIONS IN CHINA 1933–1936*

Period	Number of Companies		Capital				
	Companies	Index	Highest	Lowest	Average	Total	
						Amount	Index
1933	352	101.14	—	—	$165,631	$58,302,033	103.67
1934	462	132.76	—	—	184,886	85,417,450	151.89
1935	237	68.10	5,500,000	1,000	222,597	52,755,380	93.81
Jan.	7	26.92	100,000	1,000	18,597	130,560	2.79
Feb.	18	69.23	2,000,000	10,000	240,128	4,322,300	92.23
Mar.	14	53.85	500,000	5,000	116,643	1,633,000	34.84
Apr.	14	53.85	1,000,000	5,000	160,750	2,250,500	48.02
May	14	53.85	1,800,000	7,000	361,411	5,059,750	107.96
June	22	84.62	2,600,000	4,000	407,800	8,971,500	191.43
July	16	61.54	2,400,000	3,500	193,125	3,090,000	65.93
Aug.	25	96.15	5,000,000	3,000	321,840	8,046,000	171.68
Sept.	22	84.62	2,000,000	3,000	221,746	4,878,410	104.09
Oct.	26	100.00	1,500,000	5,000	180,250	4,686,500	100.00
Nov.	29	111.54	1,600,000	1,000	171,983	4,987,500	106.42
Dec.	30	115.38	1,200,000	9,000	156,645	4,699,360	100.27
1936	302	86.76	6,000,000	1,000	171,586	51,818,870	92.13
Jan.	36	138.46	200,000	2,000	48,689	1,788,800	38.17
Feb.	18	69.23	2,000,000	10,000	192,747	3,469,450	74.04
Mar.	24	92.30	2,000,000	1,000	189,360	4,544,630	96.97
Apr.	37	142.31	920,000	2,000	87,808	2,915,880	62.22
May	24	92.30	600,000	3,000	119,828	2,875,860	61.36
June	31	119.23	560,000	2,000	108,035	3,349,100	71.46
July	25	96.15	1,500,000	2,400	101,660	2,541,500	54.23
Aug.	10	38.46	2,500,000	1,000	389,550	3,895,500	83.12
Sept.	36	138.46	1,000,000	2,000	4,610,500	4,610,500	98.38
Oct.	14	53.85	400,000	1,000	48,368	4,181,150	25.20
Nov.	16	61.54	800,000	3,000	170,506	2,728,100	58.21
Dec.	31	119.23	6,000,000	6,000	578,013	17,918,400	382.34

NOTES :—1. Sources: *Weekly Gazette* of Ministry of Industry.
2. Unit: Capital in Chinese standard dollars.
3. Yearly Figures: Number of Companies: total of the year
Capital: Average of each company.
4. Two company's Capital are not available.

2. COMPARISON OF COMPANIES REGISTRATIONS IN FEB., 1929—DEC., 1935

(Capital in Chinese standard dollars)

	Agricultural		Mineral		Industrial		Commercial		Transportation and Communications		Total	
	No. of Companies	Capital	No. of Companies	Capital	No. of Companies	Capital	No. of Companies	Capital	No. of Companies	Capital	No. of Companies	Capital
Kiangsu	8	1,685,000	4	330,000	58	13,249,300	37	7,782,200	41	1,348,200	148	24,394,700
Chekiang	4	204,750	2	29,000	33	3,202,400	40	10,012,820	29	2,331,260	108	15,780,230
Anhwei	1	6,000	1	120,000	3	1,239,000	7	1,455,300	—	—	12	2,820,300
Kiangsi	2	102,000	—	—	4	70,000	8	505,900	—	—	14	677,900
Hunan	1	24,000	3	112,000	99	1,253,600	15	290,980	38	225,500	156	1,906,080
Hupeh	2	530,000	5	1,470,000	19	5,777,180	18	4,849,454	2	50,000	46	12,676,634
Szechwan	—	—	1	300,000	5	898,000	11	9,546,000	2	1,060,000	19	11,804,000
Kwangtung ..	—	—	2	1,605,000	8	888,152	8	1,712,238	2	4,100	20	4,209,490
Kwangsi . ..	—	—	—	—	—	—	1	4,800	—	—	1	4,800
Fukien	3	123,300	—	—	7	3,575,300	12	2,310,000	1	240,000	23	6,248,600
Yunnan	—	—	5	2,105,000	1	200,000	3	330,000	—	—	9	2,635,000
Hopei	—	—	8	13,370,000	11	3,878,601	8	2,200,700	2	200,000	29	19,649,301
Shantung . ..	2	60,000	6	947,650	48	8,942,500	13	3,003,400	—	—	69	12,953,550
Shansi	—	—	3	1,820,000	13	6,492,500	31	1,656,000	1	500,000	48	10,468,500
Honan	1	70,000	3	3,546,300	13	6,007,200	2	202,000	—	—	19	9,825,500
Shensi	—	—	—	—	7	110,100	2	136,000	1	7,000	10	253,100
Kansu	—	—	—	—	17	13,900	—	—	—	—	17	13,900
Liaoning	2	129,000	—	—	17	6,034,800	5	5,519,000	1	1,500,000	25	13,182,800
Kirin	1	100,000	—	—	8	2,474,000	5	519,100	1	5,000	15	3,098,100
Heilungkiang ..	—	—	—	—	2	1,300,000	—	—	1	5,000	3	1,305,000
Suiyuan	—	—	—	—	1	400,000	2	350,000	—	—	3	750,000
Chahar	—	—	2	199,050	—	—	1	4,800	—	—	3	203,850
Nanking	1	2,000	2	600,000	30	3,844,200	34	1,781,000	78	533,300	145	6,760,500
Shanghai	13	1,120,000	16	15,700,000	456	81,497,160	404	160,378,710	119	24,125,100	1,008	282,820,970
Tsingtao	1	80,000	2	60,000	24	7,774,900	26	5,724,400	5	303,700	58	13,943,000
Peiping	—	—	4	14,700,000	7	362,020	18	15,520,000	2	5,000,000	31	35,582,020
Tientsin	2	1,140,000	2	300,000	54	52,605,199	34	35,949,600	7	1,025,000	99	91,019,799
Weihaiwei.. ..	—	—	—	—	—	—	1	80,000	—	—	1	80,000
TOTAL ..	44	5,376,050	71	57,314,000	945	212,090,012	746	271,824,402	333	38,463,160	2,139	585,067,624

Source : *Monthly Review* of Ministry of Industry, Vol. 2, No. 5, pp. 24–28.

APPENDIX IV

BUSINESS FAILURES AND SUSPENSIONS IN SHANGHAI, 1934–1936

Period	*Factories*	*Business Firms*	*Banking and Financial Organizations*	*Communications Service*	*Real Estate and Construction Companies*	*Others*	*Unknown*	*Total*
1934	83	254	44	7	6	62	54	510
1935	218	469	104	27	12	103	132	1,065
1936	134	347	49	18	8	143	85	784
Jan.	18	44	13	6	1	15	11	108
Feb.	14	33	5	1	—	12	10	75
Mar.	9	17	3	2	1	8	6	46
Apr.	8	32	4	—	2	11	11	68
May	7	17	1	—	—	9	5	39
June	18	29	3	2	1	18	8	79
July	11	37	—	2	—	14	7	71
Aug.	8	23	9	1	1	13	4	59
Sept.	8	37	1	1	—	12	1	60
Oct.	13	28	3	1	2	9	8	64
Nov.	5	20	3	1	—	11	5	45
Dec.	15	30	4	1	—	11	9	70
1937								
Jan.	8	12	9	1	1	3	6	40
Feb.	5	18	27	1	1	3	2	57

FOREIGN TRADE

CHANG CHIA-CHU (張嘉鑄)

GENERAL SURVEY OF CHINA'S FOREIGN TRADE DURING 1936

So far as the foreign trade of China is concerned, a marked change took place during the year 1936. Due to the world-wide depression as well as to loss of the Manchurian share of trade, statistics had shown a steady downward trend for the period from 1931 to 1935. In 1936, however, the tide took a favorable turn, both exports and imports registering substantial increases over the preceding year.

In the previous report[1] mention was made of the fact that during the year 1935 the export trade expanded slightly and the adverse balance of trade was consequently reduced. Although the customs figures no longer give a completely accurate account of China's foreign trade, due to the widespread smuggling activities in North China, it is encouraging to note that not only has the export trade continued to expand and the adverse balance been further reduced, but imports have also advanced during the year under review.

The relative positions of the countries of destination and the ports of shipment in the respect of China's foreign trade have remained practically unchanged. With the exception of a few unimportant ports, all of the centers of shipment claimed augmented trade, both export and import, and witnessed renewed activity on every hand. However, further cognizance must be taken of the commodities directly and adversely affected by the rampant smuggling in North China, which reached its peak during the middle of 1936.

The improvement seen in the foreign trade of this country has been attributed generally to two important factors: (*a*) stabilized exchange and restoration of confidence consequent upon the currency reforms adopted by the National Government in November, 1935; and (*b*) the bountiful crops harvested during the year and the political tranquillity prevailing in most of the provinces.

In spite of the many encouraging symptoms, however, it must be pointed out that China's balance of trade remains unfavorable to her. In the absence of accurate figures concerning remittances from overseas Chinese, which constitute an important factor in the balance of trade, the in-payments and out-payments of China's international payments are far from being reliable. Furthermore, the industrial development of this country has not attained maturity, and the commodities exported are still composed largely of raw materials.

The present statistical study gives merely a general idea of the various aspects of China's foreign trade, based upon data furnished by official statements, customs returns, business reports, etc.; and it makes no pretensions to complete accuracy, nor comprehensiveness, as was also the case with the previous study for 1935.

Total Volume of Trade.—The aggregate value of foreign trade during the year 1936 amounted to over $1,647 million, of which imports represented more than $941.5 million and exports more than $705.7 million. Compared with the previous year, the total volume increased by about $152.2 million and both imports and exports advanced by $22.3 million and $29.5 million respectively.

As the nature of foreign trade is better elucidated by comparison with a number of years, the following table showing the values of China's imports and exports during the past seven years (1930-1936 inclusive) as well as their percentages, is furnished:

1 See the *Chinese Year Book* for 1936-37, p. 846.

CHINA'S IMPORTS AND EXPORTS FOR THE PERIOD 1930–1936

Year	Imports		Exports		Total	
	Value in $1,000	Percentage	Value in $1,000	Percentage	Value in $1,000	Percentage
1930	2,040,600	100.00	1,394,167	100.00	3,434,765	100.00
1931	2,233,376	109.47	1,416,964	101.64	3,650,293	106.27
1932	1,634,727	80.11	767,535	55.05	2,402,262	69.64
1933	1,345,567	65.94	511,828	43.88	1,957,395	56.98
1934	1,029,664	50.46	535,788	38.54	1,565,396	45.57
1935	919,211	45.05	575,809	41.30	1,495,020	43.53
1936	941,544	46.14	705,741	50.62	1,647,286	47.96

Monthly Trade Variations.—As a whole the monthly volume of trade showed an upward tendency, moving from $100-$130 million during the first few months of the year to $172 million in December, which was the highest figure for 1936. Compared with the preceding year, business was active throughout 1936, and, under the added stimulus of a good harvest in the fall, grew to large proportions in the latter part of the year.

The upward trend was more marked on the import side. The month of January registered $60 million, after which values showed a steady increase until December, when $92 million worth of imports were brought in. This has generally been attributed to the economic recovery of the masses caused by the bountiful crop in many provinces. In the export trade, however, the situation was somewhat different. While the months of January and December recorded $70 million and $79 million, respectively, all of the other months fluctuated between $46 million to $59 million.

By taking the average monthly figures of 1926 as a base, it will be seen that the lowest index in export trade was registered in February at 41.31, while the highest level was touched at 62.97 in January. The indices for the other months ranged from 42 to 53. On the import side the lowest index was recorded in January at 41.75, and the highest in December at 63.14; the figures for the other ten months were between 43.32 and 59.47. With regard to the total trade, February registered the lowest index (42.45), while December had the highest (66.63).

The average index for exports during the year 1936 was 52.45, for imports 53.75, and for the total trade 53.18. Details of the monthly trade variations and index numbers for 1936 are shown in the following table:

MONTHLY EXPORTS AND IMPORTS OF 1936 AND INDEX FIGURES

Month	Exports		Imports		Total	
	Value	Index	Value	Index	Value	Index
January ..	70,669,258	62.97	60,950,296	41.75	131,619,554	50.98
February. ..	46,358,921	41.31	63,229,532	43.32	109,588,453	42.45
March	48,186,299	42.94	79,176,369	54.24	127,362,668	49.33
April	54,848,592	48.88	86,807,496	59.47	141,656,088	54.87
May	54,241,612	48.34	85,088,558	58.30	139,330,170	53.97
June	58,406,787	52.05	83,747,993	57.38	142,154,780	55.06
July	59,951,236	53.87	74,915,086	51.33	135,366,322	52.43
August	55,332,995	49.31	70,404,816	48.24	125,737,811	48.70
September ..	59,526,697	53.05	80,387,999	55.07	139,914,696	54.19
October . ..	59,174,398	52.73	81,871,650	56.09	141,046,048	54.63
November ..	59,169,644	52.73	82,806,611	56.73	141,976,255	54.99
December ..	79,874,964	71.18	92,158,332	63.14	172,033,296	66.63
TOTAL ..	705,741,403	52.45	941,544,738	53.75	1,647,286,141	53.18

Comparisons with 1935.—In comparison with the trade of the preceding year, the export trade during 1936 showed increases during all of the months excepting November, in which month it was about 98.23% of the corresponding period of 1935. The high increase was recorded in June 1936, being 141.66% of the corresponding month in 1935.

As regards the import trade, the 1936 figures showed decreases during the first half of the year and increases during the second half of the year in comparison with 1935. The month of lowest percentage was January with 67.71 %, while the month of highest percentage was September with 147.86 %.

The total monthly trade was larger in 1936 than in 1935 with the exception of the months of January, March and April, the percentages of which were 90.61, 93.41, and 97.47, respectively, as compared with the corresponding periods of the preceding year. The month of largest total trade was September with 139.49%.

The following table shows China's monthly trade during 1936 in comparison with 1935, the figures of which year are taken as 100% :

MONTHLY EXPORTS AND IMPORTS DURING 1936 IN COMPARISON WITH 1935

Month	*Exports*	*Imports*	*Total*
January	127.91	67.71	90.61
February	111.65	94.81	101.27
March	123.41	81.38	93.41
April	132.04	83.63	97.47
May	133.00	88.51	101.76
June	141.66	91.50	107.08
July	131.53	116.39	122.58
August	122.06	125.32	123.87
September	129.58	147.86	139.49
October	122.26	133.83	128.72
November	98.23	114.31	107.01
December	116.01	141.29	126.68
TOTAL	122.56	102.43	110.18

CHINA'S BALANCE OF TRADE

Downward Trend of the Excess of Imports.—In continuation of the steady decline in the excess of imports witnessed in China's foreign trade ever since 1932, the year under review registered a further improvement which marked the greatest advance to be made in this direction so far.

The excess of imports over exports during 1936 amounted to more than $235,803,000—a reduction of about $107,599,000 as compared with the previous year, and a reduction of about $258,649 as compared with 1934. The percentage of the proportionate excess of the import trade during 1936 was 25.04, the lowest record of recent decades.

The excesses of imports, total values of imports, and percentages of the excesses for the years 1930-1936 inclusive are tabulated as follows :

CHINA'S EXCESS OF IMPORTS AND PERCENTAGE AS COMPARED TO TOTAL VOLUME OF IMPORTS (1930–1936)

Year	*Excess of Imports*	*Value of Imports*	*Percentage*
1930	$646,433,127	$2,069,385,435	31.24
1931	816,413,296	2,256,275,586	36.18
1932	867,190,964	1,655,557,801	52.38
1933	746,685,443	1,358,978,165	54.94
1934	494,450,945	1,038,978,786	47.59
1935	343,402,262	919,211,322	37.36
1936	235,803,335	941,544,738	25.04

Monthly Trade Balances.—In the previous report reviewing the year 1935, mention was made of the spectacular and unusual feature witnessed in the balance of trade for the first time since 1877, in that the month of December, 1935, registered an excess of exports of over $5 million. This improvement was continued in January 1936, which recorded an excess of exports of no less than $9.7 million.

Although the rest of the months still showed unfavorable balances, the amounts of excess of imports were smaller than for the preceding year from February to July.

The favorable balance in January was due to the large volume of exports of wood oil and cotton yarn, which commanded a brisk market abroad. In spite of the fact that the import trade during December, 1936, was larger than any other month, the excess of imports was smaller, as a result of the expansion of the export trade.

The monthly excess of imports in 1936 and percentages of total imports are shown in the following table:

MONTHLY EXCESS OF IMPORTS IN 1936 AND PERCENTAGES OF TOTAL IMPORTS

Month	*Excess of Imports*	*Total Imports*	*Percentage of Total Imports*	*Comparison with 1935*
January	9,718,962*	60,950,296	—	—
February	16,870,611	63,229,532	26.68	— 8,299,843
March	30,990,070	79,176,369	39.14	— 27,257,925
April	31,958,904	86,807,496	36.82	— 30,297,596
May	30,846,946	85,088,558	36.25	— 24,502,900
June	25,341,206	83,747,993	30.26	— 24,956,189
July	14,963,850	74,915,086	19.32	— 3,953,599
August	15,071,821	70,404,816	21.41	4,226,715†
September	20,861,302	80,387,999	25.95	12,434,954†
October	22,697,252	81,871,650	27.72	9,921,229†
November	23,636,967	82,806,611	28.64	11,433,826†
December	12,283,368	92,158,332	13.33	—
TOTAL	235,803,335	941,544,738	25.04	—107,598,927

* Excess of exports
† Increases in comparison with preceding year.

Remittances from Overseas Chinese.—It is significant that prior to 1931 the overseas Chinese made substantial annual cash remittances to China, which served to counterbalance the excess of import to no small extent. According to the estimate of Professor C. F. Remer, overseas Chinese remitted to China $250,000,000 in 1928, $280,000,000 in 1929, and $316,000,000 in 1930, averaging $282,100,000 a year, or 62% of the amount of import excess during the same period. In other words the cash remittance of overseas Chinese made up about six-tenths of China's unfavorable balance of foreign trade. Ever since 1931, however, these cash remittances have diminished as a result of world depression. The remittances of overseas Chinese during the year 1931 amounted to a total of approximately $231,000,000, according to another source, this amounting only to about 28% of China's import excess for that year.

The Bank of China reports that such annual remittances in the more recent years are estimated as follows: 1932, $300 million; 1933, $200 million; 1934, $250 million; 1935, $260 million; and 1936, $320 million. The estimate of remittance of overseas Chinese during 1935, based upon inquiries in those parts of the country where such payments are usually received, was larger than might have been expected in view of the higher level of exchange and the uncertain position of the currency. Meanwhile, it is noted that there was in 1936 a considerable increase in the total amount of remittances from Chinese resident overseas. This may have been due partly to the lower level of exchange and to

reviving confidence abroad in the stability of the Chinese dollar, but no doubt it was partly due also to improved business conditions in those countries where the majority of Chinese emigrants live.

Although these estimates by different authorities are by no means accurate and cannot be used for comparison, it is unquestionable that the cash remittances from overseas Chinese were substantially reduced during the depression years and that a gradual improvement has been witnessed since 1935.

International Payments.—According to the annual report of the Bank of China, the obstacles preventing an accurate estimate have been almost as great as ever during the year under review. When China was on an automatic silver standard of currency the country's balance of international payments from year to year was indicated by the movement of precious metals, the only uncertain point in recent years having been the amount of the outward smuggling of gold. Now, however, with the Chinese dollar convertible only into foreign currency at stabilized rates of exchange, bullion movements no longer provide a measure of the country's favorable or adverse balance of payments. At the same time, because of the introduction of the element of currency management as well as of the need of appropriate action to make it effective, the importance of being able to estimate, within a reasonable margin of error, the nature and extent of the ultimate balance has been greatly increased.

Further, owing to the special difficulties in North China large quantities of such goods as sugar, artificial silk yarn, piece goods, cigarette paper, matches and kerosene oil have been irregularly imported, and are not included in the customs figures. On the other hand, there was more effective customs control during the year along the coast of Fukien, and during the second half of the year, owing to the change of administration, a notable improvement in the smuggling situation in Kwangtung. Enquiries in various quarters and a comparison of the trade figures of recent years suggest that the total value of such unrecorded imports in 1936 may have amounted to about $200 million.

Goods passed duty free for embassies, legations, consulates and foreign armies and navies were excluded for the first time from the customs returns of imports in 1936. On the out-payments side of the accompanying estimate of the balance of payments, no allowance has been made for such goods as unrecorded merchandise imports, and on the in-payments side the estimated total of "Foreign Expenditure in China" has been reduced by a corresponding figure which may have amounted last year to about $12 million.

As a combined result of the lower world price of silver and the provisions contained in the new monetary regulations for the nationalization of silver stocks, the extent of the outward smuggling of silver from China has now been greatly reduced, but it is estimated that during 1936 silver to the value of about $40 million was exported in this way. In addition, it is estimated that there was a net export of smuggled gold to the value of about $5 million. In 1935, during the period of extreme nervousness regarding the currency, there was unquestionably a serious flight of capital from China, and very little inclination abroad to send to China funds the payment of which could anyhow be deferred. It would be reasonable to expect these tendencies to be reversed when confidence in the new currency was established and there was a general expectation that exchange would be successfully maintained at the lower level provided. There are as yet no clear indications, however, that such a movement is under way, though security prices on the Shanghai stock exchange have recently shown a tendency to rise.

The amount of the balancing item "unaccounted for" in the accompanying table may appear so large as to justify considerable doubt as to the reliability of the figures given. It is necessary, however, to remember that under the new currency arrangements the silver stocks that formerly provided

CHINA'S BALANCE OF INTERNATIONAL PAYMENT, 1936

(in Millions of Dollars)

Out-payments			*In-payments*		
Current Items			Current Items		
Merchandise Imports:			Merchandise Exports:		
Customs Report	941.5		Customs Report	705.7	
Smuggled and Unrecorded	200.0	1,141.5	Estimated Undervaluation (15%) ..	105.9	811.6
Service of Foreign Loans: (1)			Remittances of Chinese abroad		320.0
Customs	76.7		Foreign Expenditure in China		160.0
U.S. Wheat and Cotton Loans	6.4		including Tourists', Missions' and Philanthropic, Diplomatic and Consular, Military and Naval, Shipping		
Salt	14.3				
Railways..	30.4	127.8			
Chinese Expenditure abroad		12.0	Other Receipts		90.0
including Travellers' and Students', Diplomatic and Consular			including Profits on Sales of Bullion, Agencies Commissions and Allowances, Receipts from Chinese Investment abroad (2)		
Foreign Business and other Profits remitted		70.0			
		1,351.3			1,381.6
Capital Items			Capital Items		
Unaccounted for:			Gold Exports:		
including Movement of Banking Funds and other Capital Items		425.5	Customs Report	40.6	
			Smuggled (net)	5.0	45.6
			Silver Exports:		
			Customs Report	249.6	
			Smuggled	40.0	289.6
			Foreign Loans, Investments and Credits		60.0
		1,776.8			1,776.8

NOTES :—1 and 2. Service of Foreign Loans and Receipts from Chinese Investment abroad include amortization.

the larger part of the reserve against the note circulation are now in process of being replaced by holdings of foreign currencies and securities. No information regarding such transactions has yet been published by the monetary authorities, but unquestionably the amount of the item " Unaccounted for " would be considerably reduced if it were possible to include on the outpayments side of the table as a separate item an appropriate figure in respect of these financial operations.

In November, 1935, when the decision was taken to stabilize China's currency, it became important that, at the level chosen, the dollar should be neither seriously overvalued nor undervalued. Although the figures given in the accompanying table are admittedly incomplete and at best approximations, it is encouraging to note that at the present level of exchange China's balance of international payments does not appear to be out of adjustment.

CHINA'S TRADE WITH THE WORLD

As previously stated, the most important countries concerned in China's foreign trade have been the United States, Japan and Great Britain, but trade with Germany has made remarkable progress during recent years. The aggregate trade handled by these four countries represented 60.60% of China's foreign trade. The United States ranked first with 22.52%, Japan second with 15.99%, Germany third with 11.47%, and Great Britain fourth with 10.62%. Next in order of importance were Hongkong, 7.53%; Netherlands Indies, 4.79%; France, 2.95%; India, 2.63%; Belgium, 1.95 %; etc. The Soviet Union's share was reduced from 0.80% in 1935 to 0.33% in 1936.

Changes in Relative Positions.—With the exception of Great Britain's loss of third place to Germany, the relative positions taken by the principal countries in China's foreign trade during the past few years have not changed to any considerable extent. The United States has maintained the lead, but its share and position was at times challenged by Japan. During the year under review, the total trade with the United States was slightly improved on account of the expansion of China's exports.

The volume of trade with Japan, prior to 1931, represented well over 20% of China's total trade. Owing to exclusion of the Manchurian trade from the Chinese customs returns, Japan's share shrank considerably. During the last few years, however, Japan's position has gradually been elevated to one ahead of the British and almost equal to that of the United States. Furthermore, as most of the smuggled goods in North China originated from Japan, if the Kwantung Leased Territory's share be included in that of Japan, the trade with Japan should actually be larger than that with the United States.

During the past five or six years, German trade with China has steadily expanded. During 1931 the total volume of trade with Germany represented 4.55% of China's aggregate, and for the year 1936 the percentage advanced to 11.47. The growing volume of business was due largely to increased shipments to China of German goods and also to increased exports to Germany, particularly during the year under review. In view of the fact that the trade in soya beans and bean products, one of the principal export lines to Germany, has been lost since the Manchurian " incident," it seems hardly likely, however, that the Sino-German trade will soon recover the status it enjoyed prior to 1931.

The trade with Great Britain has been maintained at about 10% in recent years; and in spite of the increases in both the imports and exports with China during 1936, her share was not improved, because of the general growth of trade between China and all other countries.

The following table shows the relative positions held by various countries in China's foreign trade during the period 1931-1936 inclusive:

RELATIVE POSITION OF VARIOUS COUNTRIES IN CHINA'S FOREIGN TRADE, 1931–1936 (in Percentages)

Country	*1931*	*1932*	*1933*	*1934*	*1935*	*1936*
U. S. A.	18.85	21.16	20.82	23.24	20.74	22.52
Japan (including Formosa)	23.92	17.07	11.87	13.60	15.29	15.99
Great Britain	7.83	10.07	10.26	11.08	9.84	10.62
Hongkong	15.81	8.75	8.58	8.20	7.68	7.53
Germany	4.55	6.54	6.54	7.14	8.81	11.47
India	4.41	5.54	5.14	4.16	3.73	2.63
Netherlands Indies	2.89	4.14	4.42	4.48	4.23	4.79
Australia	2.67	2.69	4.43	00.80	2.63	1.33
U. S. S. R.	3.40	2.15	1.41	00.90	0.80	0.33
French Indo-China	0.50	3.63	4.03	2.94	4.37	1.69
Korea	1.72	1.53	0.97	1.15	0.95	0.77
Siam	0.43	2.81	3.44	2.38	2.05	1.39
France	2.38	2.47	2.84	2.77	2.84	2.95
Italy	1.20	1.13	1.11	1.23	1.37	0.94
Belgium	1.35	1.06	1.65	1.98	1.60	1.95
Canada	1.12	1.21	1.41	1.45	1.64	1.52
Straits Settlements and F. M. S.	1.05	1.23	1.43	1.71	1.55	1.60
Kuantung Leased Territory	—	—	2.36	1.95	1.53	1.78
Philippine Islands	0.53	0.57	0.49	0.64	0.64	0.61
Other Countries	5.25	6.35	6.78	8.11	7.71	7.59
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00

Relative Importance in Import Trade.—Analysis of the import and export trade separately discloses that the United States again ranked foremost. During the year 1936 the United States shipped $185,512,000 worth of goods to China, equivalent to 19.64% of this country's total imports. Compared with the previous year, this figure shows an increase of 36.59%. Second place was retained by Japan, which sold $156,828,000 worth of goods to China during 1936, or 16.60% of the total imports and an increase of 25.91% over the 1935 figure. Germany maintained third position with $150,238,000, or 15.91%, being an advance of 35.42% as compared with the preceding year. The British share of the import trade amounted to $110,497,000, equivalent to 11.70% and an increase of 31.17% over the previous year's figure.

With the exception of India, U.S.S.R., Netherlands Indies, Italy and Korea, all of the countries registered increased volumes of business with China. The Australian share was marked by a phenomenal increase of 246.46% in 1936 as compared with the preceding year. On the other hand, the share of Italy shrank to 44.22% for the corresponding period.

Shares of Export Trade.—With regard to the export trade in 1936, the premier position was retained by the United States, which took about $186,321,000 worth of Chinese products, equivalent to 26.36% of the total exports and representing an increase by 6.62% as compared with 1935. Japan advanced to second place by taking $107,213,000 worth, or 15.17% and an increase of 8.67% over the previous year's figure. Hongkong was relegated to third place during 1936, its share of the export trade being $106,547,000 worth, or 15.08%. Great Britain occupied fourth place with $64,884,000, or 9.18%; Germany, fifth, with $39,174,000 or 5.54%; and France, sixth, with $30,389,000, or 4.30%. As compared with the previous year, the shares of Great Britain, Germany and France were increased by 12.48, 45.31, and 37.56%, respectively. The countries whose shares of the Chinese export trade were reduced during 1936 were India, Australia, U.S.S.R., French Indo-China, Siam, Italy, Canada and Philippine Islands, but the values involved were comparatively small. It may be pointed out, however, that the Soviet Union's share of the Chinese trade in 1936 was only 16.15% of that of 1935

—a decrease by 83.85%. The shares of French Indo-China and Australia were reduced by 69.91 and 56.85%, respectively. All of the other countries registered increases in their shares of the export trade, ranging from 5 to over 45%.

The changes in the percentages of trade with the more important countries are shown by the following comparisons between the years 1935 and 1936:

CHINA'S FOREIGN TRADE BY COUNTRIES DURING 1936 COMPARED WITH 1935

(1935=100%)

Country	*Imports*	*Exports*
United States	136.59	106.62
Japan (including Formosa)	125.91	108.67
Great Britain	131.17	112.48
Germany	135.42	145.31
India	91.84	69.66
Australia	246.46	43.15
U. S. S. R.	99.29	16.15
French Indo-China	175.31	30.09
Netherlands Indies	95.09	127.48
Siam	112.34	69.40
France	103.91	137.56
Netherlands	108.51	106.01
Italy	44.22	94.72
Belgium	113.87	140.41
Canada	125.53	90.90
Philippine Islands	126.97	82.81
Straits Settlements and F. M. S.	121.28	105.07
Korea	84.39	107.14

Trade Balances with Individual Countries.—During the year 1936 a net excess of imports of more than $235.8 million was witnessed in China's foreign trade. As was the case in the previous year, the adverse balance with Germany was the largest, amounting to over $111,064,000, or nearly half of the total excess of imports. The figures for the year showed an increase in the adverse balance with Germany of about 50% as compared with 1935, attributable, firstly, to China's decreased total excess of imports, and, secondly, to the smaller unfavorable trade balances with other principal countries. Although the adverse balance with the United States was over $38,520,000 in 1935, the figures for the year under review showed a balance of $809,000 in favor of China. Furthermore, the favorable balance of the trade with Hongkong was increased from $74,534,000 in 1935 to $88,752,000 in 1936. The other countries with which China enjoyed favorable trade balances during the year under review were France, Netherlands, Kwantung Leased Territory, Korea, Straits Settlements and F.M.S., U.S.S.R. and Philippine Islands, in that order of relative importance. In this connection it must be pointed out that the smuggling factor should be borne in mind when considering the trade with the Kwantung Leased Territory and Korea.

The Netherlands Indies, Japan and Great Britain ranked next to Germany in registering respectively trade balances of $69,651,000, $49,615,000 and $45,614,000, which were unfavorable to China. The other countries with which China suffered adverse trade balances during 1936 were Belgium, Siam, Canada, Australia, Italy, Annam and India, in that order of relative importance.

The following table shows the value of China's foreign trade by countries during 1936, together with the amounts of excess of imports or exports in each individual case:

VALUE OF CHINA'S FOREIGN TRADE BY COUNTRIES, 1936

Country	Exports		Imports		Total		Excess of Imports (—) or Exports (+) in $1,000
	Value in $1,000	%	Value in $1,000	%	Value in $1,000	%	
U. S. A.	186,321	26.36	185,512	19.64	371,832	22.52	+ 809
Japan (including Formosa)	107,213	15.17	156,828	16.60	264,041	15.99	— 49,615
Great Britain	64,884	9.18	110,497	11.70	175,381	10.62	— 45,614
Hongkong	106,547	15.08	17,795	1.88	124,341	7.53	+ 88,752
Germany..	39,174	5.54	150,238	15.91	189,412	11.47	—111,064
India (including Burma)	18,686	2.64	24,719	2.62	43,404	2.63	— 6,033
Netherlands Indies .	4,746	0.67	74,397	7.88	79,143	4.79	— 69,651
Australia..	6,081	0.86	15,990	1.69	22,071	1.33	— 9,909
U. S. S. R.	4,210	0.60	1,244	0.13	5,454	0.33	+ 2,966
Annam	9,894	1.40	18,048	1.91	27,941	1.69	— 8,154
Korea	9,762	1.38	2,940	0.31	12,702	0.77	+ 6,823
Siam	4,051	0.57	18,868	2.00	22,920	1.39	— 14,817
France	30,389	4.30	18,381	1.95	48,769	2.95	+ 12,008
Netherlands	16,548	2.34	4,789	0.51	21,337	1.29	+ 11,759
Italy	3,389	0.48	21,225	1.29	15,615	0.94	— 8,836
Belgium	6,322	0.89	26,011	2.75	32,333	1.95	— 19,689
Canada	5,270	0.75	19,784	2.10	25,054	1.52	— 14,514
Straits Settlements and F.M.S. ..	15,655	2.22	10,837	1.15	26,492	1.60	+ 4,818
Philippine Islands .	6,103	0.86	4,019	0.43	10,123	0.61	+ 2,084
Kwantung Leased Territory	18,021	2.55	11,397	1.21	29,418	1.78	+ 6,624
Other Countries ..	43,526	6.16	60,005	6.34	103,530	6.30	—

Trade Conditions with the Four Principal Countries.—The changes in the volume of import and export trade as well as the values of commodities shipped between China and the four leading countries of her foreign trade —the United States of America, Japan, Germany and Great Britain, are shown by the accompanying tables. As the trading conditions with each of these countries in respect of the principal commodities are discussed at length in another section of this report, it suffices here to furnish the comparative figures. The tendencies of the trade with these countries have already been dealt with in the foregoing paragraphs, but comparisons for the period from 1912 until 1936 are given, as being of possible interest.

In this connection it may be further remarked that during 1936 the Soviet Union dropped out of the picture, having been relegated to an unimportant position largely on account of its its withdrawal from the kerosene oil market.

VALUE AND INDEX OF SINO-AMERICAN TRADE, 1912–1936

(Value in 1,000 Hk. Tls.)

Year	Exports		Imports		Total	
	Value	Index	Value	Index	Value	Index
1912.. ..	35,050	100.00	36,198	100.00	71,248	100.00
1913.. ..	37,650	107.42	35,427	97.87	73,077	102.56
1914.. ..	40,213	114.73	41,232	123.90	81,445	114.31
1915.. ..	60,579	172.84	37,043	102.33	97,622	137.01
1916.. ..	72,081	205.65	53,824	148.69	125,905	176.71
1917.. ..	94,786	270.43	60,961	168.41	155,747	218.59
1918.. ..	76,134	220.07	58,686	162.12	135,820	190.63
1919.. ..	101,119	288.49	110,237	304.54	211,356	295.64
1920.. ..	67,111	191.47	143,109	395.60	210,310	295.16

1921.. ..	89,542	255.47	175,789	485.63	265,331	372.40
1922.. ..	97,579	278.39	169,005	466.89	266,584	374.16
1923.. ..	126,804	361.78	154,448	426.67	281,252	384.74
1924.. ..	100,754	287.46	190,057	525.04	291,711	409.43
1925.. ..	143,153	408.42	142,513	393.70	285,666	400.94
1926.. ..	150,113	428.28	187,647	518.39	337,760	474.06
1927.. ..	121,753	347.37	166,794	460.77	288,546	404.99
1928.. ..	127,205	362.92	205,415	567.82	332,746	467.02
1929.. ..	137,836	393.25	230,844	637.72	368,680	517.46
1930.. ..	131,880	376.26	232,406	642.04	364,286	511.29
1931.. ..	120,205	342.95	321,342	887.73	441,547	619.73
1932.. ..	59,993	171.16	269,176	743.62	329,169	462.00
	113,146*		297,468*		410,614	
1933.. ..	94,435*	207.10	271,732*	527.46	366,167	369.64
1934.. ..	136,410*	172.93	174,930*	481.82	311,340	329.87
1935.. ..	87,555	249.80	112,279	310.18	199,834	280.48
1936.. ..	186,320*		185,511*		371,832*	

*1,000 dollars.

PRINCIPAL ITEMS OF IMPORTS FROM THE UNITED STATES

Commodity	*Value in Unit of C.G.U.*					
	1931	*1932*	*1933*	*1934*	*1935*	*1936*
Cotton	88,867	84,944	34,076	26,917	12,978	4,098
Machinery	4,970	4,332	2,586	4,698	5,314	3,129
Railway, tramway, and aircraft	3,131	1,113	4,599	3,245	771	624
Motor cars and accessories	2,671	4,928	4,836	7,355	5,610	5,665
Electrical Accessories ..	3,115	1,851	1,675	985	1,308	921
Radio sets..	—	1,129	1,113	1,506	980	1,077
Wheat	12,104	6,553	4	10,616	196	—
Wheat flour	7,283	18,979	5,824	2,053	1,097	259
Cigarettes	402	589	385	344	350	90
Tobacco leaf	40,554	20,097	13,422	15,549	3,998	6,331
Aniline	2,999	1,138	1,973	1,832	721	780
Gasoline	5,520	5,247	5,758	3,433	4,350	3,294
Liquid fuel	2,014	2,439	3,237	3,184	2,931	1,781
Kerosene oil	32,814	6,590	26,195	10,863	9,425	4,236
Lubricating oil..	3,498	3,269	3,692	2,753	2,828	2,805
Wax	2,288	1,405	1,150	834	727	525
Paper	2,681	3,403	3,748	2,706	1,833	1,275
Timber	11,691	3,932	4,373	3,750	4,989	4,691
Sleepers	1,188	1,161	1,509	1,863	1,438	—
Photographic materials ..	2,014	2,158	2,636	3,913	2,879	1,850
Tin plates	5,978	1,919	3,284	4,385	2,703	—

PRINCIPAL ITEMS OF EXPORTS TO THE UNITED STATES

Commodity	*Value in Unit of $1,000*					
	1931	*1932*	*1933*	*1934*	*1935*	*1936*
Raw Silk	34,374	13,551	15,205	4,538	12,838	13,114
Carpets	5,021	2,861	2,436	1,825	1,507	2,011
Laces	3,871	2,356	1,645	1,576	1,971	—
Drawn-thread, cross-stitch works	3,208	8,446	6,765	7,100	9,581	16,576
Sheep's Wool	11,246	1,745	11,211	11,199	13,607	10,815
Bristles	6,500	4,035	4,561	5,126	6,365	13,133
Intestines	1,640	1,009	906	1,571	2,767	2,647
Hides and furs	31,390	17,578	20,832	19,035	15,565	24,301
Walnuts	2,788	1,489	752	1,187	1,014	—
Wood Oil	20,838	14,722	21,356	16,204	28,057	52,398
Sesamum seeds	12,258	1,022	2,259	2,151	9,901	6,563
Tea (black)	1,235	975	1,375	1,442	1,246	2,194
Tea (green)	3,876	2,026	2,286	1,517	1,609	
Cotton	3,633	4,868	5,754	1,601	1,803	5,531
Hats, fibers, straw, etc. ..	1,822	1,110	2,137	3,088	1,298	—
Eggs and egg products ..	5,100	3,651	1,334	1,467	4,624	5,127

VALUE AND INDEX OF SINO-JAPANESE TRADE, 1912–1936

(Including Formosa : Value in 1,000 Hk. Tls.)

Year	Exports		Imports		Total	
	Value	Index	Value	Index	Value	Index
1912.. ..	55,262	100.00	91,017	100.00	146,279	100.00
1913.. ..	65,544	118.52	119,347	131.13	194,891	126.39
1914.. ..	64,616	116.93	127,120	139.67	191,736	131.08
1915.. ..	77,677	140.56	120,249	132.12	197,926	135.31
1916.. ..	112,922	204.33	160,491	176.34	273,413	186.91
1917.. ..	105,774	191.40	221,667	243.54	327,411	223.84
1918.. ..	163,394	295.67	238,859	262.43	402,253	274.99
1919.. ..	195,006	352.88	246,941	271.31	441,947	302.13
1920.. ..	141,928	256.83	229,136	251.75	371,064	253.67
1921.. ..	172,111	311.45	210,359	231.12	382,470	261.46
1922.. ..	159,754	289.08	231,429	254.27	391,184	267.42
1923.. ..	198,517	359.23	211,024	231.85	409,541	279.97
1924.. ..	201,176	364.04	234,762	257.93	435,938	298.02
1925.. ..	186,337	337.19	299,756	329.34	486,093	332.31
1926.. ..	211,741	383.16	336,909	370.17	548,650	375.07
1927.. ..	208,839	377.90	293,794	322.79	502,633	343.61
1928.. ..	228,603	413.67	319,293	350.81	547,896	374.56
1929.. ..	256,428	464.02	323,142	355.04	579,570	396.21
1930.. ..	216,555	391.87	327,165	359.45	543,720	371.70
1931.. ..	925,727	535.14	264,951	291.11	560,683	383.30
1932.. ..	114,576	207.33	151,007	165.91	265,583	181.56
1933.. ..	99,278*	115.30	134,696*	94.99	233,974*	102.66
1934.. ..	84,610*	98.27	129,487*	91.31	214,098*	93.94
1935.. ..	85,148*	98.89	144,315*	101.76	229,463*	100.68
1936.. ..	107,212*	—	156,828*	—	264,040*	—

* 1,000 dollars.

PRINCIPAL ITEMS OF IMPORTS FROM JAPAN

(Including Formosa)

Commodity	Value in Unit of 1,000 C.G.U.					
	1931	1932	1933	1934	1935	1936
Cotton goods	65,237	38,284	18,011	7,842	8,267	3,751
Raw cotton	8,944	2,603	357	64	41	—
Sugar..	15,938	7,323	4,752	4,087	5,658	3,393
Coal	8,982	2,608	2,396	1,364	830	402
Paper	16,826	5,391	2,469	3,644	3,623	3,509
Wheat flour	10,710	8,189	1,846	51	123	259
Fishery and sea products.	5,192	3,906	2,718	4,396	5,580	5,054
Cotton yarn	1,269	1,089	39	77	67	93
Electrical materials.. ..	5,280	1,660	1,195	1,189	1,630	1,249
Timber	3,121	2,515	1,893	1,988	1,438	1,122
Rice	4,232	248	157	115	99	33
Porcelain ware	806	429	354	473	442	257
Rubber tyres	2,021	1,569	1,543	1,294	1,327	1,215
Rubber shoes	1,498	1,543	876	831	764	
Machinery	10,134	4,346	3,268	4,745	7,282	7,446
Iron and Steel	7,809	4,850	3,270	3,781	5,952	7,285
Hemp bags	3,273	1,717	278	382	629	1,032
Woolen goods	1,781	907	1,298	1,422	1,939	4,226
Artificial silk and manufactures	2,507	2,435	356	1,479	1,931	1,171
Copper	2,255	857	823	1,030	1,403	1,517

PRINCIPAL ITEMS OF EXPORTS TO JAPAN

Commodity	Value in Unit of $1,000					
	1931	1932	1933	1934	1935	1936
Bean	63,832	21,504	1,408	1,050	2,134	—*
Bean cake	42,568	21,925	3	2	—*	—*
Raw cotton	36,790	25,083	22,681	12,142	14,770	19,884
Coal	32,985	12,383	3,370	4,442	4,691	4,508
Wheat chaff	16,267	—	5,907	6,106	4,616	—
Raw silk	21,889	2,443	1,638	1,721	771	1,376
Silk, gray	14,234	3,730	77	45	229	—*
Iron	13,310	6,951	—	—*	—*	—*
Vegetable seed	5,511	1,252	1,584	—*	—*	—*
Bones	4,874	2,816	1,731	1,637	1,312	1,566
Eggs	3,710	46	12	4	392	—*
Meats	7,326	3,050	2,622	3,121	2,243	3,732
Hemp, jute, and ramie	6,023	4,439	4,120	7,310	4,626	—*
Hides, buffaloes, and cow	3,089	2,183	2,371	2,501	1,897	5,225
Sesamum seeds	5,659	3,117	1,054	442	2,135	3,545
Ores	18,124	10,006	2,401	3,584	4,958	5,106
Cotton seeds	2,851	2,091	2,648	—*	1,885	—*
Cotton yarn	32,052	7,737	13,829	6,318	2,493	1,127
Bristles	1,389	1,471	2,287	3,626	3,405	3,583
Silk cocoons	1,972	408	226	—*	223	—*

*Not enumerated in the customs' returns.

VALUE AND INDEX OF SINO-BRITISH TRADE, 1912–1936

(Value in 1,000 Hk. Tls.)

Year	Exports		Imports		Total	
	Value	Index	Value	Index	Value	Index
1912	15,899	100.00	74,856	100.00	90,755	100.00
1913	16,346	102.81	96,911	129.46	113,257	124.79
1914	22,577	142.00	105,207	140.55	127,785	140.80
1915	31,935	200.86	70,558	95.59	103,493	114.03
1916	34,919	219.63	70,353	93.98	105,272	115.99
1917	26,090	164.09	51,989	68.54	78,079	86.03
1918	25,265	158.91	49,890	66.65	75,155	82.81
1919	57,186	359.66	64,292	85.89	121,478	133.85
1920	45,804	288.09	131,720	175.96	177,524	195.61
1921	30,914	194.44	149,936	200.29	180,850	197.08
1922	38,508	242.20	145,292	194.09	183,800	202.53
1923	43,207	271.76	120,397	160.84	163,604	180.27
1924	50,251	316.06	126,011	168.34	176,262	194.22
1925	47,643	299.66	93,138	124.43	140,781	155.12
1926	55,836	351.19	116,269	155.32	172,105	189.64
1927	57,991	364.75	75,072	100.29	133,063	146.62
1928	61,064	384.07	113,756	151.97	174,820	192.63
1929	74,334	467.54	119,149	159.17	193,483	213.19
1930	62,669	394.17	108,258	144.62	170,927	188.43
1931	64,526	405.85	119,985	160.28	184,511	203.31
1932	37,584	236.39	119,192	159.23	156,776	172.75
1933	48,765*	196.87	154,041*	132.31	202,806*	143.43
1934	49,806*	201.07	124,647*	106.88	174,453*	123.38
1935	49,463*	199.69	98,232*	84.23	147,695*	104.45
1936	64,883*		110,496*		175,381*	

*1,000 dollars.

PRINCIPAL ITEMS OF IMPORTS FROM GREAT BRITAIN

Commodity	Value in Unit of 1,000 C.G.U.					
	1931	1932	1933	1934	1935	1936
Cotton goods	13,013	20,118	7,045	9,330	2,841	1,410
Metals	9,670	12,750	10,196	9,953	9,780	8,749
Tin plates	3,421	4,595	5,082	1,825	1,091	—
Machinery	12,137	10,308	7,977	10,207	7,930	5,058
Woolen yarn	5,750	5,128	4,394	4,180	761	291
Vehicles and vessels	3,302	4,249	4,384	2,690	2,942	4,903
Ammonium sulphate	3,407	4,055	3,527	1,028	1,561	1,010
Woolen piece goods	5,002	3,589	5,052	3,939	2,901	506
Cotton thread	1,579	2,961	2,014	1,796	808	635
Cigarettes	9,339	1,907	918	605	489	256
Soda	2,531	1,360	959	1,059	558	564
Cuastic soda	959	800	881	841	696	528
Electrical materials	1,596	1,152	1,299	1,114	1,089	867
Linen goods	2,592	974	1,915	1,180	2,941	—
Artificial silk, manufactures of	551	196	143	34	15	14
Aniline dyes	2,082	644	439	483	622	544
Paper	1,091	1,840	1,881	1,220	435	182

PRINCIPAL ITEMS OF EXPORTS TO GREAT BRITAIN

Commodity	Value in Unit of $1,000					
	1931	1932	1933	1934	1935	1936
Eggs and egg products	30,920	24,578	21,903	18,946	18,480	22,832
Tea	5,412	4,573	3,848	6,848	2,961	3,169
Bristles	4,081	2,966	2,516	3,428	3,307	3,307
Beans	16,661	2,290	26	959	357	—
Raw Silk	3,085	2,257	2,177	1,568	1,356	2,565
Wool	3,182	2,228	2,106	1,137	599	—
Shantung silk	2,226	1,323	694	677	—	—
Antimony	940	1,159	959	1,332	2,596	3,117
Groundnuts	2,666	1,048	612	468	642	561
Bean oil	8,355	380	—	—	—	—
Wood Oil	2,704	539	1,850	1,323	2,118	—
Woolen carpets	1,026	878	1,810	1,965	1,374	1,558
Hats, fibers, straw, etc.	1,318	927	1,509	1,258	2,134	—

VALUE AND INDEX OF SINO-GERMAN TRADE, 1912–1936

(in 1,000 Hk. Tls.)

Year	Exports		Imports		Total	
	Value	Index	Value	Index	Value	Index
1912	13,339	100.00	21,130	100.00	35,469	100.00
1913	77,025	118.73	28,302	133.94	45,327	127.79
1914	12,063	84.13	16,697	79.02	28,760	81.10
1915	—	—	160	0.79	160	0.45
1916	—	—	24	0.11	24	0.06
1917	—	—	—	—	—	—
1918	—	—	—	—	—	—
1919	164	1.14	—	—	164	0.45
1920	1,761	12.28	5,418	25.64	7,179	20.24

1921.. ..	6,774	47.24	13,349	63.17	20,123	56.73
1922.. ..	9,805	68.38	24,744	117.10	34,549	97.41
1923.. ..	11,915	83.09	32,456	153.60	44,371	125.09
1924.. ..	15,949	111.23	38,688	183.09	54,637	154.04
1925.. ..	16,427	114.56	32,511	153.86	48,938	137.97
1926.. ..	17,760	123.86	45,678	216.18	63,438	178.86
1927.. ..	20,355	141.95	39,354	186.25	59,709	168.34
1928.. ..	22,824	159.17	55,697	263.59	78,521	221.37
1929.. ..	22,458	156.62	67,076	317.44	89,534	252.43
1930.. ..	23,361	164.31	69,105	327.04	92,466	263.51
1931.. ..	23,138	161.36	83,514	395.24	106,653	300.69
1932.. ..	29,833	208.05	71,914	340.34	101,747	286.86
1933.. ..	20,795*	93.08	108,016*	328.11	128,811*	233.09
1934.. ..	19,159*	85.76	92,389*	283.68	112,548*	203.67
1935.. ..	28,926*	129.48	103,385*	314.05	132,311*	239.43
1936.. ..	39,173*		150,235*		189,412*	

*1,000 dollars.

PRINCIPAL ITEMS OF IMPORTS FROM GERMANY

Commodity	*Value in Unit of 1,000 C.G.U.*					
	1931	*1932*	*1933*	*1934*	*1935*	*1936*
Woolen yarn	2,844	1,559	1,009	373	151	69
Woolen piece goods ..	1,873	796	521	388	355	237
Artificial silk	1,727	2,164	1,787	546	69	75
Metals	3,574	8,677	8,403	6,888	10,662	10,285
Vehicle and vessels ..	1,654	1,541	1,587	1,329	2,740	3,946
Machinery	5,438	5,380	3,687	5,077	8,949	5,630
Scientific apparatus ..	1,011	840	1,619	1,682	1,614	2,225
Electrical materials.. ..	2,377	1,305	816	671	1,432	1,543
Other metal manufactures	5,662	4,968	7,677	4,568	3,946	596
Acids	268	415	441	233	217	305
Ammonium sulphate ..	3,698	3,583	2,666	1,075	1,719	3,530
Potassium chlorate ..	—	827	799	535	269	298
Other chemicals	4,836	4,785	2,870	2,241	4,212	2,807
Dyes and pigments not otherwise enumerated..	4,525	3,422	2,800	3,691	4,002	2,887
Aniline	5,585	1,503	2,387	2,678	—	4,604
Aniline dyes and pigments	2,423	509	871	993	—	—
Paper	4,348	5,266	3,452	2,144	3,364	5,982
Photographic materials ..	901	797	855	1,022	1,014	853

PRINCIPAL ITEMS OF EXPORTS TO GERMANY

Commodity	*Value in Unit of $1,000*					
	1931	*1932*	*1933*	*1934*	*1935*	*1936*
Bristles	815	732	953	1,108	1,457	1,468
Eggs and egg products ..	2,615	3,644	3,597	2,603	2,843	6,228
Beans	4,156	15,132	30	337	—	—
Bean oil	401	5,832	—	—	—	—
Groundnuts	7,868	5,656	3,357	1,269	1,673	1,541
Tea	601	540	698	415	1,224	1,279
Raw cotton	224	1,106	322	450	3,171	1,294
Cotton wastes	1,163	601	295	654	1,193	—
Antimony	794	278	301	581	1,105	1,189
Hides, buffaloes, and cow	972	561	769	895	683	—
Sesamum Seeds	529	31	13	—	117	—
Intestines	1,673	1,126	1,621	1,800	1,925	2,970

TRADE CONDITIONS AT PRINCIPAL PORTS

Geographical Divisions.—The principal ports in China's foreign trade may be briefly divided into three groups—North China, Central China, and South China ports. The largest center in the North China group is Tientsin, though Tsingtao is a close second. Hankow and Shanghai are by far the two most important centers which handle the majority of China's foreign trade, so that they are not merely the largest ports in the Central China group. As a trade center, Canton ranks first among the South China ports.

The distribution of China's foreign trade among the various ports was essentially the same during 1936 as in the past few years. Shanghai maintained its lead with 55.56%, while Tientsin occupied second place with 11.54%, Tsingtao third with 6.44%, and Canton fourth with 4.45% of the total volume of trade.

With regard to the export trade, Shanghai claimed $362.2 million, or 51.26% of the total; Tientsin, $117.8 million, or 16.67%; Tsingtao, $51.5 million, or 7.29%; and Canton, $42.4, or 6.01%. So far as imports were concerned, Shanghai handled $555 million, or 58.78% of the total; Tientsin, $72.6 million, or 7.69%; Kowloon, $57.5 million, or 6.09%.

As a whole, the export trade at all of the ports (excepting the minor ones of Kongmoon, Wuhu and Ningpo) showed substantial increases, while the import trade at Shanghai, Tsingtao, Kiukiang, Swatow, Mengtze, Wuchow, Chefoo, Nanking, Chinwangtao and Wuhu also registered increases during the year 1936. The import trade slightly declined at Tientsin, Kowloon, Canton, Hankow, Amoy, Foochow, Lappa, Ningpo and Kongmoon.

CHINA'S FOREIGN TRADE BY GEOGRAPHICAL DIVISION

Geographical Division	*1934*		*1935*		*Comparison (Increase + Decrease —)*
	Value in $1,000	*Percentage of Total*	*Value in $1,000*	*Percentage of Total*	
NORTH CHINA:					
Import	161,776	15.57	150,133	16.24	— 11,643
Export	135,781	25.34	159,645	27.70	+ 23,864
CENTRAL CHINA:					
Import	680,211	65.47	587,007	63.48	— 93,204
Export	284,356	53.08	304,978	52.91	+ 20,622
SOUTH CHINA:					
Import	196,992	18.96	187,555	20.28	— 9,437
Export	115,596	21.58	111,675	19.38	+ 3,921
TOTAL:					
Import	1,038,979	100.00	924,695	100.00	—114,283
Export	535,733	100.00	576,298	100.00	+ 40,565

VALUE OF CHINA'S FOREIGN TRADE BY PORTS

Ports	*Exports in $1,000*	*Imports in $1,000*	*Total in $1,000*
Shanghai	362,274	555,183	917,457
Tientsin	117,827	72,647	190,474
Kiaochow (Tsingtao) ..	51,533	54,752	106,285
Kowloon	6,245	57,550	63,795
Canton	42,487	30,905	73,392
Hankow	13,559	32,875	46,434
Kiukiang	80	4,164	4,244
Swatow	23,224	29,621	52,845
Mengtze	23,663	8,117	41,780
Amoy	4,002	13,296	17,298
Wuchow	13,861	7,063	20,924

Chefoo	9,738	6,817	16,555
Nanking	1,672	17,406	19,078
Foochow	4,443	5,185	9,628
Lappa	2,954	3,676	6,630
Ningpo	6	1,845	1,851
Chinwangtao	7,066	3,462	10,528
Kongmoon	3,242	3,402	6,644
Wuhu	2,848	2,514	5,362
Chinkiang	—	7,119	7,119
Other Ports	16,067	26,924	42,991
TOTAL	706,791	944,523	1,651,314

PERCENTAGE OF TRADE BY PORTS

Ports	*Exports* %	*Imports* %	*Total* %
Shanghai	51.26	58.78	55.56
Tientsin	16.67	7.69	11.54
Kiaochow (Tsingtao) ..	7.29	5.80	6.44
Kowloon	0.88	6.09	3.86
Canton	6.01	3.27	4.45
Hankow	1.92	3.48	2.81
Kiukiang	0.01	0.44	0.26
Swatow	3.29	3.14	3.20
Mengtze	3.35	0.86	1.92
Amoy	0.57	1.41	1.05
Wuchow	1.96	0.75	1.27
Chefoo	1.38	0.72	1.00
Nanking	0.24	1.84	1.16
Foochow	0.63	0.55	0.58
Lappa	0.42	0.39	0.40
Ningpo	—	0.20	0.11
Chinwangtao	1.00	0.37	0.64
Kongmoon	0.46	0.36	0.40
Wuhu	0.40	0.27	0.32
Chinkiang	—	0.75	0.43
Other Ports	2.26	2.84	2.60
TOTAL	100.00	100.00	100.00

Port Trade Balances.—As the balance of trade for 1936 was less unfavorable than that for the previous two years, the general tendency was in the direction of a further diminution of the difference between imports and exports. As compared with 1935, the favorable and unfavorable balances of the ports continued to be maintained.

The ports which registered excesses of imports were Shanghai, Kowloon, Hankow, Nanking, Amoy, Chinkiang, Swatow, Kiukiang, Kiaochow (Tsingtao), Ningpo, Foochow, Lappa and Kongmoon. With the exception of Kiaochow, Nanking and Chinkiang, which showed slight increases in the excesses of imports, all of these ports recorded decreases. Thus, the excess of imports for Shanghai during 1936 was $192,909,000 as compared with $218,721,000 for 1935, a decrease of over $25 million; and that for Kowloon during 1936 was $51,305,000 as compared with $64,746,000 for 1935, a decrease of no less than $13.4 million.

The ports which registered an excess of exports were Tientsin with $45,180,000, Mengtze with $15,546,000, Canton with $11,582,000, Wuchow with $6,798,000, Chinwangtao with $3,604,000, Chefoo with $2,921,000 and Wuhu with $334,000. With the exception of Chinwangtao and Wuhu, all of these ports recorded increases in the amounts of exports as compared with the preceding year.

As a whole, the situation has improved considerably, for unfavorable balances have declined and favorable balances have continued to increase.

The trade balances of individual ports are shown in the following table:

PORT TRADE BALANCES IN 1935–1936

Ports	1935		1936	
	Excess of Imports (Value in $1,000)	*Excess of Exports (Value in $1,000)*	*Excess of Imports (Value in $1,000)*	*Excess of Exports (Value in $1,000)*
Shanghai	218,721	—	192,909	—
Tientsin	—	6,042	—	45,180
Kiaochow (Tsingtao)	2,681	—	3,219	—
Chefoo	—	1,174	—	2,921
Chinwangtao	—	3,800	—	3,604
Hankow	20,617	—	19,316	—
Nanking	12,395	—	15,734	—
Chinkiang	6,752	—	7,119	—
Ningpo	8,051	—	1,839	—
Wuhu	—	398	—	334
Kiukiang	4,046	—	4,084	—
Foochow	3,258	—	742	—
Amoy	11,014	—	9,294	—
Swatow	11,245	—	6,397	—
Canton	—	6,175	—	11,582
Kowloon	64,746	—	51,305	—
Lappa	5,252	—	722	—
Kongmoon	693	—	160	—
Wuchow	—	2,524	—	6,798
Mengtze	—	10,305	—	15,346

Trade Conditions at Shanghai.—Generally speaking, Shanghai experienced a better year in 1936 than in 1935, the value statistics of the trade of the port, in so far as they are recorded by the Customs, being as follows: direct foreign imports, $555.2 million during the year under review as compared with $507.7 million during 1935; coastwise importations of Chinese merchandise, $436 million as against $298.7 million; direct exports to foreign countries, $362.2 million as compared with $289 million; and coastwise exportations of Chinese produce, $462.7 million as against $456.8 million. During the year Shanghai handled $1,816.2 million worth of cargo for which statistics are available, as compared with $1,552.2 million worth during 1935. Shanghai's share of the total foreign import trade of the country increased from 54.90% in 1935 to 58.78% in the year under review, while the percentage of exports rose from 50.14 to 51.26%. The excess of imports over exports was further reduced from the previous year's figures of $216,473,722 to $191,694,281. There was an increase of $47.5 million in the direct import value of 1936 as compared with that of 1935, though, as shown in a previous paragraph, the gold unit value of Shanghai's direct foreign imports fell by G.U. 31,278,261.

Important groupings showing increases included metals and ores, miscellaneous metal manufactures, wood and woolen manufactures, vehicles and vessels, chemicals and pharmaceuticals, tobacco, paper, machinery and tools, dyes, and flax, ramie, jute and other manufactures. Imports which registered decreases were cereals and flour, sugar, raw cotton (including yarn), timber, animal products, canned goods and groceries, white and dyed cotton piece goods, and mineral oils. The principal groups of commodities which contributed to the increase of $73.3 million in direct exports were vegetable oils (chiefly wood oil), animals and animal products, hides, leather and skins, cereals and cereal products, ores and metals, piece goods and beans. Exports of seeds, textile fibers, and sundries registered substantial decreases. The itemized statistics for the port of Shanghai's foreign trade will be found in the accompanying table.

The improved trading results of the year were no doubt the outcome of a variety of causes, but credit was due chiefly to the stabilized financial structure brought about, both at

Shanghai and throughout China, by the currency reforms introduced in November, 1935, and to the bountiful crops of farm products harvested. As a result of the currency reforms, the Shanghai money market displayed an easy tone for the greater part of the year in striking contrast to the state of extreme stringency which formerly prevailed. Loans for financing business enterprises could be obtained at a comparatively low rate of interest on acceptable security. With the support of banks, many industrial plants which had closed down owing to financial difficulties resumed operations, and business generally showed signs of revived activity. Commodity prices recovered gradually, the whole price index for Shanghai rising steadily from 103.3 in December 1935 to 118.8 in the corresponding month of 1936. Through Government control, foreign exchange was kept on a stable basis throughout the year. There can be no doubt that this fact has been instrumental in improving the statistical position of the trade of this port. The excellent crops of the year not only increased the volume of exports, but gave the farming community a new lease of life with their spending power substantially raised. Improved economic conditions in the vast area served by Shanghai were quickly reflected in increased business with this great commercial center. During the last quarter of the year activities in certain lines of trade assumed such proportions as had not been experienced for many years past.

Trade Conditions at Hankow.—Hankow again enjoyed a generally quiet and peaceful year. Due to stabilized currency and good crops, business conditions generally displayed an all-round improvement. The river level rose fairly rapidly during the late spring, and another high water period, with a possible flood, was anticipated. The authorities concerned made immediate preparations; the Chang Kung Dike was raised to 17.678 meters (58 feet) above Hankow Customs zero and strengthened; Special Administrative Areas Nos. 1, 2, and 3 and the French Concession raised their flood walls to 16.459 (54 feet), while the Hankow Municipality raised the flood walls from the Japanese Concessions to Seven Mile Creek to 16.764 meters (55 feet). Towards the end of May, however, the water fell considerably and relieved the great anxiety that had prevailed.

Customs statistics for the port of Hankow were as follows, according to value: direct imports from abroad amounted to $32.9 million as against $33.2 million in the preceding year; coastwise importation of Chinese merchandise, $109.8 million as against $82 million; direct exports abroad, $13.6 million as against $12.6 million; and coastwise exportations of Chinese produce (much of which was destined for places abroad via Shanghai), $197.5 million as against $138.5 million. With regard to trade with foreign countries, as mentioned in the report for 1935, it must be remembered that figures under this head include only steamer-borne import cargo paying duty at Hankow (excluding the share of the trade which is imported duty-paid at other ports, but including cargo paying duty at Hankow while destined for, and eventually forwarded to, up-river ports) and such outward steamer-borne cargo as is carried directly abroad from Hankow, while cargo moved by river steamer, even when declared for transshipment abroad and paying duty at Hankow, is recorded under interport statistics.

Due for the most part to the smuggling in the North during the first half of 1936, the value of sugar imported declined to $2.5 million, showing a decrease of about $700,000, or some 22%, compared with the figures for 1935. The value of withdrawals from bond of kerosene oil amounted to $6.4 million against $8.2 million in the previous year. Heavy importations of the latter had taken place, however, at the close of 1935, and actual sales were reported good on account of the purchasing power of the district resulting from abundant crops. Piece goods declined on account of stocks being carried over from the previous year and through the use of native varieties in place of the foreign article. An increase of some 20% was recorded under dyes and pigments. Markets were

disturbed, with consequent price-cutting, as a result of the smuggling in the North. Railway materials arrived in large quantities, although a considerable decline took place under railway sleepers on completion of the construction of the Canton-Hankow Railway. Metals and machinery had a successful year on account of the good demand from railways as well as from rural districts for farming purposes.

Weather conditions were generally favorable at the beginning of the year under review for all crops, especially the 1935–36 winter wheat crop, which was reported to have been exceptionally good both in quality and quantity. Coastwise shipments amounted to 615,634 quintals, which was almost double that of the previous year. The drought which set in during the autumn caused damage to the autumn rice crop, which amounted to about 70% of normal yield. No importation of rice from abroad took place during 1936. The price of this cereal increased during October as a result of the political situation, but declined as conditions became normal. Favorable climatic conditions over the area from which Hankow draws its supplies, together with the peaceful conditions and stabilized currency, reflected a general increase in export commodities. Recorded shipments of wood oil were valued at $36.2 million against $18.8 million in the preceding year. A good demand came from both America and Europe, but the market was disturbed at certain periods as a result of unfounded rumors of a more extensive use of substitute oils in America and the possibility of a government monopoly. Egg products enjoyed a successful year both in quantities exported and prices received; a good demand came from abroad, especially Great Britain. The season for pigs' bristles opened with high prices and a good volume of buying on foreign account, more especially in the case of white bristles, most of which went to Japan. The figures recorded show a slight increase of 1935 totals. Demand was also good for pigs' intestines, although spasmodic on account of import restrictions in force in certain countries. Figures recorded show a slight decrease in weight but an increase in value. The export of tea declined and will continue to do so unless steps are taken to improve the manufacture of Hankow teas. The 1936 crop of white sesamum seed was unusually large, but the yellow seed was below normal; the total amount shipped recorded a slight decrease in weight but an increase in value. Goatskins enjoyed a good year, and prices registered a large increase; direct exports abroad fell off, but considerable shipments were recorded under interport movements, resulting in net increase in value of $1,200,000. Nutgalls declined considerably; prices had consistently decreased during the past four years. A good demand for buffalo and cow hides, especially from Germany, resulted in an increase in value of more than 100% over the figures of 1935. Broad beans improved both in quantity and quality. Shipments of ramie showed a satisfactory increase in quantity and value. A decline was recorded under iron and zinc ore, wolfram ore (tungsten) and antimony.

Trade Conditions at Tientsin.—Though not without incident, the year was comparatively quiet at Tientsin. The value statistics for the port, so far as they are recorded by the Customs, were as follows: direct foreign imports, $72.6 million as compared with $85.2 million in 1935; coastwise importations of Chinese merchandise, $116.2 million as against $114.2 million; direct exports to foreign countries, $117.8 million as compared with $91.2 million; and coastwise exportations of Chinese produce, $58.2 million as against $46.4 million. So far as smuggling was concerned, the year under review proved to be the most disastrous on record. As pointed out in the section dealing with smuggling and preventive work, sugar, artificial yarn, piece goods, kerosene oil, and other high-duty paying articles were smuggled in increasing quantities, disrupting legitimate trade and saturating the market with illicit goods. In regard to exports, egg products, furs, seeds, raw cotton, etc., contributed largely to the increase shown, while the exceptionally good harvests of cotton gave a record crop. Improved conditions

abroad and stable exchange contributed in no small degree towards a revival in the export trade, and the feeling was general that, smuggling apart, the depression was passing.

As shown above, the value of imports declined by $12.6 million. Imports of cotton piece goods amounted only to 16% of the previous year's figures. Conditions in North China regarding piece goods in general have brought down retail prices to such low levels that competition was been precluded, the greatest sufferer in this respect being Great Britain. Legal imports constitute in fact, but a fraction of the enormous quantities of piece goods smuggled, which are estimated to have amounted in value to 10 million gold units. In view of the satisfactory harvests no raw cotton was imported during the year. In regard to wool and manufactures thereof there was some improvement, though the figures are still below those for 1934. Considering the enormous quantities of silk (including artificial silk and manufactures thereof) which found their way into the country through illegal channels, it is not surprising that importations during the year amounted only to half of those of the preceding year. Of artificial yarn it is estimated that over 4½ million gold units' worth entered the district. Sugar was another commodity smuggled in large quantities, and official statistics convey no idea of imports. Similarly with gasolene and kerosene oil; of gasolene alone, 54,000 cases of 10 American gallons is the estimated figure for smuggling, and for kerosene oil 423,000 cases of 10 American gallons each. This oil is mainly of Japanese origin, as smugglers are no longer interested in oils from America or Netherlands India, such being subject to double taxation by the local so-called "autonomous regime" in Eastern Hopei.

As already mentioned, exports from Tientsin showed an appreciable increase. In egg products a noticeable increase of over $3.8 million was recorded. The reasons for this advance are generally believed to be due to improved demand in the United States of America and to the outcome of tests made in Great Britain, which have confirmed that Chinese egg products are hygienically pure and that the fears which arose in this regard during the previous year were groundless. In spite of the fact that Tientsin has lost a great deal of its former importance as a fur center now that the Manchurian, Mongolian, and other northern sources of supply are no longer available, it still retains a fair position in the market for dealings in the lower grades of furs, and a general increase in shipments was registered. Very much larger shipments of dog skins, dressed and undressed, which rose from 23,327 pieces in 1935 to 157,476 pieces in 1936, are accounted for by a drop in value. There was a fair demand from abroad for better quality skins, but unfortunately Tientsin was unable to meet the demand, as supplies remained unobtainable at prices which could compete with those exported from Manchuria. Of dressed goat skins, 126,241 pieces valued at $282,882 were shipped abroad, and represented not only three times the quantity sold in 1935, but also showed an increase in price of nearly double. Undressed goat skins also met with favor, 2,302,105 pieces valued at $1.7 million being shipped. A total of 985,818 pieces of kid skins valued at $1.3 million and of 974,815 lamb skins valued at $3.7 million were forwarded mainly to the United States of America. Sheep skins, dressed and undressed, increased by over 200% in quantity and some 300% in value. Shipments of hides were more than double those of the preceding year, Japan taking nearly all. An increase of nearly $2 million was recorded for seeds, the total value of exports during 1936 being $8.7 million as compared with $6.7 million for 1935. Groundnuts in shell were shipped in considerably larger quantities, exports during the year totalling 33,232 quintals valued at $489,866, while during 1935 only 18,528 quintals valued at $217,742 were sold abroad through Tientsin. On the other hand, shelled groundnuts suffered a set-back, the 1935 shipments of 53,800 quintals valued at $721,000 dwindling to 3,616 quintals valued at $60,790 in 1936. One of the reasons for this decline is that large quantities are being shipped from Dairen at lower

prices. Cotton seed fared better, exports totalling 509,000 quintals valued at $1.5 million, showing an improvement over the preceding year's figures of 392,300 quintals. Japan continues to be the sole purchaser of this commodity.

Of all items coming under the heading of seeds, linseed deserves special attention. The main sources of supply are Suiyuan, Chahar and Inner Mongolia, but during past years cultivation has been somewhat neglected. During 1936 renewed interest was given to the Chinese product in Australia, and, out of a total export of 386,100 quintals, Australia took 206,000 quintals. The United States of America also remained an interested buyer. Taking Customs figures, exports of raw cotton were 306,270 quintals valued at $23.3 million as against 187,534 quintals valued at $13.5 million in 1935. The area of plantations has increased by some 50%, and a larger acreage is being devoted to American seed cotton.

Of all cotton exported, nearly 200,000 quintals valued at $15 million went to Japan. The export of camels' wool declined, goats' wool remaining fairly steady, while total shipments of sheep's wool declined from 17,136,964 kilogrammes valued at $12.6 million to 14,359,401 kilogrammes valued at $13.9 million. The Tientsin and Peiping woolen carpet and rug industry is world-famous, and total shipments were valued at $4.2 million. The principal importers continued to be America, with $1.8 million, followed by Great Britain, with $1.2 million, and South Africa, with $345,000. There was an increase of 1,287 quintals in the export of bristles, while horsehair rose from 2,726 to 3,481 quintals. Chinese straw braid enjoys a certain popularity in Great Britain, Germany and France, and business was satisfactory. Exports from Tientsin of mottled straw braid totalled 3,914 quintals valued at $739,314 and of white straw braid 1,977 quintals valued at $669,957. The total output of the Kailan Mines for the year was reported as being 4,250,000 tons and of the Ching Hsing Mines for the fiscal year from October 1935 to September 1936 882,236 tons. The Chung-fu Coal Mine had a total output of 1,277,114 tons. Factories and industries fared better during 1936 than for some years past; on the other hand, by making production cheaper the smuggling of raw materials, especially in the weaving industry created a source of unfair competition.

Trade Conditions at Canton.—The year 1936 stands out as one of the most remarkable periods in the history of the trade of Canton. Kwangtung had to contend with a series of severe monetary troubles as well as with political uncertainty for more than half the year. Furthermore, both harvests of rice—the staple produce on which the province mainly depends for food—were unsuccessful. In spite of these adverse factors, which aggravated the existing depression arising from world economic conditions, trade figures in general showed an upward trend which may mark the turning-point in the port's recovery. From the beginning of the year until the spring, retail trade was hampered by a shortage of bank-notes of small denominations, the use of which had become necessary on account of the sudden withdrawal of silver in November, 1935. Wholesale trade was affected and, ultimately, foreign trade. This state of affairs was remedied as sufficient legal tender notes arrived and were put into circulation, so that by April there was comparative stability. In May financial uncertainty again arose because of lack of confidence in the existing political regime, and normal conditions were not restored until after the political reorganization of July 20. During the first seven months of the year there were rapid and violent fluctuations in the exchange value of the local currency, the Canton dollar being worth at times only half the value of the Hongkong dollar. Conditions improved rapidly after the restoration of political and financial stability, and during November and December there was a distinct trade revival. This improvement was offset to some extent by the unsatisfactory conditions resulting from the rice shortage. As the news spread that the November harvest had failed

to come up to expectations owing to an unusually long spell of drought, prices soared and the purchasing power of the bulk of the population was greatly restricted.

The following are the values for the various trade headings recorded for Canton during the year, with comparative statistics for the preceding year: direct foreign imports, $30.9 million as against $33.8 million in 1935; coastwise importations of Chinese merchandise, $106.2 million as against $99.6 million; direct exports to foreign countries, $42.5 million as against $39.9 million; and coastwise exports of Chinese merchandise, $38.3 million as against $25.3 million. These figures serve as a rough guide to the trend of the trade of the port. They are incomplete, however, as they do not include the considerable amount of cargo destined for the Canton area which was passed at Kowloon and is recorded in the Kowloon statistics. A more representative estimate of the actual volume of trade can be obtained by combining the figures for Canton with those of Kowloon. An interesting reversal in the direction of trade was revealed by the decline in direct imports from abroad and the corresponding advance in domestic imports. The figures for foreign import trade would have fallen even more had they not been augmented by importations of raw sugar for refining, which amounted to approximately $1,500,000 (standard dollar). The value of rice importations, chiefly from Siam and Indo-China, was greater than in 1935 and added approximately $1.4 million (standard dollar) to the total.

Although the available figures do not give a complete picture of the situation, there is no doubt that there was a steep decline in the manufactured goods of all varieties imported from abroad. While this tendency has been apparent in the Canton area ever since the industrialization of China gained momentum, the movement was definitely accentuated during 1936. This was caused mainly by improvement in the quality of domestic articles. The effects of industrialization in Kwangtung itself were demonstrated by the fall in imports of cement of a negligible figure as a result of the competition of the local Saichuen Cement Works.

In spite of the handicap of the low value of the Canton dollar as compared with the Shanghai dollar, the domestic import trade held its own during the first half of the year and improved steadily after August, when credit facilities were being extended more freely. Domestic exports, on the other hand, benefited by the favourable exchange, especially as wages and most payments could be made in local currency, and the volume of freight carried out of the port on coastal vessels increased considerably. The most encouraging aspect of the year's trade was the increase in exports abroad and the strengthening of foreign markets for Kwangtung's products.

Trade in silk, which had in the past been the staple export of the province, revived to an encouraging extent from the low state to which it had fallen in the preceding year. The price of Canton silk rose in sympathy with the advance in world raw silk prices and encouraged increased production among the mulberry growers and cocoon raisers. The seven silk crops yielded approximately 4,500 bales more than those of the previous year. The price of the leading export quality did not fall below Hongkong $375 and rose to Hongkong $625, the highest quotation since 1933. There were increased demands from Indo-China, India and Lyons, the chief consuming centers. The revival in the silk trade found less than one quarter of the filatures in Kwangtung open, but those still in operation worked at full capacity. Although handicapped by lack of funds, experimentation on the part of the Government and by Lingnam University during past years in connexion with the improvement of silk cocoon production has resulted in the collation of a vast amount of information which can be utilized in the future. There was a continued lack of demand from the United States of America, which country had in the past consumed as much as half the Kwangtung silk supply, but had been forced in recent years to concentrate on the silk product of Japan and the

Shanghai mills on account of the unreliability of supplies from Canton.

The armament programs of European nations stimulated a demand for wolfram ore, and at the end of the year it seemed as though there might be a return to the state of affairs in 1918, when wolfram was one of Canton's principal exports. The full extent of the trade cannot be gauged from the figures, as there was a large stock of wolfram in Hongkong awaiting liquidation at the beginning of the year. The price per picul in July was Hongkong $75 (27s. per unit) and rose in late November to Hongkong $88 to $92 (30s. 6d. to 32s. per unit).

Six provincial sugar centrals were working during the course of the year. Incentives to the farmers growing the cane have been offered in the form of higher prices for their product and more favorable terms for loans. Acreage under sugar cultivation more than doubled, but unfavorable weather conditions, especially a typhoon in August which destroyed a considerable portion of the standing cane, reduced the yield per mou to figures lower than had been anticipated. Two old-established industries, the manufacture of straw mats and of kittysols, on which a large number of people both in Canton and in the interior are dependent for employment, were able to make considerable advances during the year. This was not only because of favorable exchange, but also because of modernization of the products in accordance with the tastes of consumers overseas, both Chinese and foreign. Another feature of the year was the increased output of rubber manufactures by local rubber factories in spite of the high price of rubber caused by world restriction of the product. A permanent achievement was the completion in 1936 of the Canton-Hankow Railway, which promises to be of increasing benefit to the commercial progress of the port. Through traffic on the line was inaugurated on September 1. The valuable service which can be rendered by this railway was demonstrated when the necessity arose for the quick transportation of surplus rice from Changsha and other Hunan centers to Canton in order to supplement the shortage in Kwangtung. Shipping interests are already showing concern as to the possible effects the railway may have on the volume of freight in Yangtze products carried by them. As the Canton-Hankow Railway neared completion interest was revived in the project for the development of the port of Whampoa, which had been under consideration for many years. Present plans include a sufficient deepening of the river channel to allow vessels of 7,000 or 8,000 tons to enter the port. As the year drew to a close, a second three-year plan, including agriculture, industry, etc., had been formulated and was under consideration. The first three-year plan had been carried out under conditions unfavorable to its full development. There are indications, however, that the second project has strong financial support from investors both in China and overseas because of a feeling of confidence in the future development of the province; and that it will have far-reaching effects upon the trade in this part of the country.

PRINCIPAL COMMODITIES OF CHINA'S FOREIGN TRADE

Value of Import Commodities.—As seen above, the value of the import trade increased by 2.4%, from $919 million in 1935 to $941 million for 1936. The following table shows the net imports from abroad for the years 1935 and 1936 arranged according to the main groupings of customs returns and according to the order of importance of these groups during the year under review.

From the following table it will be noticed that the cereals and flour group, which headed the list in 1935, dropped to eighth place, imports being no less than $87 million lower during 1936. The premier position was taken by the metals and ores group, which was higher by $20.6 million, followed by the candles, soap, and oils group with an increased import of $3.4 million. Machinery and tools fell by $5.9 million, and cotton and manufactures thereof by $14.3 million. Books, maps, paper and wood pulp

NET IMPORTS FROM ABROAD 1935–1936

(*Value in $1,000*)

Commodities	*1935*	*1936*
Metals and ores	87,442	108,055
Candles, soap, oils, fats, waxes, gums, and resins	101,696	105,132
Machinery and tools	65,853	59,980
Books, maps, paper, and wood pulp	53,124	57,467
Cotton and manufactures thereof	68,679	54,360
Vehicles and vessels	30,854	52,483
Chemicals and pharmaceuticals	37,443	51,839
Cereals and flour	135,917	49,219
Miscellaneous metal manufactures	34,805	46,712
Dyes, pigments, paints, and varnishes	37,611	41,193
Wool and manufactures thereof	20,411	29,310
Timber	34,768	28,910
Sugar	27,672	20,534
Flax, ramie, hemp, jute, and manufactures thereof	13,167	17,986
Fishery and sea products	19,028	17,793
Tobacco	11,300	17,389
Animal products, canned goods, and groceries	11,778	9,370
Silk (incl. artificial silk) and manufactures thereof	8,046	9,370
Medicinal substances and spices	8,689	8,729
Wood, bamboos, rattans, coir, straw, and manufactures thereof	7,541	7,622
Coal, fuel, pitch, and tar	9,199	7,449
Fruits, seeds, and vegetables	6,948	5,821
Chinaware, enamelware, glass, etc.	5,762	4,803
Hides, leather, and other animal substances	4,530	4,778
Stone, earth, and manufactures thereof	4,736	3,697
Wines, beer, spirits, table water, etc.	2,965	1,603
General sundries	69,504	119,927
TOTAL	919,211	941,544

were higher by $4.3 million; vehicles and vessels by $21.9 million; chemicals and pharmaceuticals by $14.4 million; and miscellaneous metal manufactures by $11.9 million. The import of dyes, etc., was higher by $3.6 million and of wood and manufactures thereof by $8.9 million, while imports of timber and sugar declined by $5.8 million and $7.1 million respectively. Imports of tobacco were $6 million higher.

Value of Export Commodities.—The value of exports improved by 22.6 %, or from $576 million in 1935 to $706 million for 1936. The comparatively lower dollar and some lifting of world depression exercised a generally beneficial effect, but the main advantage accrued from the enhanced demand for certain of China's staple products.

The following table gives comparative statistics for the value of the export trade during the past two years, arranged according to the groupings used in the *Monthly Returns of the Foreign Trade of China* and further arranged according to the order of importance assumed by these groupings during the year under review:

NET EXPORTS ABROAD, 1935–1936

(*Value in $1,000*)

Commodities	*1935*	*1936*
Textile Fibers	97,396	112,980
Animals and Animal Products (not including Hides, Leather, and Skins (Furs), and Fishery and Sea Products)	80,256	103,985
Oils, Tallow, and Wax	57,280	91,387
Ores, Metals, and Metallic Products	43,575	56,743
Yarn, Thread, Plaited and Knitted Goods	42,457	47,476

Seeds	49,000	40,805
Hides, Leather, and Skins (Furs)	23,629	40,502
Tea	29,624	30,662
Cereals and Cereal Products	18,921	24,792
Piece Goods	18,839	24,149
Fuel	8,572	13,002
Tobacco	9,051	10,137
Fruits, Fresh, Dried, and Preserved	8,546	9,902
Medicinal Substances and Spices (not including Chemicals)	9,148	9,845
Other Textile Products	7,669	9,420
Vegetables	8,349	9,414
Beans and Peas	5,255	8,278
Other Vegetable Products	6,218	7,146
Chemicals and Chemical Products	5,388	6,176
Paper	4,810	5,498
Stone, Earth, Sand, and Manufactures thereof (including Chinaware and Enamelware)	3,331	4,074
Fishery and Sea Products	3,098	3,180
Timber, Wood, and Manufactures thereof	1,917	3,006
Bamboo	2,543	2,935
Printed Matter	2,210	2,389
Dyestuffs, Vegetable	2,300	1,515
Spirituous Beverages	1,013	1,129
Glass and Glassware	250	372
Rattan	114	200
Sugar	2	4
Sundry List	25,048	24,639
TOTAL	575,809	705,742

The textile fibers group headed the list of exports, there being an increase of $6.4 million on the value of raw cotton sent abroad. Exports of silk also improved by over $3 million. Under the second category of animal and animal products, etc., bristles and eggs and egg products were higher by $9.1 million and $9.7 million respectively. Under the heading oils, tallow, and wax, wood oil was exported to a value of $73.4 million—an increase of $31.8 over the figure for 1935. Under ores, metals, and metallic products, tin ingots and slabs improved by $6.4 million and wolfram ore (tungsten) by $2.6 million. Exports of cotton yarn declined by $6.8 million, while cross-stitch work and embroideries other than silk increased in value from $8.5 million to $19.1 million. Shelled groundnuts fell by $8.4 million. The export of hides and skins appreciably improved, while there was a slight increase of $1 million in the value of tea exported.

SMUGGLING AFFECTS TRADE AND REVENUE

The Japanese-inspired smuggling activities, audaciously carried on despite official protests and preventive measures taken by the Customs Service, assumed alarming proportions in North China during the first six months of 1936. Although the volume of smuggled goods has somewhat decreased since June, 1936, due partly to the stringent prevention adopted by the Government and partly to the glutting of the market with such goods, the situation is still serious and this internationally significant problem remains unsolved. For obvious reasons, actual figures are not available, but there is no doubt that both legitimate trade and Government revenue in North China have suffered to a considerable extent. It was emphasized by the Customs authorities that, since many foreign and domestic loans are secured on the revenue, this Japanese-protected smuggling is far from being a purely local matter or a political consideration affecting only China and Japan, but is the vital concern of all countries and of their nationals concerned.

Salient Facts of the Situation.—The following salient facts as contained in Customs reports issued from time to time clearly show the serious situation in which the Customs administra-

tion has found itself as a result of the rampant smuggling activities :—

(*a*) Calculated total loss of Customs revenue on goods smuggled into North China during the year 1936 amounted to $50,000,000.

(*b*) Average loss of revenue per month from August, 1935, to March, 1936, was estimated at $1,700,000.

(*c*) Estimated loss of revenue for the month of April, 1936, alone was $8,000,000.

(*d*) At the rate of approximately $8,000,000 per month, the loss of revenue per year would be nearly $100,000,000, which is nearly one-third of the total annual Customs revenue for China.

(*e*) Approximate statistics of illicit goods arriving at Tientsin by rail from East Hopei during the year are as follows :

Artificial Silk Yarn : 39,942 quintals
Sugar : 897,070 ,,
Cigarette Paper : 3,786 ,,
Kerosene Oil : 2,166,600 ,,
Piece Goods : 78,400 cases (particulars of contents unknown)
Sundries : 220,800 cases (contents unknown)

The estimated duty evaded on the artificial silk yarn, sugar, cigarette paper and kerosene oil was in the neighborhood of $30,500,000.

(*f*) As to the approximate weekly amount of goods smuggled into North China at the Tientsin East Station from Chinwangtao, Peitaiho, Nantatze, Liushouying and Changli, the week from April 19 to April 25 (1936) inclusive shows :

Rayon : 6,928 bags or 3,117 quintals
White Sugar :
80,711 ,, ,, 72,694 ,,
Cigarette Paper :
202 ,, ,, 12,654 kgs.
Piece Goods :
1,903 ,,
Sundries
4,253 packages or cases

(*g*) For the period from August 1, 1935 to April 25, 1936, total arrivals of smuggled goods at the Tientsin East Station were approximately as follows :

Rayon :
39,617 bags or 40,327 quintals
White Sugar :
479,296 ,, ,, 431,366 ,,
Piece Goods :
21,131 ,,
Cigarette Paper :
6,171 ,,
Sundries :
11,053 packages or cases

Sundry articles as quoted above, according to Customs reports, included dried sea products, kerosene oil, provisions, liquid ammonia, rubber tyres, rubber shoes, tin-plates, dyes, sulphuric acid and contraband articles.

(*h*) Total amount of smuggled goods dispatched to other parts of China by the Peiping-Liaoning and the Tientsin-Pukow Railways from the East, West and Central Stations in Tientsin for the week from April 19 to April 25 (1936) inclusive was estimated at :

Rayon :
1,862 bags or 838 quintals
White Sugar :
41,171 ,, ,, 37,054 ,,
Cigarette Paper :
245 bags or 125 ,,

Destinations for these smuggled goods included Chowtsun, Tsinan, Hsuchow, Tatung, Peiping, Pengpu, Tsingtao, Kalgan, Tsangchow, Changsha, Yenching and Weihsien.

Early Stages Reviewed.—Sporadic smuggling had been practiced in North China following the Manchurian incident of 1931 and subsequent periods of unrest in the Tientsin-Shanhaikwan sector ; but it was after the signing of the so-called Tangku Agreement that this illicit trade began to be operated in an organized way. The situation was further aggravated by the establishment of the self-styled Autonomous Government of East Hopei and by interference on the part of Japanese military authorities. So far as the smuggling situation is concerned, the year 1935 may be divided into three periods : the first period was marked by exorbitant demands by the Japanese authorities over two incidents which arose in connection with silver smuggling by "Manchukuo" and Japanese subjects, the first case occurring on May 17 and the second on May 25. Up to this time the initial difficulties of the Customs authorities were confined to petty smuggling, but after May 17 organized smuggling commenced. It was estimated that more than $400,000 in silver was conveyed every day to Shanhaikwan.

The second period witnessed an intensification of the smuggling activities as a consequence of the demands of the Japanese military authorities for the disarming of the Chinese Customs officials in early June of 1935. After the two incidents involving silver smugglers, the Kwantung Military Mission at Shanhaikwan demanded of the Commissioner of Customs at Chinwangtao that the revolvers carried by Customs officers be withdrawn. With the disarming of preventive patrols, the smugglers, mostly Japan-

ese and Korean desperadoes, became bolder and engaged in the smuggling not only of silver, but also of goods on a large scale. On September 9, 1935, the situation was further aggravated when the Commissioner of the Chinwangtao Customs was presented by the local Japanese Garrison Commander with a demand for the removal of all machine guns from Customs Preventive vessels. Later the same Japanese commander further demanded that all Chinese Customs Preventive vessels be removed from within the three-mile limit of the "demilitarized zone." Despite the strong protests of the Chinese authorities against such interference with the Customs service, the situation drifted from bad to worse. By then large quantities of goods were being brought to North China openly without passing through the Customs.

The third period, which lasted from the middle of September to the end of the year and continued throughout the first few months of 1936, saw the complete collapse of the Preventive Service in North China. The Japanese naval authorities refused to recognize the right of the Chinese Customs officers to search vessels outside of the 3-mile limit and stated further that "Japanese vessels are under no obligation to display their national flags at any time nor to take heed or answer any signal, and that any action on the part of the Preventive vessel to halt any Japanese craft, whether her identity is known or not, will be interpreted as an act of piracy and is to be dealt with accordingly." These statements had far-reaching effects, for smuggling by sea became open and uncontrollable, as a large number of steamers, motor-boats and junks engaged in landing goods on an increasingly large scale along the coast between Lutai and Chinwangtao. In the first part of 1936, new phases in the smuggling situation in North China were revealed, as new methods were adopted by the smugglers to circumvent the Chinese Customs' measures which the Chinese Customs authorities had adopted in an effort to check the rampant smuggling activities. The first twenty days of May witnessed the further deterioration of the smuggling situation in the North. Not only did the volume of the illicit trade tend to increase, but the varieties of goods also increased daily; the so-called demilitarized zone and an area as far westwards as was served by the Peiping-Liaoning Railway became virtually a duty-free region for every kind of commodity that might be conveniently carried by rail.

The arrivals of contraband goods at Tientsin by rail, according to Customs' statements, seemed to be limited only by the number of freight cars available. A list of the articles which were brought in from East Hopei during the first part of 1936 reads almost like a grocery and provision store inventory. They included sugar, artificial yarn, cigarette paper, kerosene oil, lubricating oil, piece goods of all descriptions, dyes, wire netting, bicycle parts, seed products, apples, medicine, cheese, toothpaste, rubber tires, canned goods, wines, fruit juice, cosmetics, waterproof coats, aerated waters, candles, tin plates, nails, soft wood planks, alcohol, needles, beans, tinned milk, cotton and silk braids, saccharine, rubber shoes, electric batteries and shellac. Chiefly notable were the increasing quantities of kerosene oil, the amount of alcohol (probably intended for heroin manufacture), and not a few consignments of arms and ammunition.

Preventive Secretary's Report.—Substantiating all previous reports from various sources as to the seriousness of the smuggling situation in North China, and throwing further light on certain aspects of the general situation, a report was submitted to the Customs authorities by the Preventive Secretary of the Inspectorate-General. This contained his own observations of the situation after a tour of inspection in the regions affected during the first part of 1936. The following are excerpts from his report:

"In the late summer of 1934 when I made my last tour of inspection and covered the whole of the Gulf of Pechili, the activities of the Preventive Fleet and our Preventive organization generally were beginning to take shape and produce results. This area, which hitherto had been a playground for smuggling organizations, was at last being brought under

control. Sugar and artificial silk yarn, the commodities most favored by smugglers owing to the incessant demands from buyers and the very high duty rates, were making a welcome return to our Custom House statistics, and *bona fide* trade was returning to normal, a fact testified to at the time by many leading business houses and also by the prices obtainable by the Customs for confiscated cargo sold at auction.

"Improvement became still more marked towards the close of the year and continued during the early part of 1935, and it may be said with truth that the large smuggling organizations had then been broken up and that with the exception of petty smuggling in passengers' baggage and through the Great Wall Passes and also occasional lots that escaped the vigilance of the Customs by land or sea, comparatively little was escaping us. These facts may be of significance in that the time when the Japanese authorities saw fit to take the action which destroyed the foundation of the work accomplished and rendered all Customs preventive efforts abortive, synchronized with the time when Customs preventive work was attaining its end and goods were no longer able to escape payment of the National Tariff rates.

"What is the position to-day? The Customs staff remain at their posts but all their prerogatives and means of enforcing the laws enacted by constitutional authority have been wrenched from them. Quoting the so-called Tangku Truce Agreement as their authority, the Japanese authorities have reduced the Customs to a state of impotence; our preventive patrols are no longer allowed on the Great Wall at Shanhaikwan; our officers within the so-called demilitarized zone have to go without protection against the rough Japanese and Korean elements engaged in illegal activities.

"Our armed preventive ships have perforce to remain outside a three-mile limit from the coast of the aforesaid zone; and we are informed by Japanese naval authorities that we shall be considered as pirates and treated accordingly if we so much as stop a Japanese vessel, or an unidentifiable vessel which can be shown to have a claim to Japanese protection, at a point further than three miles from the coast.

"The latter provision, of course, has rendered all sea work in this area impossible and futile since Japanese owned or chartered vessels, which are not obliged by Japanese law to fly their flags or carry any mark or emblem denoting their nationality, may proceed from Dairen, the base of illicit trade activities, to any point on the Chinese coast of the so-called demilitarized zone without risk of molestation of any kind, and other vessels, e.g., Chinese, have only to avoid carrying distinguishing marks and thus place themselves within the unidentifiable category, in order to reduce risk of seizure to a minimum.

"On land Customs officers, lacking all forms of protection, have been browbeaten and assaulted by unruly Japanese and Koreans who in considerable numbers escort illicit cargo and on the slightest provocation attack them with sticks and stones. Incidents have been many and not only have the Japanese Consular Police, or other Japanese authorities, who in certain cases have been eyewitnesses of attacks by Japanese and Koreans on Customs officers, refused to come to our aid, but there have been occasions when the Customs have been completely humiliated by having been compelled under threats of force to meet demands made by the Japanese authorities for redress and compensation for alleged illegal action and assault by Customs officers, the charges being based on the statement of the Japanese and Korean smuggling elements themselves.

"The results are deplorable. Commercial order has been reduced to chaos by the staggering amounts of illicit cargo thrown daily into the area, quantities of which are gradually finding their way through the media of the railways to other parts of China, undermining trade and depleting the National Revenue on which China's Loan Services and credit depend.

"The Customs position in East Hopei has been aggravated by the setting up toward the end of last year of the so-called East Hopei Autonomous Government; this puppet régime, the head of which has strong Japanese affiliations, and which claims jurisdiction over the whole zone demilitarized under the so-called Tangku Truce Agreement, commenced in the early days of March to levy their own taxes on the illicit cargo landed, and in marked contrast to the attitude adopted by the Japanese authorities towards the Customs, the Japanese gendarmerie, under the control of the Kwantung Army, rendered every assistance to the tax collectors in overcoming the difficulties experienced at the outset in persuading the smugglers to liquidate their dues.

"The rates levied by the Tax Bureau as far as can be ascertained are as follows:

Sugar	$4.00 per bag
Artificial Silk Yarn	$2.00 per kg. 4.5 (10 lbs.)
Cigarette Paper	$0.15 per bobbin
Other Goods	¼ National Tariff rates

"This strangling of Customs authority in East Hopei and the assistance rendered to the East Hopei autonomous régime by the Japanese authorities has resulted in the presentation of a picture probably unique in world history. At Nanlichuang, some two miles from, and in full view of, Chinwangtao, and at places along the coast near to the railway stations of Nantatze, Peitaiho, Liushouying and Changli may be seen daily vessels of all kinds discharging vast quantities of sugar, artificial silk yarn, cotton and woollen piece goods, kerosene oil, sea products, dyes, cigarette paper and many miscellaneous articles (including those paying low duty rates) under the supervision of gangs of rough Japanese and Koreans, armed with sticks, stones and probably more dangerous weapons, who are ready to attack any Customs officer who appears in the vicinity.

"Taxes are collected by the so-called Chi Tung (East Hopei) Tax Office, who resort to Japanese assistance when necessary, and the goods are then transported by carriers, pack-mules, carts and all kinds of conveyances to Chinwangtao and the four above-mentioned railway stations, whence they are accepted for shipment on payment of freight to other places chiefly Tientsin, on the line.

"As an instance of both the authority which Japanese Consular Police can exercise over these rough Japanese and Korean elements if they so wish and also of the assistance rendered to the Chi Tung Tax Bureau, the following case, which occurred during my stay in Chinwangtao, is worthy of citation:

"On the 5th of May, the Japanese steamer 'Hakuyo Maru', a 4-cylinder motor vessel of 384 tons burden arrived off Chinwangtao with 5,500 packages of sugar. As soon as she arrived, some 25 rough Koreans armed with clubs congregated on the wharf. The Customs tide-surveyor, fearing trouble, requested assistance from the Japanese Consular Police and after some persuasion two policemen in plain clothes were sent to escort the Customs officers on board the vessel. The vessel was duly boarded and proved to be a smuggler. The tide-surveyor thereupon requested that the ship be brought up to the wharf and discharged immediately; the Consular Police stated, however, that they were too busy at the office to await discharge but would be available on the following morning after 9 a.m. The tide-surveyor represented that in view of the Japanese and Korean loafers, bent on making trouble, on the wharf, the Customs officers would be attacked and could not hold the ship during the night. The police, however, insisted on withdrawing but took with them the captain and the ship's compass. On the retirement of the police the loafers signalled to the ship to depart immediately, which she did. On shore one of the Koreans managed to snatch the compass from one of the policemen but the latter recovered it and arrested the Korean. At 8:40 p.m., some little time after the vessel had escaped, the head of the Consular Police called at the Custom House and expressed regret at the escape but stated that it was not the duty of the police to go afloat and that they had only done so as an expression of friendship and goodwill. The next morning the 'Hakuyo Maru' was observed to be discharging her cargo at Nanlichuang in full view of Chinwangtao, and once more representations were made to the Consular Police to accompany Customs officers and re-arrest the vessel. The police refused to act, however, stating that it was not their duty to suppress smuggling, and that they were too busy and too shorthanded to give assistance, etc.

"On the same morning the captain of the vessel was seen by Customs officers in the streets of Chinwangtao accompanied by four or five of the Korean loafers concerned, so he presumably had been released. Some 36 hours later, however, the Japanese Consular Police signified their willingness to accompany Customs officers to Nanlichuang and the vessel was again boarded and brought once more to the wharf. A gang of some 36 Korean ronins then commenced to create a disturbance and hustled the Customs officers off the ship, assaulting one of them in the fray. The head of the Japanese Consular Police meanwhile was deliberating with the Koreans, and a member of the Chi Tung Tax Bureau in the captain's cabin, and after some time, he came out and announced that he was not a Customs officer and could not stay any longer. The Customs officers were thus left to face overwhelming numbers of threatening Koreans armed with clubs, etc., and had to retire. The Koreans then cast off the two ropes and the ship left for Nanlichuang where she discharged her sugar, taxes being paid to the Chi Tung Tax Bureau.

"At Shanhaikwan, which I visited on the 7th of May, all is quiet. During the month of April some seventeen motor trucks, escorted by Koreans armed with sticks and stones rushed past the Customs station at the Water Gate after stopping and reporting to the so-called Manchukuo Customs some 80 yards away, but recently such incidents seem to be diminishing; otherwise little illicit cargo is entering through Shanhaikwan, evidently owing to the ease with which such cargo can be brought in by sea.

"There is little of interest to report from the other Customs stations along the Great Wall, and it is not thought that illicit cargo is there escaping us. Some interference was experienced recently at Kupeik'ou where the Japanese military renewed demands for the removal of the Customs Checking Barrier from its present location north of the bridge in the town, on the ground that the district north of this bridge comes within the sphere of their control.

"As stated above, the enormous quantities of cargo landed at Nanlichuang and in the vicinity of Nantatze, Peitaiho, Liushouying, and Changli are transported to the railway for shipment. Over these shipments the Customs have no control or supervision of any kind. At Chinwangtao, which is the railhead for illicit cargo from Nanlichuang, an attempt was made to exercise control after strict instructions had been issued by the Government to the Railway authorities.

"It was a complete fiasco, however; Korean ronins armed with sticks and stones and in overwhelming numbers assaulted the Customs officers, who received no protection from the police. A dangerous attack on the Customs tide-surveyor was only frustrated by the intervention of onlookers. The cargo was duly shipped, freight being paid to the Railway.

"At Chinwangtao, Nantatze and Peitaiho Junction railway stations the platforms are literally stacked with illicit cargo awaiting railway cars to transport it elsewhere, and from the coast to the

stations are to be seen carts, pack-mules and carriers in an endless chain adding daily to the store. Outside Peitaiho Junction were observed newly erected mat sheds full of cargo for which presumably there was insufficient space on the platforms. The stations at Changli and Liushouying are also used for the shipment of illicit cargo but to a much lesser extent, probably owing to their distance from the coast and the consequent higher charges for transportation to the railway.

"The amount and variety of illicit cargo arriving at Tientsin has to be seen to be believed. I spent two hours in the goods yard of the East Railway Station, and so congested was this extensive yard that progress was slow and tortuous. There were some 40,000 bags of sugar (each of 135 catties) in addition to quantities of kerosene oil, artificial silk yarn, woollen piece goods, cotton piece goods, cigarette paper, canned goods, wire netting, dyes and many miscellaneous articles; but this is not all, for a great part of the cargo arriving is taken delivery of at Tientsin and is transported by cart to the Japanese Concession, where not only are all godowns filled to overflowing, but where owners of shops, private houses, etc., are reaping a rich harvest by leasing their premises for storage purposes.

"It is of interest and significance to observe that, except for a few comparatively small lots, all illicit cargo arriving at Tientsin is of Japanese manufacture or origin, the sugar being mostly the crude Japanese variety refined in Japan—a fact which would tend to indicate that no Open Door to other than Japanese interests exists as yet even in this deplorable and illicit trade.

"Customs officers, although not allowed to operate within railway premises, have access to all railway invoices and there they have made estimates of the quantities of goods arrived and distributed. A very rough but conservative estimate of the duty evaded on this illicit cargo during the period from 1st August 1935 to 6th May 1936 gives a figure somewhere between $25,000,000 and $30,000,000. This is an alarming figure although it may be remembered that had the Customs been functioning normally and had the way not been made clear for the smuggling organizations, the volume of the cargo imported would not have reached the above stupendous figures.

"During the earlier stages illicit cargo was confined to the high duty-paying goods, but as stocks of such goods are accumulating, attention is being turned to other varieties and all kinds of merchandise are now finding their way in. Furthermore, prohibited goods are not excluded for recently there arrived at Tientsin 18 cases of pistols—10 being taken delivery of by Koreans and removed to the Japanese Concession, and the remainder forwarded to Peiping. While there is no material evidence of an extension of the trade in narcotics and other prohibited articles, it would be idle to expect that advantage is not being taken of the situation to bring in quantities of such articles for distribution elsewhere.

"At Tientsin, all illicit cargo is being discharged and later loaded for shipment elsewhere by the Pei-Ning Railway authorities at the Tientsin East Railway Station. In the middle of March, under Government instructions, an agreement was made between the Customs and the Pei-Ning Railway authorities by which the latter would refuse shipment outwards of foreign cargo uncovered by Customs Transportation Permit. The procedure, which was simple and caused little extra trouble to either *bona fide* merchants or the Railway Company, was duly introduced, but after a few days only, during which few shipments took place, the agreement was suspended. A similar agreement was made with the Tsin-Pu Railway authorities and although this has been kept, in that goods uncovered by Transportation Permits are not accepted at the Central and West Stations, all the cargo loaded by the Pei-Ning Railway at the East Station for southern destinations is carried by the Tsin-Pu Line. The result is that the illicit goods area is not confined to eastern Hopei and Tientsin, but is being extended southwards along the Tsin-Pu and Ping-Han Lines, where large consignments are being shipped by railway daily; and it is feared that before long the demand for duty paid foreign goods through the provinces north of the Yangtze will become virtually non-existent.

"What is written above is in part a reiteration of what has already been reported to the Government, but repetition is necessary if as complete a picture as possible of the deplorable situation that exists in North China is to be drawn. The Customs, by the action of the Japanese authorities, have been driven from all their defenses, and the preventive system in the North, which had hitherto overcome successfully the not inconsiderable difficulties, is for the time being entirely wrecked.

"It can be rebuilt by the Customs only if they are allowed to function normally, that is to say, if armed preventive vessels are allowed to operate off the coast, if Customs officers are allowed to carry arms, if the railway authorities refuse to accept for shipment cargo uncovered by Customs documents, and if lawless acts committed by Japanese nationals against Customs authority are not to be condoned and go unpunished by the Japanese authorities. Such a happy position, however, presupposes a complete change in the present attitude adopted by the Japanese authorities."

Extent of Loss in Trade.—The following figures taken from actual Customs Returns illustrate the decline in the importation at Northern Ports of cotton piece goods, artificial silk floss and yarn, sugar, and kerosene, the principal articles favored by smugglers:

IMPORTS INTO NORTHERN PORTS (TIENTSIN, TSINGTAO, CHINWANGTAO, LUNGKOW, CHEFOO, AND WEIHAIWEI) DURING THE PERIOD 1935–1936

Cotton Piece Goods, Grey	*Jan.-Dec. 1935*	*Jan.-Dec. 1936*
Provenance :	Value G.U.	Value G.U.
Antung	6	—
Manchuria, via Great Wall Stations	3	93
Japan	212,004	80,804
United States of America	279	267
Great Britain	9,786	1,211
Kwangtung Leased Territory	280	266
Belgium	64	—
Canada	557	—
Germany	—	30
Korea	—	4
Netherlands	—	82
TOTAL	222,979	82,757
Cotton Piece Goods, White or Dyed		
Provenance :		
Antung	4	13
Newchwang	1	—
Manchuria, via Great Wall Stations	40	643
Harbin	3	—
Japan	2,676,561	477,180
Hongkong	361	43
United States of America	3,886	3,729
Great Britain	125,823	60,801
Germany	5,674	26,209
France	1,381	580
British India	1,317	—
U.S.S.R. Asiatic Routes	2	—
U.S.S.R. Black Sea Ports	7	—
Korea	1	1
Kwantung Leased Territory	4,253	443
Netherlands	78,916	—
Belgium	1,563	—
Canada	282	—
Switzerland	—	447
Other Countries	—	5
TOTAL	2,900,075	570,094
Cotton Piece Goods, Printed		
Provenance :		
Antung	2	—
Manchuria, via Great Wall Stations	53	454
Harbin	2	—
Japan	1,663,915	38,992
United States of America	1,345	1,637
Great Britain	6,041	3,448
Germany	197	9
U.S.S.R. Asiatic Routes	283	—
U.S.S.R. Black Sea Ports	2	—
Korea	13	—
Kwantung Leased Territory	2,090	139
Hongkong	—	17
France	—	148
Other Countries	—	2
TOTAL	1,673,943	44,846
Cotton Piece Goods, Miscellaneous		
Provenance :		
Antung	58	140
Manchuria, Via Great Wall Stations	70	4
Japan	786,903	172,915
United States of America	5,904	1,923
Great Britain	3,303	2,286
U.S.S.R. Black Sea Ports	2	—

Korea	6	59
Kwantung Leased Territory	1,357	210
Netherlands	208	244
Belgium	269	802
Czechoslovakia	69	—
Harbin	—	4
Hongkong	—	28
Germany	—	344
France	—	89
Norway	—	4
TOTAL	798,149	179,052
Artificial Silk Floss and Yarn		
Provenance:		
Japan	783,620	124,691
United States of America	107	1
Germany	156	—
Kwantung Leased Territory	270	29
Netherlands	1,000	—
Italy	44,580	—
Manchuria, via Great Wall Stations	—	1,155
Great Britain	—	10
TOTAL	829,733	125,886
Sugar (Sucrose)		
Provenance:		
Manchuria, via Great Wall Stations	35	69
Japan	2,102,334	181,720
Hongkong	248,841	74,595
United States of America	129	—
Great Britain	2,431	817
Germany	7	14
British India	524	1,773
Netherlands India	445,406	215,182
Korea	19,213	—
Formosa	621,057	291,976
French Indo-China	3	—
Straits Settlements and F.M.S.	2,330	2,122
Kwantung Leased Territory	10,783	601
Netherlands	3,697	1
Antung	—	2
TOTAL	3,456,790	768,872
Kerosene Oil		
Provenance:		
Antung	3	6
Japan	512,105	223,706
United States of America	2,142,891	702,938
U.S.S.R. Asiatic Routes	25,665	—
U.S.S.R. Black Sea Ports	721,480	140,083
Netherlands India	2,629,673	3,665,298
Korea	367	—
British North Borneo	78	—
Kwantung Leased Territory	1,409	8,402
Great Britain	—	8
Other Countries	4	—
TOTAL	6,033,675	4,740,441

Commenting upon the situation in North China, the Customs' annual report for 1936 stated that the estimated duty evaded on artificial silk yarn, sugar, cigarette paper and kerosene oil was in the neighborhood of $30,500,000, and, although particulars of the other goods are unknown and the duty is therefore difficult to calculate, a figure of $20,000,000 is conservative, so that the total duty evaded during the year on goods brought in illicitly through East Hopei under conditions of "*force majeure*" reached the staggering figure of over $50,000,000. It is true, of course, that, had the Customs Preventive Service been permitted to execute their

normal functions and the vast majority of goods been compelled to follow legitimate channels paying National Tariff duty rates, the demand for such goods would not have reached the proportions indicated by the above figures, and it does not follow, therefore, that normally the total amount of duty evaded on the illicit cargo brought in would have accrued to the national revenue. Be that as it may, the losses sustained were sufficiently serious to call forth a public statement from Sir Frederick Maze, the Inspector General of Customs midway through the year to the effect that the orgy of organized smuggling in North China must necessarily affect the indemnity and loan services secured on the Customs, and that, as Shanghai and the Northern Ports are responsible for 88% of the total Customs revenue, the question was no longer a purely domestic one but an international issue. Representations were made in Tokyo by both the British and the American Ambassadors, and General Chang Chun, Minister of Foreign Affairs, filed several protests with the Japanese government against Japanese interference with the preventive powers of the Customs in Hopei and connivance at the smuggling activities of their nationals enjoying extraterritorial protection. Other than a decrease in the volume of goods entering the smuggling area, brought about by the palliative measures instituted by the Customs to check distribution and by an accumulation of stocks, however, the general smuggling situation in the North remained unchanged at the close of the year.

Smuggling at Southern Ports.—As regards other parts of China, the Customs Preventive Service made noteworthy headway during the year. More stable market conditions and rising prices in respect of goods formerly smuggled reflected an improvement in the situation in Shanghai; and, despite reports appearing in the press to the contrary, a comparison between the Formosan trade statistics and the figures of goods imported at Fukien ports, the sales reports of certain firms dealing in staple commodities and the Customs registration figures relative to the junk trade, showed only too clearly that smuggling into Fukien was gradually being brought under control; difficulties were still experienced at Foochow and Amoy in connection with dutiable articles carried by runners traveling continuously on vessels from Formosan ports, but efforts are being made to deal with this problem, and it is hoped that they will bear fruit in the near future. In the South the change of administration in Kwangtung in July led to the cessation of certain varieties of illicit cargo entering through channels over which the Customs had been unable to exercise control, and this, together with the rigorous application of Customs rules and regulations generally, combined to produce an all-round improvement and brighter revenue prospects throughout Kwangtung. Goods in considerable quantities continued to be shipped by steamer from Hongkong to Fort Bayard for eventual smuggling into China from the Kwangchowwan Leased Territory, and both the preventive land patrols on the frontier and the sea patrols off Hainan have been strengthened to cope with the situation. Such smuggling as existed from Tonkin overland into Yunnan received a check through Customs action designed to stop transportation of the goods by rail to the hinterland, and in the Szemao and Tengyueh districts flying preventive patrols produced satisfactory results.

Enactments to Curb Smuggling.—In the early summer of 1936 there were introduced, under Government instructions, Provisional Regulations governing the inspection of imported goods when moved for sale within China. *Inter alia*, these provided for a system of conveyance certificates and sub-conveyance certificates to cover certain specific imported goods on their journey inland. While the work entailed by the system threw an additional burden on the already heavily loaded shoulders of the Customs staff, the successful enforcement of the regulations had the salutary effect of curbing the distribution inland of smuggled goods, especially from the north. A further blow was dealt to the smuggling community in June by

the promulgation by the Government of a Provisional Code governing punishment for evasion of Customs duty, which prescribed severe penalties for offenses detailed in the code. The pertinent documents are given below :

REGULATIONS GOVERNING PUNISHMENT FOR PARTICIPATION IN SMUGGLING

(Promulgated May 20, 1936)

Article 1. Smugglers who commit the following offense shall receive the death penalty :

(*a*) Those who repulse the intervention of preventive agents with arms or commit murder or severely wound others, resulting in death or grave injury.
(*b*) Ringleader of a smuggling gang who openly contests the execution of duties by the preventive agents.
(*c*) The ringleader of a smuggling gang who summons his followers to threaten the life and safety of the preventive agents.
(*d*) Those who act in conspiracy with foreign nationals or rebels.
(*e*) Those who organize secret organs.
(*f*) Those who evade the payment of legitimate customs duty which exceeds an amount of $6,000.

Article 2. Smugglers who commit the following offense shall be imprisoned for life :

(*a*) Those who repulse the intervention of preventive agents resulting in the injury of others.
(*b*) Those who participate in open repulse against the execution of duties of the preventive agents.
(*c*) Those who participate in threatening the preventive agents and guards who execute their duties.
(*d*) Those who evade the payment of legitimate customs duties which exceed an amount of $1,000.

Article 3. Those who help in the transportation, sale and the hoarding of contraband, as stipulated in articles one and two, shall receive a seven-year prison term.

Article 4. Punishment shall also be meted out to unsuccessful offenders.

Article 5. Other acts of smuggling which are not provided for in these regulations shall be taken up in accordance with the provisions of the Criminal Code, the Customs Anti-Smuggling Act, and other regulations relating to the punishment of smugglers.

Article 6. Violators of any regulation provided for in these regulations in places where a state of emergency exists shall be court-martialed by the highest military organ in the place concerned. The due punishment shall be meted out to the smugglers upon approval of the superior military organ. For violators in other places the local judicial court shall have jurisdiction over them and in such cases the punishment shall be meted out with the approval of the high court concerned.

Article 7. These regulations shall be effective for one year.

Article 8. These regulations shall be enforced on the date of their promulgation.

MEASURES FOR CURBING SMUGGLING ON RAILWAYS

Adopted jointly by the Ministry of Finance and Ministry of Railway, May 23, 1936.

1. The Customs authorities may establish inspection offices at important railway stations.
2. Customs officers may be dispatched to important railway stations and on board trains to search for contraband.
3. Whenever necessary, Customs officers may search passengers and their luggage at the railway station.
4. Customs officers, in carrying out their anti-smuggling duties at railway stations or on board trains, must not interfere with public order at the stations or on trains or with the operation of train schedule.
5. Transportation of imported goods should be accompanied by the duty memo issued by the Customs. Imported goods, without the Customs certificate, shall be dealt with directly by the Customs authorities upon receipt of notice from the railway authorities.
6. Detention of smuggled goods, whether at the starting point, while en route, or at the destination, shall be in charge of the Customs officers, who shall be assisted by the Railway authorities.
7. In order to properly carry out their duties of smuggling prevention, Customs officers should be stationed at the railway stations day and night.

CUSTOMS INSPECTION OFFICES ON RAILWAYS

In June, 1936, a " General Bureau for the Prevention of Smuggling on Railways" was set up by the Ministry of Finance with Mr. E. I. Ensor, Tariff Secretary of the Inspectorate General of Customs, as Director, and a total of 17 Customs Inspection Offices were set up along the Tientsin-Pukow, Peiping-Hankow and Nanking-Shanghai and Shanghai-Hangchow Railways. These offices were distributed as follows: The Tientsin-Pukow Railway—Tsinan, Yenchow, Hsuchow, Pengpu, Pukow and Tehchow ; the Peiping-Hankow Railway—Chengchow, Hsuchang, Hsinhsing, Hankow and Shihchiachwang ; the Nanking-Shanghai and Shanghai-Hangchow Railways—Nanking, Chinkiang, Hangchow, Soochow, Wusih and Shanghai.

CUSTOMS NOTIFICATIONS CONCERNING PREVENTION AND PUNISHMENT OF SMUGGLING

(Issued at Shanghai)

No. 1518 (June 15, 1936)

Punishments for Receiving or Purchasing Smuggled Goods.—The public is hereby notified that, in accordance with Govern-

ment instructions, the offenses of receiving or intentionally purchasing smuggled goods are to be punished as offenses of receiving stolen property under the provisions of Article 349 of the Criminal Code, which reads as follows:

(1) Whoever receives stolen property shall be punished with imprisonment for not more than three years or detention, or a fine of not more than $500.
(2) Whoever transports, accepts in deposit, purchases, or assists in disposing of such property shall be punished with imprisonment for not more than five years or detention or in lieu of or in addition to which a fine of not more than $1,000 may be imposed.
(3) Anything obtained from the conversion of stolen property shall be deemed to be stolen property.

No. 1519 (June 2, 1936)

Conveyance of Foreign Goods by Rail.—The public are hereby notified that in accordance with the instructions of the Chinese Government, and with reference to Notification No. 1 issued by the Commissioner in Charge of Customs Inspection Posts on the Railways, the following provisional procedure will be enforced as from June 3, 1936.

Foreign goods conveyed by rail are required to be covered by a Customs Import Duty Proof which will be issued by the Customs free of charge. In order to obtain this Proof those desiring to ship foreign goods by rail should, not later than one day prior to the dispatch of the goods, proceed to the Customs House with the original covering documents showing Import Duty to have been paid, and fill in an application for the issue of the Customs Import Duty Proof. The application forms will be supplied free of charge by the Customs. The original importation will thereupon be traced and if found in order a Customs Import Duty Proof will be issued and handed to the shipper who will take this document to the Customs Officer on duty at the Shanghai Railway Stations or Wusih Station for verification with the goods. If the shipment is in order the Customs Officer will indorse and seal the Duty Proof and return it to the shipper who will then present it together with the Railway "Consignor's Note" to the Railway authorities.

In the event that the Customs Import Duty Proof duly indorsed and sealed is not produced the Railway authorities will refuse shipment of the cargo; and if for any reason foreign goods which are not covered by the Customs Import Duty Proof are shipped at a station they will be seized by the Customs at destination.

For the time being, the foreign goods for which Customs Import Duty Proofs are required, will be confined to those enumerated in the appended list, which however is liable to modification at any time.

List of Foreign Goods for which Customs Import Duty Proofs are required when transported by Rail:

Artificial silk yarn
Alcohol
Alcoholic liquors and beverages, i.e., Whisky, Brandy, Champagne, Gin Sake, All liqueurs
Aniline dyes
Batteries, dry
Boots, rubber
Canned foodstuffs
Cigarette paper
Compoy
Cosmetics and Perfumery
Electrical materials
Needles
Oil, kerosene
Oil, fuel
Piece goods of all kinds
Rubber tires
Shoes, rubber
Sea Products dried of all descriptions
Soda, caustic
Sugar

No. 1521 (June 22, 1936)

The public is hereby notified that in accordance with instructions received from the Government a set of Provisional Regulations Governing the Inspection of Imported Goods when Moved for Sale within China and of rules governing the registration of, and the application for licenses by merchants who sell wholesale those imported goods which are subject to inspection, factories which purchase such goods for manufacturing purposes, and companies employed in transporting them will be inforced forthwith. A translation of the regulations and rules and a list of goods liable to inspection under the new procedure are appended.

PROVISIONAL REGULATIONS GOVERNING THE INSPECTION OF IMPORTED GOODS WHEN MOVED FOR SALE WITHIN CHINA

Article 1. In order to prevent smuggling and to protect legitimate trade, the Ts'aichengpu will subject imported goods, when moved for sale within the country, to such inspection as is provided for in these regulations, except when provision already exists in other rules or orders governing the control of movements of such goods. The kind of imported goods which are to be subject to the above inspection will be specified by the Ts'aichengpu from time to time.

Article 2. All merchants who transport imported goods liable to inspection from the port of importation to other places for sale, either by inland waters steamers, junks, or motor vehicles, etc., must produce to the Customs the relative documentary proof of duty payment and apply for a conveyance certificate after which shipment may be effected.

Article 3. All merchants who transport imported goods liable to inspection by train to other places for sale must produce to the Customs the relative documentary proof of duty payment and apply for a conveyance certificate, in addition to a Customs Import Duty Proof, after which transportation may be effected.

Article 4. On arrival of the goods at their destination, the covering conveyance certificate shall be surrendered by the merchant concerned to the local Guild of the same trade (or, in places where

there is no Guild, to the local Chamber of Commerce).

Article 5. The local Guild or Chamber of Commerce shall keep a register, and, on receipt of the above conveyance certifice, shall enter therein, for purposes of record, the description and quantity of the article, the place of origin, date of arrival, number of the conveyance certificate, date of shipment, and the name and address of the shipper.

Article 6. When goods which have been registered by the Guild or Chamber of Commerce are reshipped to other places for sale, the merchant concerned must report the matter to the Guild or Chamber of Commerce in question, who, after verifying that the description and quantity of the goods are in agreement with the original record, will make a note in the register and issue a sub-conveyance certificate, after which transportation may be effected.

Article 7. The period of validity of a conveyance certificate or a sub-conveyance certificate shall be fixed by the Customs, or by the Guild or Chamber of Commerce by whom they are issued, according to the distance the goods in question are to be transported. Conveyance certificates, after use, are to be retained by the Guild or Chamber of Commerce and returned once a month to the Customs Office which issued them, while sub-conveyance certificates are to be forwarded by the merchant to whom they were issued, within three days from the date of expiry, to the Guild or Chamber of Commerce which issued them, for cancellation.

Article 8. Imported goods which should be covered by a conveyance or a sub-conveyance certificate, when moved (within the country), may be examined by the military and police authorities passed en route, who are to detain them if uncovered by the required conveyance or sub-conveyance certificate, duly notifying the nearest Customs establishment, so that the latter can dispose of the goods according to regulations.

Article 9. The form for the conveyance and sub-conveyance certificate mentioned in those regulations shall be drawn up and issued by the Ts'aichengpu.

Article 10. Merchants who sell the specified imported goods wholesale, factories purchasing such goods for manufacturing purposes and companies employed in transporting such goods, must register with, and obtain a license from, an organization nominated by the Ts'aichengpu. The procedure for obtaining such licenses shall be drawn up and announced separately.

Article 11. The merchants, factories and transporting companies mentioned in the preceding article must each keep a register recording details of the place of origin, sale, storage and transportation of the goods specified in these regulations.

Article 12. Registers kept by the local Guilds, Chambers of Commerce, merchants, factories and transporting companies mentioned in these regulations shall be inspected from time to time by officers of the Customs or of the organization nominated by the Ts'aichengpu.

Article 13. Merchants who infringe Articles 4 or 6 of these regulations shall be fined a sum not exceeding 2/10ths of the value of the goods transported, according to the gravity of the offense.

Article 14. Merchants who infringe article 10 of these regulations shall be fined a sum not less than $200.00 and not exceeding $5,000.00, according to the gravity of the offense.

Article 15. Merchants who fail to keep a register as called for in Article 11 of these regulations, or who make false entries therein, shall be fined a sum not less than $100.00 and not exceeding $3,000.00, according to the gravity of the offense.

Article 16. In cases where inland waters steamers, junks, motor vehicles, or trains transport goods not covered by the requisite certificate, penalties shall be inflicted as follows:

(1) If a commercial concern is involved, its license shall be cancelled and it shall be forbidden to trade.
(2) If an official enterprise is involved, the responsible officer at the place of shipment shall be discharged and punished.

Article 17. When seizures of smuggled goods are made on information supplied by local Guilds or Chambers of Commerce, rewards amounting to 4/10ths of the proceeds realized by confiscation, or the fine imposed, shall be issued to them in accordance with Customs regulations. When local Guilds or Chambers of Commerce detect merchants infringing Articles 4, 6, 10 or 11 of these regulations, and report the matter to the Customs or the inspection organ nominated by the Ts'aichengpu, they shall be issued the whole of the fine inflicted in accordance with the above articles.

Article 18. When goods which have not paid Customs duty are seized in accordance with these regulations they shall be disposed of in accordance with the Preventive Law.

Article 19. The penalties laid down in these regulations shall be inforced by the Customs or by the inspecting organ nominated by the Ts'aichengpu.

Article 20. These regulations shall be put into force from the date of their promulgation.

Procedure governing the registration of, and the application for licenses by, merchants who sell wholesale those imported goods which are subject to inspection, factories which purchase such goods for manufacturing purposes, and companies employed in transporting such goods.

1. This procedure is drawn up in accordance with the provisions of Article 10 of the Provision Regulations Governing the Inspection of Imported Goods when Moved for Sale Within China.

2. Merchants who sell wholesale those imported goods which are subject to inspection, factories which purchase such goods for manufacturing purposes, and companies employed in transporting such goods, must make out an Application for Issue of a License and present it, within 20 days, from the date on which this procedure is locally promulgated, to the

organization nominated by the Ts'aichengpu, in order to register and obtain a license.

3. Merchants and transporting companies, when making out their Applications for the Issue of a license, must also obtain a letter of testimony from the local Guild, of the same trade, or in places where there is no such Guild, from the local Chamber of Commerce.

Factories, when making out their Applications for the Issue of a License, must also obtain a letter of testimony from the local Federation of factories, or, in places where there is no such Federation, from the local Chamber of Commerce.

4. Licenses will be drawn up, numbered and sealed by the Ts'aichengpu, who will forward them to the Customs for use and will also distribute them through the various provincial financial bureaus for use by Magistrates.

Merchants, factories and transporting companies located at open ports are to obtain their licenses from the Customs, while those in other districts are to obtain them from Magistrates direct, or through a legal body.

5. The fee for a license shall be $1.00 national currency, and new licenses are to be obtained every 12 months.

6. Applications for the Issue of a License, and letters of testimony issued by legal bodies, must be prepared according to the prescribed form.

7. Applications for the renewal of licenses must be submitted through the legal body by whom the original letter of testimony was issued, accompanied by a statement giving particulars concerning the description, number and date of the old license.

8. Merchants, factories and transporting companies who modify or change their names must take out new licenses.

9. Those who apply for renewal of licenses, or who cease business, must surrender their old licenses for cancellation.

List of Foreign Goods for which Conveyance Certificates are required:

Artificial silk yarn
Alcohol
Alcoholic Liquors and beverages, i.e.
  Whisky
  Brandy
  Champagne
  Gin
  Sake
  All liqueurs
Aniline dyes
Batteries, dry
Boots, rubber
Canned foodstuffs
Cigarette paper
Compoy
Cosmetics and Perfumery
Electrical materials
Needles
Oil, kerosene
Oil, fuel
Piece goods of all kinds
Rubber tires
Shoes, rubber
Sea products, dried, of all descriptions
Soda, caustic
Sugar

No. 1522 (June 23 ,1936)

The public is hereby notified that on the 4th June, 1936, the Government promulgated a Revised Provisional Code Governing Punishments for Evasions of Customs Duty, to be effective for one year from the date of promulgation.

A translation of the Code is appended hereto, together with a list of the goods offenses in connection with which are subject to the Code under Article 9. The list is subject to amendment at any time.

REVISED PROVISIONAL CODE GOVERNING PUNISHMENTS FOR EVASIONS OF CUSTOMS DUTY

1. Those who evade Customs duty shall be sentenced to penal servitude for a period of not less than 3 years and not exceeding 7 years.

The punishment for evasions of Customs duty amounting to $1,000 or more shall be penal servitude for a period not less than 7 years and not exceeding 10 years; for evasions of $5,000 or more, penal servitude for 10 years or more; and, for evasions of $10,000.00 or more, death or penal servitude for life.

2. A penalty of penal servitude for life shall be inflicted on those who, for the purpose of evading Customs duty, have committed any one of the following acts

(*a*) Resisting arrest by force of arms, thereby inflicting wounds which are not of a grievous nature.
(*b*) Openly assisting a crowd to resist arrest by force of arms.
(*c*) Openly assisting a crowd to intimidate preventive officers or police.

3. The penalty of death shall be inflicted on those who, for the purpose of evading Customs duty, have committed any one of the following acts:

(*a*) Resisting arrest by force of arms, thereby causing death or inflicting mortal or grievous wounds.
(*b*) Openly leading and inciting a crowd to resist arrest by force of arms.
(*c*) Openly leading and inciting a crowd to intimidate preventive officers or police.
(*d*) Conspiring with foreigners or rebels.
(*e*) Organizing secret bodies.

4. Those who transport, sell or conceal goods which they know to have evaded Customs duty shall be sentenced to penal servitude for a period of not less than 3 years and not exceeding 7 years.

5. Customs officers responsible for the examination of goods or for the levy of duty thereon, or employees or officials of railways, public highways, ships or aeroplanes, who release, transport, sell or conceal goods which they know to have evaded Customs duty shall receive sentences as follows:

(*a*) Penal servitude for a period of not less than 5 years and not exceeding 10 years in cases where Customs duty amounting to less than $1,000 has been evaded.
(*b*) Penal servitude for 10 years or more in cases where Customs duty

amounting to $5,000 or more has been evaded.

(c) The penalty of death or penal servitude for life in cases where Customs duty amounting to $5,000 or more has been evaded.

The penalty of death or penal servitude for life in cases where release or transportation has been permitted upon receipt of bribes or other illegal profits.

Penal servitude for a period not exceeding 5 years, or a fine not exceeding $3,000 in cases where release or transportation has been permitted owing to carelessness.

6. Employees or officials of railways, public highways, ships or aeroplanes who detect goods which have evaded Customs duty, and who fail to notify either the Customs officers responsible for the examination of goods or for the levy of duty thereon or the military or police authorities, shall be sentenced to penal servitude for a period of not less than 3 years and not exceeding 7 years.

Those who are compelled by *force majeure* to afford transportation, and who are able to notify (the proper authorities) but fail to do so, shall receive similar punishment.

7. Unsuccessful attempts to infringe Article 1 to 4, and sections 1 and 2 of Article 5 of this Code, shall be punished as actual infringements.

8. Evasions of Customs duty which are not covered by this Code shall be dealt with in accordance with the Criminal Code, the Customs Preventive Law and other laws regarding evasions of Customs duty.

9. The expression "goods which have evaded Customs duty" as used in this Code refers to those imported articles which have been specified by the Ts'aichengpu as subject to inspection and which should be covered by Customs Import Duty Proofs and Conveyance Certificates but are not so covered.

10. Those who infringe this Code in districts under martial law shall be tried by the highest military tribunal in the district concerned. Offenders in other districts shall be tried by the local District Court or by the authority exercising judicial powers.

11. This Code shall be effective for a provisional period of one year.

12. This Code shall be enforced from the date of its promulgation.

List of foreign goods for which Customs Import Duty Proofs are required when transported by rail:

Artificial silk yarn
Alcohol
Alcoholic liquors and beverages, i.e.,
  Whisky
  Brandy
  Champagne
  Gin
  Sake
  All liqueurs
Aniline dyes
Batteries, dry
Boots, rubber
Canned foodstuffs
Cigarette paper
Compoy
Cosmetic and Perfumery
Electrical materials
Needles
Oil, kerosene
Oil, fuel
Piece goods of all kinds
Rubber tires
Shoes, rubber
Sea Products, dried, of all descriptions
Soda, caustic
Sugar

RELATION BETWEEN RAW MATERIALS AND MANUFACTURED GOODS

Owing to the backwardness of her domestic industry, China has been compelled to import manufactured goods from foreign countries, and her exports have been limited largely to raw materials and semi-manufactured products. In more recent years, however, light industries have made remarkable progress in this country, and manufactured goods are also exported, particularly to the South Seas countries where large Chinese communities are found. The development of a market abroad for machine-made Chinese products has been accelerated by the growth of domestic light industries as well as by the strenuous efforts made by Government and mercantile interests to promote commercial relations with overseas Chinese.

Conditions in 1936.—During the year under review a number of trade missions, composed mainly of manufacturers and business men, visited the South Seas countries. The Chinese Industrial Mission, consisting of representatives of the leading manufacturing mills in and around Shanghai, combed the South Seas and actually arranged large and substantial orders for the products of their factories; while the Chinese Mission to Siam, a semi-Government organization, paved the way for better trade relations between the two countries.

According to the Customs returns, China imported still less in the way of food supplies and tobacco during the year under review than in 1935. The percentage of raw materials and semi-manufactured articles imported during the year remained practically same. The export of food supplies continued to decline during 1936, but that of raw materials and semi-manufactured, particularly the latter, increased sub-

stantially. The manufactured articles exported by China remained on the same level in 1936 as in the preceding years, although increasing amounts were shipped out towards the close of the year.

Proportions in Percentages.—The percentages of the three leading groups of export and import commodities during the period from 1930 to 1936 inclusive are shown in the following table:

PERCENTAGE OF THE THREE LEADING GROUPS OF COMMODITIES

Export	*1930*	*1931*	*1932*	*1933*	*1934*	*1935*	*1936*
Food supplies and leaf tobacco	33.52	35.10	37.62	26.14	28.60	27.53	24.80
Raw materials and semi-manufactured articles	33.94	32.74	29.20	28.69	31.70	38.01	41.48
Manufactured articles ..	31.62	31.27	31.83	44.09	38.74	33.71	32.92
All others	0.92	00.89	1.26	1.08	0.96	0.75	0.80
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Import							
Food supplies and tobacco..	28.11	26.88	31.37	29.18	21.22	23.78	12.85
Raw materials and semi-manufactured articles	23.65	26.36	25.24	25.62	25.72	21.43	21.88
Manufactured articles ..	45.59	44.55	41.22	41.39	49.35	50.27	56.28
All others	2.65	2.21	2.17	3.81	3.71	4.52	8.99
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Tendencies of Imports and Exports.—The vicissitudes of the import and export trade and the relative positions of the principal commodities may be gauged by comparisons for a number of years, and, for this purpose, the following tables showing the customs figures of imports and exports of itemized commodities during the period of 1931–1936 inclusive are furnished.

Figures of imports are stated in 1,000 customs gold units, and those of exports in 1,000 Haikwan taels (with the exception of the 1936 figures, which are in $1,000).

In this connection it must again be borne in mind that large quantities of goods were smuggled into this country during the year under review, which are not accounted for in the customs returns, and reference is invited to the section on the smuggling situation. Furthermore, the individual commodities of China's foreign trade are discussed in another section of this report.

PRINCIPAL ITEMS OF CHINA'S IMPORT TRADE

Commodity	*Value in Unit of 1,000 C.G.U.*					
	1931	*9132*	*1933*	*1934*	*1935*	*1936*
Rice	54,787	101,283	77,340	33,432	50,910	11,887
Raw cotton	155,309	101.839	50,360	45,934	22,789	16,006
Metals	72,213	50,931	49,709	50,294	47,358	20,674
Wheat	74,586	34,968	45,148	16,220	19,821	5,252
Kerosene oil..	54,935	51,342	44,799	20,232	20,578	17,586
Cotton goods	91,294	61,628	29,822	13,631	11,457	5,341
Chemical and medical preparation	29,298	29,409	29,377	21,171	20,330	22,961
Paper	38,642	25,585	22,475	17,377	20,943	16,959
Machinery	37,569	26,265	21,841	30,186	35,419	26,529
Sugar	73,097	40,100	21,473	16,636	15,131	9,066
Timber	29,518	17,462	18,093	17,383	19,004	12,815
Woolen goods	23,134	18,487	17,100	18,286	10,971	16,963

Leaf tobacco	52,345	23,706	15,141	17,313	5,916	7,701
Wheat flour	24,350	30,112	14,260	3,601	3,238	2,066
Fishery and sea products	20,052	17,371	11,508	9,269	9,997	7,847
Coal	18,279	11,117	11,417	5,657	4,471	2,845
Gasoline..	12,487	10,101	10,937	9,829	10,633	10,048
Ammonium sulphate ..	12,159	8,842	6,921	3,148	4,134	6,554
Artificial silk	15,867	11,404	6,260	3,259	3,838	3,238
All others	341,568	210,334	189,016	171,219	164,460	194,180
TOTAL	1,232,499	891,296	690,007	524,086	501,398	416,518

PRINCIPAL ITEMS OF CHINA'S EXPORT TRADE

Commodity	*Value in Unit of 1,000 Hk. Taels*					
	1931	*1932*	*1933*	*1934*	*1935*	*1936*
Raw Silk	84,683	32,932	30,967	15,095	25,822	43,348
Cotton yarn	34,224	19,136	25,678	20,079	12,332	12,398
Eggs and egg products	37,757	28,408	23,414	19,411	20,583	41,802
Tea	33,253	24,761	21,957	23,169	19,014	30,662
Wood Oil	20,416	14,866	19,423	16,827	26,690	73,279
Raw cotton	28,895	20,654	19,402	9,756	13,948	28,198
Silk piece goods	24,412	18,478	17,008	12,521	8,669	25,557
Metals	15,985	8,659	16,831	4,482	7,251	41,305
Furs	30,043	15,232	16,115	18,682	15,166	40,502
Tin, ingots	4,694	2,682	12,986	9,097	13,081	—
Cotton goods	12,229	10,742	12,555	5,626	3,328	8,970
Groundnuts	27,959	19,420	11,217	7,940	12,581	10,939
Wool	8,103	2,193	9,596	8,338	11,669	21,200
Bristles	9,760	7,077	7,501	9,709	10,413	25,304
Vegetables	3,114	3,610	6,273	5,996	5,359	9,414
Live stock	6,714	6,647	5,918	5,721	5,216	7,747
Fruits	33,745	55,869	5,570	5,746	5,485	9,902
Chaffs	10,932	6,125	4,964	5,091	3,950	—
Straw hats and braids..	2,053	4,712	4,957	5,787	5,250	6,353
Leaf tobacco	5,095	4,265	4,427	6,053	5,810	10,138
Ores	6,257	2,867	3,943	6,148	7,656	15,437
Coal	31,058	12,092	3,259	4,035	4,235	11,025
Beans	138,227	51,224	3,074	4,463	3,373	—
Mats	7,248	2,291	2,484	3,616	2,950	—
Bean cake	54,625	23,626	162	111	20	—
All others	237,983	144,381	103,305	110,346	119,732	—
TOTAL	909,475	492,988	392,999	343,859	369,583	705,741

:FFECTS OF CURRENCY REFORM

Reference was made in the report ɔr 1935 to developments in the silver ituation consequent upon the passing f the Silver Purchase Act in June, 934, by the United States Governıent and the rise in the world price f silver. Attention was also drawn ɔ the measures taken by the Governıent to defend China's currency and revent the continued drain of silver :om her shores. The steps initially aken as from October 15, 1934, imosed the levy of an export duty of 0% on silver sycee and of 7¾% n silver dollars and Central Mint ars and, in addition, the collection f an equalization charge equivalent to the deficiency, if any, existing between the theoretical parity of the price of silver in London and a rate of exchange officially fixed by the Central Bank of China at Shanghai after making due allowance for the payment of export duty. These measures, proving ineffective owing to the large-scale smuggling of silver abroad, were followed on November 3, 1935, by the issue of a Government decree suspending silver as a circulating medium and making the notes of the three government banks—the Central Bank of China, the Bank of China, and the Bank of Communications—the only legal tender. Shortly after the promulgation of this decree

various banks in Shanghai and elsewhere turned in their silver holdings in exchange for legal tender notes, which went into circulation throughout the country. By January, 1936, practically all the foreign banks had also surrendered their holdings, so that the Government was in a position early in the year to command large reserves of silver.

Stabilized Exchange and Foreign Trade.—Much has already been said in the preceding sections concerning the salutary effect of stabilized exchange upon foreign trade during the year under review. Coupled with the bountiful crop of the year, exchange stability has brought about appreciable improvements in both the export and import trade of the country, thus occasioning the turn of the tide which has been in evidence since 1931.

During December, 1935, and January, 1936, a large quantity of silver was sold to the United States at the then prevailing world price for silver, the resulting U. S. dollar credit providing a substantial amount of foreign currency reserves which was of great assistance in maintaining the stability of the new currency during the early months of the reform. At the same time new regulations were promulgated governing the issue of subsidiary nickel and copper coinage strictly representative in value and bearing a fixed relationship to the standard dollar. The new nickel coins in denominations of 5, 10 and 20 cents and copper coins in denominations of 1 cent and ½ cent began to circulate on February 10. In February a special committee was appointed by the Minister of Finance to study the question of the reorganization of the Central Bank into a Central Reserve Bank, and a report has been submitted by the committee embodying a draft charter and recommendations. This report has been studied by the competent authorities of the Central Government, and a set of regulations governing the organization of the Central Reserve Bank is passed. Furthermore, with a view to strengthening public confidence in the leading banking institution, permission was given to increase private subscription to the Central Bank's capital from 40% to 60%. In March, in order to assist in the development of industry and commerce and promote the business of discounting and negotiating bills of exchange among banks, the Joint Reserve Board of the Shanghai Bankers' Association established a Bankers' Acceptance House with total funds available for the acceptance of bills of exchange of over $30 million and a membership of 38 of the leading modern commercial Chinese banks in Shanghai.

In connection with these developments in financial reform, the Minister of Finance issued the following statement on May 17: "During the past six and a half months the Government has earnestly devoted its efforts to developing and strengthening the measures of monetary reform adopted on the November 3, 1935, which have resulted in the attainment of exchange stability at a level adapted to China's economic life. The Minister of Finance now announces that in the light of experience and additional knowledge of monetary conditions obtaining in China and abroad, the Chinese Government deems it desirable to make known the following measures of monetary reform in accordance with the decree of November 3, 1935: (1) it will continue to be the policy of the Government to maintain adequate reserves against the note issue consisting of gold, foreign exchange, and silver, the silver proportion of the reserves to have a value equivalent to at least 25% of the note circulation; (2) for the purpose of completing the reform of the Chinese coinage system, the Government will issue silver coins of 50 cents and $1 denomination; (3) for the purpose of further strengthening the position of the Chinese currency, definite arrangements have been made to increase the gold and foreign exchange portion of the note issue reserve." The Minister expressed the firm belief that these supplementary measures of monetary reform and the arrangements made would assure the continued maintenance of an independent currency system not linked to any foreign monetary unit, and the permanent stability of Chinese currency which

should inevitably lead to greater economic improvement and prosperity of the Chinese people. On the day following this pronouncement, the Secretary of the U. S. Treasury, Mr. Henry Morgenthau, announced that an agreement had been reached under which the United States would commence the regular purchase of substantial amounts of Chinese silver, the purchases being intended to help the monetary program of the Chinese Government and also to fulfil the requirements of the United States silver purchase program under the Act of Congress of 1934. The agreement, Mr. Morgenthau added, was of a kind which would be helpful in achieving international stabilization of currency, and he indicated his readiness to consider further steps towards stabilization with other countries. The tripartite monetary agreement between Great Britain, the United States and France was hailed in China as further strengthening China's already stabilized currency. Since the enforcement of the currency decree of November 3, 1935, exchange stability has been maintained to a degree never before experienced in China, while reserves of silver within China have been greatly strengthened.

The situation thus created has served, in a large measure, to restore confidence which, in turn, has given considerable stimulus to the country's trade with other parts of the world. The beneficial effects of the new currency policy have been attested to in the foregoing survey of China's foreign trade during the year 1936.

PART V

AGRICULTURE AND INDUSTRIES

INDUSTRY

By Y. F. Liu (劉蔭茀)

I. INTRODUCTION

During the past year much progress has been made in the development of heavy and light industries. Thanks to the continued efforts of the Central Government, communist banditry has been suppressed and internal unification achieved. As the people at large have become able gradually to live in prosperity and contentment, their confidence in the Government has been restored and an impetus has been given to industrial reconstruction. Meanwhile other factors have favored industrialization, these including: the adoption of the new currency policy, which has stabilized the rate of exchange between Chinese and other currencies; last year's bumper crop, which increased the purchasing power of the people; and the development of means of communications, which has facilitated the transportation of products. Thus during the prosperous year of 1936 many new industrial enterprises were established and old factories were expanded or reorganized on a larger scale. It is a matter for regret, however, that in 1936 the Chinese manufacturers should have been confronted with the very serious problem presented by the dumping of smuggled goods upon the market. It is hoped that preventive measures will be more effectively carried out so as to protect and promote China's industry.

Since last year there has been a tendency towards the joint marketing of products. The match and cement industries have joined the system with the approval of the Ministry of Industry. Many other industries, such as the woolen mills and sugar refineries, will also adopt the system of joint marketing, which aims at a close co-operation among producers in purchasing raw material, in technical improvement, in regulating production and in marketing. In short, the system of joint marketing benefits both the individual and the industry as a whole in case of over-production or a dull market.

Vigorous efforts have not been spared during the past year in the promotion of heavy industry. Among the more important industrial enterprises which made large strides during the year may be mentioned the following:

In the first place, plans have been drafted for the development of iron and steel industry. In the near future four iron and steel metallurgical works will be established, namely, the Central Iron and Steel Works, the Kwangtung Iron and Steel Works, the Sipeh Steel Works and the Chungking Steel Works. As their production capacity will not meet the demand at home, the contradictory fact that more than 1,000,000 of iron ore is exported annually on the one hand and 600,000 or 700,000 tons of iron and steel imported on the other will be eliminated. It is really an important step toward self-sufficiency in iron and steel. Secondly, in addition to the small-scale manufacturing of machinery undertaken by private interests, factories have been erected for the Central Machine Works and operations will begin here shortly. Thirdly, for the development of the synthetic nitrogen industry the Tien Lee Synthetic Nitrogen Products Co., Ltd. and the ammonium sulphate plant of the Yung Li Chemical Industries, Ltd. have been erected and operation started. The latter is a large undertaking which manufactures sulphuric acid, nitric acid, ammonium sulphate and other nitrogen products. In view of their high production capacity, it is expected that the Yungli works will be able to well supply the market.

Further progress has been made in the organization of the Wenchi Paper Mills for manufacturing newsprint and of the Ming Fong Mill for making cigarette paper. These paper mills will undoubtedly affect the import of newsprint, valued annually at from $14,000,000 to $15,000,000, and of cigarette paper, valued annually at about $3,000,000. As regards the cement industry, three modern cement factories have been newly established at Kiangnan, Sipeh and Chungking respectively. The Chih Ching Cement Works has resumed operation, while the Shanghai Portland Cement Works, the China Portland Cement Co. and Hsitsun Cement Works have increased their production capacity. The sugar refining industry also had made much progress. Eight sugar refineries have already been established in Kwangtung, Kwangsi and Shantung. A new sugar refinery will be established in Szechwan. Since vegetable oils have become one of China's principal exports, the China Vegetable Oils Corporation has been organized to improve the quality of oils, and to enhance their position in foreign markets. The corporation's activities consist chiefly of extracting and refining oils for clients. Plans have been drafted for the establishment of cotton-weaving mills in the cotton-producing regions. Improvements concerning the production of tea and silk have been carried out with success. During 1936, generally speaking, both heavy and light industries were developed to a great extent.

II. THE COTTON SPINNING AND WEAVING INDUSTRY

During the first half year of 1936 the Chinese cotton industry, though enjoying high quotations for cotton yarns and suffering less financial stringency, was still faced with difficult conditions. Owing to the high price of cotton resulting from the poor crop in 1935 and the loss caused by the desperate struggle for existence during the last few years, 26 cotton mills with a total idle spindlage of 170,000 had to suspend operations. Three Chinese cotton mills with a total spindlage of 128,000, located in Tientsin, went into bankruptcy and were sold to the Japanese, while one Chinese mill in Tangshan, Hopei Province, had to secure co-operation with the Japanese.

Fortunately during the second half of 1936, thanks to a bountiful harvest, cotton quotations were on the decrease and at the same time the economic conditions of the people were revived. Responding to the keen demand for cotton fabrics, all cotton mills operated actively and with much profit, including the smaller mills. At the end of 1936 the total spindlage amounted to 5,071,122, an increase of 118,000 spindles as compared with the figure of 4,952,826 at the end of the previous year. This record does not show that the Chinese cotton industry has been revived, because during 1936 the local foreign cotton mills in China had considerably increased their spindlage, the British and Japanese adding 33,228 and 219,128 spindles respectively. Hence the net decrease of spindlage in the Chinese mills amounted to 134,060.

Moreover, the plan formulated by the Japanese for a monopoly of the cotton industry in North China has been gradually carried into effect. In Tientsin there are seven Japanese mills already operating with 350,000 spindles and 14,500 looms. In addition ten new Japanese mills, aided with a subsidy of about $1,500,000 from the Japanese Government, will be erected in Tientsin. The total spindlage and weaving machinery of these new mills amount to 680,000 spindles and 69,200 looms respectively. The number and capacity of the Japanese mills in Tientsin are shown in tables on pages 693–698.

III. THE SILK INDUSTRY

Silk Filatures.—During the opening months of 1936 the raw silk market made a strong start but many filatures had to suspend operation owing to an inadequate supply of raw material. In the course of the year under review 48 filatures having more than 10,000 reeling machines were operating in Shanghai. The total output was 282

(A) JAPANESE COTTON MILLS IN OPERATION

Name of Mill	Number of Spindles	Number of Looms
Kung Dah Mill No. 6	71,000	1,000
Kung Dah Mill No. 7	32,000	—
Kung Dah Mill No. 8	50,000	7,000
Yu Dah	40,000	—
Pao Chen	27,000	2,000
Pao Chen Mill No. 2	68,000	2,000
Yu Feng	62,000	2,500

(B) JAPANESE COTTON MILLS UNDER ERECTION

Yu Feng	100,000	—
Yu Feng Mill No. 2..	50,000	2,000
Shanghai	40,000	800
Shuang Hsi	50,000	1,500
Wu Yu	100,000	2,000

(C) JAPANESE COTTON MILLS TO BE BUILT IN THE NEAR FUTURE

Dah Nippon	150,000	3,000
Ts'ang Fu..	100,000	1,000
Nei Wai	300,000	—
An Ho	10,000	1,200
Ho Koh	340,000	6,200
TOTAL (A, B and C)	1,590,000	32,200

COTTON SPINNING AND WEAVING INDUSTRY IN CHINA

	Shanghai	Kiangsu	Hopei	Hupeh	Other Provinces	Total
No. of Mills						
Chinese	31	22	10	7	25	95
Foreign	34	—	—	1	13	48
TOTAL	65	22	10	8	38	143
No. of Spindles						
Chinese	1,218,076	626,168	317,543	313,720	532,972	3,008,479
Foreign	1,870,112	—	—	24,816	623,440	2,518,368
TOTAL	3,088,188	626,168	317,543	338,536	1,156,412	5,526,847
No. of Looms						
Chinese	8,540	6,778	2,310	3,022	4,211	24,861
Foreign	19,229	—	—	300	7,619	27,148
TOTAL	27,769	6,778	2,310	3,322	11,830	52,009

Power							
Chinese	K.W. ..	34,134	19,941	12,150	5,680	13,994	85,899
	H.P. ..	3,820	6,680	2,601	4,840	6,290	24,231
Foreign	K.W. ..	50,300	—	—	1,600	36,928	88,828
	H.P. ..	9,000	—	—	—	11,725	20,725
TOTAL	K.W. ..	84,434	19,941	12,150	7,280	50,922	174,727
	H.P. ..	12,820	6,680	2,601	4,840	18,015	44,956
No. of Workers Employed							
Chinese		45,159	38,640	9.559	9,029	26,829	129,216
Foreign		54,863	—	—	1,049	22,771	78,683
TOTAL		100,022	38,640	9,559	10,078	49,600	207,899
No. of Bales of Cotton Consumed							
Chinese		1,945,228	308,354	450,905	461,833	1,053,433	5,219,753
Foreign		2,312,668	—	—	77,090	1,158,650	3,548,408
TOTAL		4,257,896	308,354	450,905	538,923	2,212,083	8,768,161
No. of Bales of Cotton Yarn Produced							
Chinese		555,358	378,198	115,835	107,863	280,438	1,437,692
Foreign		365,982	—	—	16,560	205,255	587,797
TOTAL		921,340	378,198	115,835	124,423	485,693	2,025,489
No. of 1,000 sq. yds. of Cotton Fabrics							
Chinese		134,281	138,190	23,214	29,033	33,996	358,714
Foreign		486,246	—	—	7,381	183,234	676,861
TOTAL		620,527	138,190	23,214	36,414	217,230	1,035,575

COMPARISON OF CHINESE AND JAPANESE LOCAL SPINDLAGE FROM 1931 TO 1935

Year	*Chinese Mills*	*Japanese Mills in China*	*Total*
1931	2,730,000	2,003,000	4,904,000
1932	2,910,000	2,096,000	5,189,000
1933	2,886,000	2,098,000	5,172,000
1934	2,951,000	2,243,000	5,382,000
1935	3,009,000	2,285,000	5,527,000

COMPARISON OF CHINESE AND JAPANESE LOCAL LOOMS FROM 1931 TO 1935

Year	*Chinese Mills*	*Japanese Mills in China*	*Total*
1931	20,599	19,306	42,596
1932	21,559	18,289	42,739
1933	20,926	19,017	42,834
1934	22,567	21,606	47,064
1935	24,861	23,127	52,009

COTTON SPINNING AND WEAVING MILLS IN CHINA

1. Chinese Mills

Name of Mill	*Location*	*Capital*	*Spindles*	*Looms*	*Workers*	*Yarn (in Bales)*	*Cotton Fabrics (in 1,000 sq. yds.)*
Sung Sing, Mill No. 1	Shanghai	$ 2,500,000	72,476	1,304	3,381	44,822	25,572
,, ,, ,, No. 2	,,	Tls. 2,500,000	63,884	—	—	—	—
,, ,, ,, No. 5	,,	,, 1,300,000	66,928	—	—	—	—
,, ,, ,, No. 6	,,	$ 1,000,000	79,378	920	2,900	34,286	9,101
,, ,, ,, No. 7	,,	—	67,898	448	3,000	30,418	12,347
,, ,, ,, No. 8	,,	$ 1,700,000	50,400	—	2,187	37,692	—
,, ,, ,, No. 9	,,	—	95,616	516	4,680	48,789	13,655
Sing Yu, Mill No. 1	,,	—	25,600	—	856	18,072	—
,, ,, ,, No. 2	,,	—	27,380	504	1,550	15,741	12,096
Wei Tung, Ho Kee	,,	$ 1,200,000	33,024	—	1,587	21,266	—
Tung I	,,	,, 1,700,000	67,768	—	1,917	22,850	—
Hen Dah, Sing Kee	,,	,, 500,000	20,160	—	750	16,177	—
Yun An, Mill No. 1	,,	$ 12,000,000	38,160	1,071	1,200	23,134	17,600
,, ,, ,, No. 2	,,		50,000	—	1,544	28,620	—
,, ,, ,, No. 3	,,		63,184	240	2,858	36,664	4,656
,, ,, ,, No. 4	,,		89,500	—	1,804	17,396	—
Hen Feng	,,	$ 1,152,000	54,916	611	2,861	22,000	10,360
Chen Hwa	,,	Tls. 300,000	13,548	—	540	4,800	—
Dah Feng	,,	$ 2,100,000	29,952	—	1,900	26,465	—
Chen Tai	,,	,, 2,000,000	30,540	640	1,476	21,332	7,780
Hun Chang	,,	,, 2,100,000	30,936	440	1,667	14,450	7,964
Tung Chan, Hsieh Kee	,,	Tls. 100,000	11,500	—	—	—	—
Ting Sing	,,	,, 1,700,000	28,592	—	1,260	17,442	—
Tsung Sin	,,	$ 2,098,000	34,000	—	1,800	31,400	—
Ren Teh	,,	,, 500,000	17,088	468	862	6,424	8,608
Pao Sing	,,	,, 700,000	14,760	200	805	12,788	4,542
Hsieh Feng, I Kee	,,	,, 200,000	6,368	—	340	730	—
Min Sen	,,	,, 700,000	9,400	128	—	—	—
Ching Wei	,,	Tls. 200,000	5,120	—	—	—	—
Shanghai	,,	,, 2,000,000	17,200	820	1,250	—	—
Ching Feng	,,	,, 250,000	2,800	—	184	1,600	—
Dah Sen, Mill No. 1	Nantung	,, 5,334,000	92,520	505	7,917	69,190	17,091
,, ,, Branch Mill No. 1	,,	—	19,628	240	1,281	12,225	1,042
,, ,, ,, ,, No. 2	Chitung	Tls. 1,500,000	30,800	200	—	—	—
,, ,, ,, ,, No. 3	Haimen	$ 4,200,000	30,340	444	2,175	23,552	5,078
Dah Tung	Tsungmin	,, 960,000	21,020	—	933	8,992	—

Fu An	Tsungmin	$	500,000	15,104	—	700	11,154	—
Yeh Ching	Wusih	,,	210,000	13,832	—	1,062	5,000	—
Chen Sing	,,	,,	1,250,000	32,024	252	1,687	10,000	3,800
Kwang Ching	,,	,,	1,500,000	23,040	272	1,699	20,184	922
King Feng	,,	,,	2,500,000	67,160	720	4,359	55,471	16,549
Yu Kung	,,	,,	1,200,000	17,600	—	980	10,204	—
Sung Sing, Mill No. 3	,,	,,	5,000,000	65,808	1,478	3,774	53,276	29,093
Li Sing	,,	,,	2,700,000	22,800	900	2,393	6,500	16,500
Soo Lun	Soochow	,,	2,000,000	54,688	500	2,429	6,822	14,301
Li Tai	Taitsang	,,	1,000,000	25,000	—	1,444	14,937	—
Yu Tai	Changshu	,,	—	12,500	—	—	—	—
Min Feng	Changchow	,,	700,000	22,264	280	1,396	18,952	9,594
Dah Chen	,,	,,	2,000,000	25,300	920	2,668	15,272	24,220
Li Yun	Kiangyin	,,	1,008,000	17,000	—	1,112	9,335	—
Tung Chen	Changchow	,,	400,000	5,740	51	625	5,132	—
Chia Feng	Chiating	,,	800,000	12,000	216	—	—	—
Hwa Sing, Tientsin	Tientsin	,,	2,421,900	30,271	—	1,309	16,776	—
Hwa Sing, Tangshan	Tangshan	,,	2,187,400	28,800	500	1,884	16,992	11,785
Yu Yuan	Tientsin	,,	5,600,000	72,236	1,000	—	—	—
Chen Fu, Sin Kee	,,	,,	4,000,000	36,220	180	—	—	—
Peh Yang	,,	,,	3,700,000	27,056	—	1,332	30,038	—
Yu Dah	,,	,,	3,000,000	42,127	—	1,300	13,087	—
Pao Chen, Mill No. 3	,,	,,	3,000,000	29,548	—	1,227	6,396	—
Tah Sen	,,	,,	200,000	5,020	—	148	—	—
Pao Kee	Paoti	,,	150,000	13,480	—	—	—	—
Dah Sin	Shihkiachwang	,,	3,000,000	30,144	500	2,359	32,546	11,429
Hupeh	Wuchang	,,	280,000	90,592	655	—	—	—
Hankow, Mill No. 1	,,	,,	6,000,000	88,000	1,200	4,658	37,000	4,500
Yu hwa	,,	,,	3,000,000	45,416	504	1,394	33,994	11,462
Chen Hwan	,,	Tls.	1,220,000	26,336	250	—	—	—
Sung Sing, Mill No. 4	,,	$	920,000	41,136	413	2,000	30,767	13,071
Shasi	Shasi	,,	1,000,000	20,000	—	977	16,102	—
Kwang I	Anyang	,,	1,360,000	21,400	—	1,400	5,834	—
Yu Feng	Chenhsien	,,	4,200,000	62.048	228	3,953	29,363	3,657
Chu Sin	Wushih	,,	100,000	6,592	—	398	3,469	—
Wei Hwei	Tshsien	,,	2,080,000	23,600	117	1,341	20,988	525
San Yu	Hangchow	,,	1,200,000	20,360	672	1,755	4,610	2,300
Ho Feng	Ningpo	,,	900,000	23,200	—	1,646	14,248	—
Tung Hwei	Siaoshan	,,	600,000	14,560	—	1,256	7,496	—
Lu Feng	Tsinan	,,	1,860,000	28,016	—	1,500	23,085	—
Chen Tung	,,	,,	1,500,000	16,800	—	742	15,324	—
Ren Feng	,,	,,	1,500,000	15,384	240	725	17,280	—
Hwa Sing, Tsintao	Tsingtao	,,	2,700,000	58,684	371	2,147	23,800	—
Yu Chung	Wuhu	,,	1,000,000	18,400	—	—	—	—
Li Chung	Kiukiang	,,	400,000	20,480	—	1,012	18,260	—
Hu Nan, Mill No. 1	Changsha	,,	3,090,000	50,000	248	2,229	29,800	2,978

Liao Ning	Shenyang	$ 4,500,000	31,624	250	—	—	—
Ying Kow	Yingkow	,, 1,000,000	10,368	250	—	—	—
Chin Hwa	Yutse	,, 4,000,000	42,496	480	2,235	35,404	—
Dah I Chen	Hsinchiang	,, 2,140,000	19,520	404	1,649	15,712	9,385
Yun Yu	,,	,, 600,000	8,920	141	850	7,565	3,150
Chin Sen	Taiyuan	,, 1,000,000	6,000	250	620	7,100	6,380
Chin Hwa Kihsien Mill	Kihsien	,, 300,000	—	200	391	—	5,611
Dah Sing	Sian	,, 1,500,000	12,000	330	400	—	—
Yu Tai	,,	,, 1,500,000	—	—	—	—	—
Kwangtung	Kwangchow	,, 3,000,000	21,200	120	580	1,100	10
Fu Min	Sinkiang	—	1,200	—	—	—	—
TOTAL		Tls. 8,820,000 $ 148,151,300	2,008,479	24,861	129,216	1,437,692	358,714

2. British Mills

Name of Mill	*Location*	*Capital*	*Spindles*	*Looms*	*Workers*	*Yarn (in Bales)*	*Cotton Fabrics (in 1,000 sq. yds.)*
Lun Chan	Shanghai	Tls. 10,000,000	45,880	1,130	—	—	—
Ewo Cotton Mills, Ewo	,,	—	—	—	—	—	—
Kung Yik	,,	,, 5,900,000	187,628	2,891	10,000	41,000	43,000
Yangtszepoo	,,	—	—	—	—	—	—
TOTAL		Tls. 15,900,000	233,508	4,021	10,000	41,000	43,000

3. Japanese Mills

Name of Mill	*Location*	*Capital*	*Spindles*	*Looms*	*Workers*	*Yarn (in Bales)*	*Cotton Fabrics (in 1,000 sq. yds.)*
Dong Shing, Mill No. 1	Shanghai	Yen 15,000,000	86,240	—	2,440	16,102	39,389
,, ,, ,, No. 2	,,		42,000	1,412			
Kung Dah, Mill No. 1	,,	Yen 15,000,000	79,792	1,248	4,696	4,800	72,000
,, ,, ,, No. 2	,,		53,928	1,135			

Tokwa Boseki	Shanghai	Yen 2,400,000	43,120	—	1,426	27,910	—
Naigai Wata, Mill No. 1	,,	Yen 33,000,000	49,600	1,008	8,875	44,909	160,891
,, ,, ,, No. 2	,,		32,000	1,000			
,, ,, ,, No. 3	,,		23,000	—			
,, ,, ,, No. 4	,,		64,200	—			
,, ,, ,, No. 5	,,		77,200	—			
,, ,, ,, No. 6	,,		20,800	—			
,, ,, ,, No. 7	,,		54,880	890			
,, ,, ,, No. 8	,,		60,000	—			
,, ,, ,, No. 9	,,		26,936	895			
Japan China, Mill No. 1	,,	Yen 11,000,000	50,656	736	7,199	40,910	10,032
,, ,, ,, No. 2	,,						
,, ,, ,, No. 3	,,						
,, ,, ,, No. 4	,,		56,325	—			
,, ,, ,, No. 5	,,						
,, ,, ,, No. 6	,,		155,144	—			
,, ,, ,, No. 7	,,						
,, ,, ,, No. 8	Woosung		31,424	—			
Dah Kung	Shanghai	Yen 52,000,000	140,592	1,022	4,003	56,502	12,063
Toyoda,	,,	Tls. 10,000,000	108,908	1,388	4,372	47,015	47,631
Shanghai, Mill No. 1	Shanghai	Yen 12,000,000	—	670	7,011	37,240	86,684
,, ,, No. 2	,,		30,376	582			
,, ,, No. 3	,,		100,504	1,052			
,, ,, No. 4	,,		65,064	—			
,, ,, No. 5	,,		35,552	858			
Yu Fong	Shanghai	Yen 10,000,000	154,216	1,312	4,841	49,594	14,556
Naigai Wata, Tsingtao Mill	Tsingtao	,, 33,000,000	96,000	—	3,628	73,000	—
Fujigasu	,,	,, 4,000,000	31,360	480	1,495	15,140	15,172
Kung Dah, Mill No. 5	,,	,, 15,000,000	116,392	3,214	6,743	12,293	95,643
Lung Hsing	,,	,, 27,000,000	43,860	—	1,485	28,000	—
Pao Lai	,,	,, 10,000,000	40,768	—	1,449	—	—
Dah Kong	,,	,, 52,000,000	101,192	2,160	4,659	43,506	66,616
Shanghai, Tsingtao Mill	,,	,, 12,000,000	40,448	720	1,620	2,605	870
Dong Shing, Tsingtao Mill	,,	—	—	—	—	—	—
Toyoda, Tsingtao Mill	,,	,, 10,000,000	35,640	540	1,692	7,182	4,923
Tai An	Hankow	,, 5,000,000	24,816	300	1,049	16,560	7,381
Manchuria	Liaoning	,, 2,500,000	32,440	305	—	—	—
Naigai Wata, Chinchow Mill No. 1	,,	,, 33,000,000	63,200	—	—	—	—
,, ,, ,, ,, No. 2	,,						
Manchufok	Dairen	,, 3,000,000	22,140	—	—	—	—
TOTAL		Tls. 10,000,000	2,284,860	23,127	68,683	546,797	633,861

piculs, this being the highest figure recorded since January 28, 1932. At the same time about 60 filatures were operating in Hangchow and Wusih. Due to the abundant production of cocoon and the increased quantity of raw silk export, nearly all filatures made profits ranging from several thousands of dollars to more than $100,000. The Yuntai and Hsingyeh filatures in Wusih made $900,000 and $300,000 respectively.

Except for the Kwangtung product which is exported directly to foreign countries, all of the raw silk produced in China in Kiangsu, Chekiang, Shantung, Anhwei, Shensi and Szechwan provinces is exported from Shanghai. Therefore it is possible to study the Chinese silk industry from the marketing conditions of Shanghai. The following table shows the quantity of raw silk exported from Shanghai during the past seven years:

EXPORT OF RAW SILK FROM SHANGHAI

Year	*No. of Bales Exported to Europe*	*No. of Bales Exported to America*	*No. of Bales Exported to Other Countries*	*Total*
1930	12,147	16,454	5,637	34,238
1931	8,005	9,997	3,428	21,430
1932	14,763	10,285	15,465	40,513
1933	17,880	16,082	9,932	43,894
1934	10,234	5,255	5,219	23,708
1935	21,364	24,538	9,105	55,007
1936	17,251	18,283	5,912	41,446

The table indicates that the raw silk market was better during 1935 and 1936.

During the past few years various measures aiming at sericultural improvement has been carried out. The activities in this direction carried out by the Central and different provincial governments are as follows:

1. *National Economic Council.*—The silk improvement committee of the National Economic Council established co-operative silkworm egg farms in Nanking and Hangchow on March 1, 1934. A central office for the improvement of silkworm egg was organized and Dr. Mari, a sericulture expert sent to China by the League of Nations, was asked to take charge of the sericulture experimental works. The committee co-operated with the Girls Sericulture Professional School of Kiangsu to offer advanced classes for filature workers. Bureaus for the purpose of imparting sericultural instruction to farmers have been established in Szechwan and Anhwei. Several millions of mulberry seedlings were sent to Kiangsu, Chekiang, Anhwei, Hupeh, Shantung, Szechwan and Shensi provinces for free distribution. Reeling machines of the latest type were loaned to the filatures. A committee had been organized for propaganda work and a monthly journal and reports concerning sericulture and filature have been published.

2. *Kiangsu.*—Sericultural improvement work has been carried out by the reconstruction department of the Kiangsu provincial government. Efforts were made toward improving the quality of the product, on the one hand, and toward reducing production cost, on the other. For this purpose a committee for improvement of sericulture of Kiangsu was organized in March to exercise control over the industry. The functions of the committee were free distribution of mulberry seedlings to the farmers, improvement of the quality of the silkworm egg, reduction of production cost and direction of sericulture work. Satisfactory results have been achieved and the output of the cocoons has been increased considerably. The production of cocoons for egg-cards was 20 shih catties for the spring crop and 15

shih catties for the autumn crop during the year 1934, but it increased substantially during 1935 to 39.3 shih catties for the spring and 22.6 for the autumn crop, while the spring crop for 1936 amounted to between 27 and 45 shih catties per card.

3. *Chekiang.*—In the autumn of 1932, a sericulture model district was established by the Chekiang provincial government in order to carry out sericulture administration. As the result was very successful similar model districts were established in about 20 hsien. A sericulture administration committee was formed to centralize sericulture activities in Chekiang. In 1936 a sericulture improvement district was inaugurated in 31 hsien, including Hangchow and Kashing for the purpose of carrying out free distribution of the mulberry seedlings, giving instruction in silkworm breeding, etc. In 1934 the sericulture improvement committee bought 500 reeling machines and cocoon cooking devices for distribution to the filatures in Chekiang. In the spring of 1936 the sericulture administration committee again bought 2,100 reeling, cooking, and other types of machine and loaned them to 12 filatures located in Hangchow, Chingyun and other districts. The new type of reeling machine can produce about 20 ounces of silk per day as against only eight or nine ounces in the case of the old machine. The quality of silk has been improved and the increase of production has brought about a decrease in the production cost. The Hangchow filature was responsible for training the technical workers and imparting instructions to other filatures.

4. *Szechwan.*—In the spring of 1936 the sericulture improvement station of Szechwan distributed 53,000 improved silkworm egg cards to Sichun, Nanchun and Yenting, in the north, and Kiangpeh, Bahsien and Bishanhsien, in the east of the province. The production of silk was thus increased considerably so that only 1,075 catties of improved cocoons are now required to produce one picul of silk instead of 1,600 catties of native cocoons as formerly. The death rate of the silkworm has been reduced from 20–30% to less than 10%. The production expenses for reeling one picul of silk have also been reduced from $180 or $250 to $120. Further reform measures have been drafted in order to reduce the cost of production of one picul of silk to less than $500. The provincial government of Szechwan invested reconstruction subsidy bonds of $500,000 with the local raw silk company for the promotion of sericulture works.

5. *Kwangtung.*—During recent years with the object of improving sericulture, the Kwangtung provincial government has established 10 sericulture improvement districts and a silkworm egg improvement station with eight dependent breeding stations. A filature department was established in the Kwangtung Spinning Mill, located in Honan, Kwangchow and 142 reeling machines of the latest type were installed. During 1935 the Ta-Hwa Filature was leased to the government for the establishment of the second filature (now called the First Filature), in which 205 reeling machines were installed. Since the reeling machines in two filatures were all of new type, both the quality and quantity of the raw silk was improved. The silk produced was first subjected to inspection in the filature and it was then submitted to the Kwangtung Raw Silk Inspection Bureau; the result was quite satisfactory.

Silk Weaving: 1. *Silk Weaving Industry in Shanghai.*—Since the adoption of electric looms silk weaving by the silk weaving mills in Shanghai, the market for silk fabrics has considerably developed; but owing to the continued increase of the price of silk, a decline occurred during the years of 1922 and 1923. After the Japanese invasion of Shanghai in January, 1932, China's silk weaving industry suffered a severe depression for several years. During 1936, however, the industry was revived on account of abundant harvest and more than 370,000 *p'i* (疋) of pongee or *ch'ou* (綢) and 24,000 *p'i* of *ti* (綈) were produced during the period under review. The silk weaving mills in Shanghai are listed in the following tables:

1. *CH'OU* (綢) *WEAVING MILLS IN SHANGHAI*

Mills	*Capital*	*No. of Workers*	*No. of Machines*	*Annual Production (p'i)*
Mei Ya	$2,000,000	2,847	—	192,794
Mei Wen	$150,000	280	120	17,000
Chin Yun	$100,000	156	87	18,722
Yu Tung	72,000 tael	311	76	42,000
Chin Lung	$10,000	—	52	7,000
Pao Hwa	$17,000	104	23	17,000
Chiu Ju	$45,000	78	16	8,000
Ta Mei	$20,000	70	—	2,600
Yu Tsen	$6,000	31	28	4,400
Lieh Feng	15,000 tael	108	30	2,500
Kuang Ming	40,000 tael	88	18	2,000
Chung Hwa	440,000 tael	556	175	60,000

2. *TI* (綈) *WEAVING MILLS IN SHANGHAI*

Mills	*No. of Electric Looms*	*Annual Production*
Hsing Hwa	12	500
Ta Yu	12	500
San I Hsin	12	600
Mei Hsin	13	700
Lung Hwa	10	500
Lun Ta	12	700
Yun Hwa	12	600
Chin Hsin	10	600
Hsing Hwa	12	500
Chen Sheng	21	900
Tung Cheng	13	630
Shing Yu	17	850
Tien Chang	13	700
Li Hwa	18	800
Sui Lung	14	900
Tsiang Lung	12	600
San I Hsing	16	890
Lung I	20	600
Hen Feng	11	360
Tien Yuan	12	600
Tien Wen	15	700
Tien Lung	14	800
Yung Hwa	22	1,000
Hwa Nai	11	500
Hsing Chen	12	600
San Hsing	12	500
San Sing	12	460
Ming Hsing	12	600
Chen Yeh	12	400
Chen Hsia	12	600
Tung Shen	16	700
Ta Lung	12	600
I Hsing	18	800
Ho Sen	16	500
Ching Chen	15	400
Chen Ch'ang	19	800
Shen Hsing Tai	17	700
Yung Shia	20	760

2. *Satin Weaving Industry in Nanking.*—During 1936 there was an abundant crop and the Nanking satin market was very promising. More than 50 concerns having about 900 looms were operated in Nanking together with 500 looms in the nearby counties. The total amount of production was 30,000 *p'i*. The municipal government of Nanking has established a committee for the improvement of the satin weaving industry in order to promote reform measures. Each satin weaving con-

cern is able to obtain from the government a loan ranging from $100 to $200 according to the number of looms owned.

3. *Silk Weaving Industry in Soochow.*—About 2,000 electric looms were operating during 1936 in the silk weaving mills in Soochow and the monthly production was 10 *p'i* per loom. In addition to the electric looms, from 400 to 500 wooden looms and about 100 iron looms of the old type were used by the handicraft weaving concerns. The raw materials used for the weaving consist of both artificial silk and natural silk. The number of mills operating in Soochow are as follows:

Mills	*No. of Electric Looms*	*No. of Hand Looms*
Chen Ya	48	145
San I Lu	28	4
Niu Hsing	—	44
Chung Hsing	14	5
Yung Chi	11	—
Tung Wu	6	74
Kai Yuan	4	—
Ta Tung	6	12
Hsien Ching	10	20
San I Fu	—	15
Ta Lu	6	25
Yun An	—	20
Li Hwa	10	11
Chung Ho	27	7
I Ta	18	—
Ta Hwa	8	7
Hwa Chen	6	24

4. *Silk Weaving Industry in Hangchow.*—The number of silk weaving mills steadily increased from 1914 to 1926 and the market for silk fabrics was in a very flourishing condition. After it had been hit by the world depression, however, the silk weaving industry continued to decline and did not show signs of revival until 1936. During that year as quotations for silk fabrics were on the increase, the market improved in comparison with former years. During September and October there were more than 30,000 electric looms operating in Hangchow, this being the highest record during recent years.

5. *Silk Weaving in Shunteh, Kwangtung.*—Owing to the world depression, the silk weaving industry in Shunteh steadily declined until the total quantity of production was only one-third of that of former years. As a result of promotion of silk industry by the government and revival of the economic condition of the people, however, the silk weaving market has again begun to flourish. Some 490 mill having 2,639 looms and 4,333 workers are now operated in Shunteh. The total amount of silk fabrics produced is estimated to be 152,850 *p'i* valued at $2,068,000.

6. *Silk Weaving Industry in Szechwan.*—Szechwan is famous for its yellow silk production. The silk fabrics made from the raw silk are known as *sen ssu pang* (生絲幫), while those made from refined silk belong to *chang chi pang* (長機幫). The price of the former is quoted at from $11 to $16 and is manufactured in different districts of Szechwan with a daily production of about 50 *p'i*. Before 1923 more than 30,000 persons were employed at about 10,000 *chang chi pang* looms and the annual export amounted to $10,000,000. The unsettled conditions caused by banditry during the recent years has affected the production of silk fabrics in Szechwan to such an extent that the number of workers employed declined to about 2,000 and the number of looms to 1,000, while the annual export amounted only to $1,000,000. During 1936 as a result of the abundant crop of cocoons and the improved rural conditions, the silk weaving industry in Szechwan was revived. At the same time plans concerning transportation

and manufacture of silk fabrics were drafted with the object of developing the industry still further.

IV. THE WOOLEN INDUSTRY

China's woolen industry was started 50 years ago, but no marked progress has been made. During the period under review, the woolen mills operating on a comparatively large scale have been the military administration's woolen factory at Peiping, the Chang Hwa Woolen Factory at Pootung, the Hsi Shing Woolen Factory recently established at Wusih and the An Loh Woolen Factory in Shanghai. The following table shows the number of spindles and weaving machines installed in these mills:

Mill	*No. of Spindles*	*No. of Weaving Machines*
Peiping	5,400	56
Chang Hwa	1,750	60
Hsi Shing	2,004	48
An Loh	1,200	—

The Chung Kuo and Shanghai Woolen factories in Shanghai are engaged in the manufacture of woolen clothing and articles of personal wear, having 2,000 and 600 spindles respectively. The Tung Ya Woolen Factory in Tientsin has a spindlage of 2,000. In addition to the above-mentioned there are many small factories whose principal manufactures consist of woolen blankets, carpets and rugs.

The general condition of China's woolen industry is as follows:

Provinces and Municipalities	*No. of Mills*	*Capital*	*Power*
Shanghai	25	$2,789,600	1,246.5 h.p.
Kiangsu	1	200,000	280.5 ,,
Shansi	2	450,880	112 ,,
Peiping	7	509,290	54.5 ,,
Tientsin	3	1,030,000	775 ,,
Shantung	1	100,000	185 ,,
TOTAL	39	5,069,770	2,655 h.p.

Owing to the firmness and softness of woolen fabrics, the woolen industry has been developed during recent years. But so far as the market demand is concerned, fabrics woven in the Chinese owned mills are far from sufficient to supply either military or ordinary domestic requirements. Most Chinese mills operate on a small scale, and their total capital amounts only to about $5,000,000. Annual imports of woolen fabrics exceed 10,000,000 C.G.U., but at the same time the raw wool produced in the northeastern provinces of China is exported in large quantities, amounting in value to 7,000,000 or 8,000,000 C.G.U.

As there is sufficient raw material and a good market for the woolen industry, many foreign merchants have established factories to manufacture woolen fabrics. The British wool-weaving plants are the Po Teh and Ewo mills in Shanghai, the latter being equipped for cotton manufacture as well. The Japanese Manchuria Mongolia Wool-Weaving Factory is located in the three Northeastern provinces. Woolen-weaving operations are also carried on in two Japanese cotton mills in Shanghai, namely, the Kung Dah S. & W. Co. and the Shanghai Cotton Mfg. Mills. The Nichols Super-Yarn and Carpets Fed., Inc. and Elbrook, Inc. located at Tientsin are also foreign mills.

WOOLEN MILLS IN CHINA

Name	*Location*	*Year of Establishment*	*Capital*	*Fabrics Manufactured*	*Annual Production*	*H.P.*
Chen Sing	Shanghai	1931	278,000	Woolen Yarn and Cord	500,000 lbs.	200
Tien Tsiang	,,	1928	100,000	Woolen Cloth, Camel's Wool	390,000 yds.	30
Dah Nan, Hsih Kee	,,	1934	24,000	do.	120,000 ,,	10
Kwang Hwa, Feng Kee	,,	1935	10,000	do.	200,000 ,,	5
Dah Ta	,,	1932	28,000	do.	200,000 ,,	6.5
Kien Chan	,,	1935	20,000	do.	100,000 ,,	10
Hwa Tung	,,	1930	50,000	do.	300,000 ,,	20
Ai Kuo	,,	1933	30,000	do.	77,839 ,,	3
Shen Chan	,,	1932	30,000	do.	100,000 ,,	10
Shing Yeh	,,	1934	10,000	do.	50,000 ,,	5
Hun Fa, Ren Kee	,,	1933	85,600	do.	200,000 ,,	80
Tien I	,,	1929	10,000	Woolen Cord and Yarn, Camel's Wool	2,000 *pi* (疋)	18
Sing Hwa	,,	1919	5,000	Woolen Blanket and Rug	500 pieces	4.5
Teng Yun	,,	1934	3,000	Carpet and Rug	1,000 dozen	—
Sing Hwa, Shing Kee	,,	1934	10,500	Woolen Cloth, Camel's Wool	40,000 yds.	5
Chung Kuo..	,,	1935	240,000	Woolen Fabrics	1,200,000 lbs.	200
Chang Hwa..	,,	1929	800,000	Serge Woolen Cloth, Camel's Wool	280,000 meters 300,000 ,,	300
An Loh	,,	1932	1,000,000	Woolen Yarn and Cord Woolen Cloth	1,200,000 lbs. 40,000 *pi* (疋)	334
Hen Feng	,,	1898	10,000	Carpet and Rug	48,000 sq. ft.	5.5

Kun I Cheng	Shanghai	1908	15,000	Carpet and Rug	30,000 sq. ft.	—
Teh Shen Yun	,,	1913	3,500	do.	30,000 ,,	—
I Chan Hen	,,	1897	10,000	do.	36,000 ,,	—
Peh Yang	,,	1917	3,000	do.	30,000 ,,	—
Tao Chu Sing	,,	1923	2,000	do.	20,000 ,,	—
I Hen Cheng	,,	1925	2,000	do.	15,000 ,,	—
Hsih Foo	Wusih	—	200,000	Serge, Woolen Cloth	—	280.5
Dah Tung	Taiyuan	1927	4,000	Woolen Clothing	3,000 pieces	—
Si Peh	,,	1924	446,880	Woolen Carpet and Woolen Cloth	—	112
Kai Yuan	Peiping	1918	8,000	Carpet and Rug	58,000 sq. ft. 7,000 yds.	17
Jen Li	,,	1919	500,000	Woolen Cloth	—	38
Chen Yeh	,,	1931	—	Carpet and Rug	4,400 sq. ft.	—
Yen Ching	,,	1920	600	do.	25,000 ,,	—
Lung Hai	,,	1932	100	do.	3,000 ,,	—
Tsiang Li	,,	1932	170	do.	2,400 ,,	—
Chen Tung	,,	1927	370	do.	2,500 ,,	—
Tung Ya	Tientsin	1932	230,000	Woolen Yarn and Cord	300,000 lbs.	150
Jen Li	,,	1932	300,000	Woolen Yarn and Cord, Blanket and Rug	—	145
Hai Chin	,,	1932	500,000	Woolen Yarn and Cord, Woolen Cloth and Rug	—	310
Tung Yuan Shen	Tsinan	1935	100,000	Serge and Woolen Cloth	103,000 *pi* (£)	185

CHINA'S EXPORTS OF DIFFERENT KINDS OF WOOL FROM 1932 TO 1936

Year	*Sheep's Wool*	*Goat's Wool*	*Camel's Wool*	*Total*
1932	1,030,007	636,724	1,189,545	2,856,276
1933	5,900,275	818,781	935,671	7,654,727
1934	6,236,132	369,905	698,688	7,304,725
1935	7,813,161	650,442	1,060,113	9,523,716
1936	6,826,994	1,189,277	830,361	8,846,632

CHINA'S IMPORTS OF WOOLEN FABRICS FROM 1932 TO 1936

Year	*Value in C. G. U.*
1932	18,783,060
1933	17,106,880
1934	18,286,746
1935	10,970,669
1936	12,963,280

V. THE LEATHER AND FUR INDUSTRY

The Leather Industry.—As China's leather industry has been suffering from severe depression, the statistical records compiled in the autumn of 1936 showed that 80% of Tientsin's tanning factories had to suspend operation or to decrease production and that one-sixth of them were compelled to be reorganized or closed. In 1935 the total production of leather amounted to only one-half of that for 1934. At present, there are about 50 tanning factories in Shanghai, employing 1,007 workers. Electric power is used in 18 factories, and man power in 28 factories; the status of the remaining four is not known. The tanning factories at Peiping, Hankow and elsewhere have made no considerable progress because they still remain either in the handicraft stage or on a small scale.

The raw materials for the manufacture of leather are animal hides and skins. During the Great War the value of this export exceeded Hk. Tls. 27,000,000; there has been a decline, however, in recent years. The hide marketing centers of China are Shanghai, Hankow, Tsingtao and Tientsin.

Hankow.—In 1928 the exports of hides from Hankow amounted to more than 198,303 piculs, valued at Hk. Tls. 10,749,889, the highest figure ever recorded for any Chinese port during the past 10 years. From that year onward, however, Hankow sustained a setback in the outward shipments of this article, and during the last year only 1,788 quintals of cow and buffalo hides to the value of $128,469 were shipped abroad, this being even less than 1% as compared with the total value in the boom period. There are several causes for the decline of the hide trade of Hankow. First, the world business depression has affected the market. Secondly, owing to the unsettled social conditions, the amount of production has been considerably decreased. Thirdly, the taxes and levies on hides have been too heavy. Fourthly, freight charged has been too high. A reactionary price increase was seen during 1935, a picul being quoted at about $50, which was $10 more than the price quoted at Hk. Tls. 27 or 28 during 1931, and far less as compared with the quotations at Hk. Tls. 60 in 1924. Prices of buffalo hides, which were 40% below those of cow hides, experienced the same ups and downs. Sheepskins commanded from 140 to 200 Hk. Tls. per picul for first grade goods in 1924, and the skins from Szechwan were even quoted at more than Hk. Tls. 300 a picul. From that year, however,

a drop in the price of goatskins was witnessed, quotations in 1935 falling to about Hk. Tls. 130 per picul, and in 1934 each picul could fetch only about $100. The current price is about $80 and that of the *chang p'i* (撑皮) as slightly over $30. There are 85 hide firms and 24 exporters. British and German exporters number eight each, Japanese four, French three and American one.

Tsingtao.—The greater portion of the hides exported from Tsingtao consists of buffalo and cow hides, goatskins being exported only in a limited quantity. The quality of raw hides produced in this port is often considered the best because there is at Tsingtao a large and well equipped abattoir, started by Germans years ago; and the animals are carefully inspected before treatment. The newly flayed hides having a net weight of over 51 catties are classified as "large size" hides and are sold at 25 to 30 cents per catty, while those weighing less than 51 catties are "small sized" hides sold at 22 to 25 cents per catty. Of the five exporters in Tsingtao, two are German, one British and one American.

Tientsin.—The bulk of the hide exports from Tientsin consists of cowhides, with sheepskins coming next. The cow hides are classified into three kinds, namely, fresh hides, dried hides and salted hides. The fresh hides are taken largely by local tanneries, while the dried and the salted hides are sold to export firms for shipment abroad. On entry into Tientsin the hides are subject to a tax of five per mille for 100 catties assessed at $70. Transactions are usually made by warehousing concerns, of which there are about 200 operating in Tientsin. The rental charged by the warehousing firms is 10 cents for about 270 catties for a period of six months, and in addition a charge of five cents monthly is made on the same weight for fire insurance. There are 30 exporters in Tientsin. In 1935 the raw hides exported after having passed inspection, amounted to 23,181 quintals, valued at $1,683,500 which was $130,000 more than the quantities exported during 1934.

Shanghai.—The principle sources of supply of hides exported from Shanghai are Kiangsi, Hunan, Honan, Shantung and Szechwan. Those from Kiangsi and Hunan are of the best sizes, while Szechwan is famous for goatskins. As to quality, products from Honan and Shantung are considered as superior when compared with those from other provinces. Shanghai is the largest port for the export of hides and skins, accounting for more than 60% of the total products shipped abroad.

From 30 to 40% of the raw hides are taken by the local tanneries and the hides weighing from six or seven to about 32 lbs. are much favored by the exporters. Before being shipped abroad, hides and skins are subject to inspection and testing by the Government Testing Bureau of Shanghai, which operates under the control of the Ministry of Industry. If more than 10% of the selected samples cannot be passed the whole shipment is re-assorted and re-inspected. According to records compiled on July 30, 1936, there were in Shanghai 28 firms and 23 exporters, of whom American firms numbered seven, British and German one each, French two and Chinese three while one firm had been organized by a Chinese and a foreigner.

The Fur Industry.—The manufacture of furs is an important handicraft industry in the Yellow River, or Hwangho Valley. Furs are produced annually to a value of between $10,000,000 and $20,000,000. They are classified into two categories, namely, Si K'ou (西口) furs, which are the products manufactured in Kansu, Shensi and Chinghai, and Peh K'ou (北口) furs, produced in Hopei, Shansi, Suiyuan and Chahar. The marketing centers for Peh K'ou and Si K'ou furs are Changkiakou and Sian respectively. Owing to the difference of environment, Peh K'ou furs are general superior, while those of Si K'ou, though lighter and more beautiful, are not so warm and strong.

In recent years fur marketing conditions have been improved. In 1934 prices of all kinds of furs were on the increase and most of the firms in Tientsin made profits ranging from

$5,000 to $20,000. During the last few months of that year furs sold in Chahar were valued at about $2,500,000 and those exported from Sian during the whole year amounted to about $500,000.

Furs exported in 1934 consisted chiefly of sheep furs and fur rugs valued at about $4,950,000 and $4,400,000 respectively. Exports of all kinds of furs and hides from 1934 to 1936 were as follows:

EXPORTS OF FURS AND RAW HIDES

Category	1934		1935		1936	
	Quantity	Value	Quantity	Value	Quantity	Value
	(Units of the following are in quintals and $)					
Raw Buffalo Hides	23,848	1,594,826	24,452	1,571,071	22,992	1,340,530
Raw Cow Hides	51,625	3,981,119	843,446	3,133,881	65,432	5,037,468
	(Units of the following are in pieces and $)					
Dog Skins ..	75,038	187,401	17,245	35,462	161,185	196,416
Goatskins (Not Treated) ..	7,296,679	6,608,878	6,263,541	4,953,512	7,140,423	7,696,714
Sheepskins ..	1,516,523	6,985,060	1,626,920	3,725,499	1,385,503	4,099,595
Weasel Skins ..	1,553,865	2,636,675	1,557,931	2,394,673	1,454,348	2,385,194
Fur Rugs . ..	604,483	2,653,637	1,157,241	4,403,301	783,774	3,459,535
Others	Unknown	4,460,050	Unknown	3,411,207	Unknown	4,487,338
TOTAL ..	Unknown	29,107,646	Unknown	23,628,606	Unknown	28,702,610

The quotations for fur during 1935 were generally on the increase as compared with those recorded in 1934, dog skins being quoted at from $.50 to $3.00, sheepskins with legs and head at from $4.00 to $5.00 and those without at $1.00 or $2.00 only. Weasel skins of superior quality were quoted at $4.80, the average price being $3.00 and fur rugs at $10.00. The highest price for untreated goatskins was $192.00 per picul.

VI. THE FLOUR INDUSTRY

During the past year, owing to the slight fluctuations of prices, the wheat flour industry was in a comparatively flourishing condition. After September, 1935, as quotations for wheat shipped from abroad were on the increase as a result both of the conflict between Abyssinia and Italy and of the enforcement of the new Chinese currency measures, and as Chinese wheat, which also stood at a high price, was not available on the market, many flour mills had to suspend operation or to reduce production. In December 560,000 bales of foreign wheat were bought by the mills. In March, 1936, with a few exceptions, most of the flour mills in Shanghai and Wusih were compelled to cease operation due to insufficient supply of raw material. When the new crops of wheat were placed on the market, the flour industry still remained inactive, because the farmers were unwilling to sell at once, because a large quantity of wheat were bought by the Japanese, and because crop failure occurred in Australia. Hence, most flour mills had again to reduce the amount of production after October, 1936. During 1936 five new mills were established, namely, the Ta Feng in Ningpo, Chekiang, the Pu Ren in Anyang, Honan, the Tung Min in Hwangliang, Shantung, the Hwa Feng and the Chen Feng in Sian, Shensi. Four mills were reorganized or closed, namely, the Chung Hwa, the Sing Ta and the Sing Kee in Hankow and the Yang Tse in Nanking. The Tai Lung Mill in Wusih was completely destroyed by fire on May 13, 1936. The total amount of production from July, 1935 to June, 1936, was 61,941,612 bales, or 78%, of the total of 79,065,518 bales recorded from July, 1934, to June, 1935. The general conditions of flour production are shown in the following tables:

TOTAL QUANTITY OF WHEAT FLOUR PRODUCED FROM JULY, 1933, TO JUNE, 1936

(*Unit in Bales*)

District	*July 1933 to June 1934*	*July 1934 to June 1935*	*July 1935 to June 1936*
Kiangsu, Chekiang and Anhwei .	46,485,063	52,384,297	36,257,882
Shantung and Honan	3,135,288	13,034,297	12,225,034
Hunan, Hupeh and Kiangsi ..	11,322,312	5,373,444	4,289,743
Hopeh, Shansi, Suiyuan and Chahar	9,204,190	8,276,480	9,168,953
TOTAL	70,146,853	79,068,518	61,941,612

TOTAL QUANTITY OF WHEAT FLOUR PRODUCED FROM JULY, 1935, TO JUNE, 1936

(*Unit in Bales*)

	Kiangsu, Chekiang and Anhwei	*Shantung and Honan*	*Hunan, Hupeh and Kiangsi*	*Hopei, Shansi, Suiyuan and Chahar*	*Total*
July, 1935	4,158,906	874,117	382,230	449,890	5,865,143
August ..	5,072,267	1,158,610	405,212	656,835	7,292,924
September .	4,576,072	1,342,699	383,433	888,000	7,190,204
October ..	3,681,131	1,212,526	391,397	881,648	6,166,702
November..	3,659,749	1,274,822	349,187	895,323	5,579,081
December .	2,641,591	1,056,597	309,094	814,098	4,821,380
January, 1936	1,437,746	927,809	258,597	784,536	3,408,688
February .	1,917,748	752,028	314,918	632,298	3,616,992
March ..	2,026,485	895,659	309,374	454,496	3,686,014
April	2,970,268	938,650	386,783	869,655	5,165,356
May	1,833,680	866,623	394,618	960,980	4,055,901
June . ..	2,282,239	924,894	404,900	881,194	4,493,227
TOTAL .	36,257,882	12,225,034	4,289,743	9,168,953	61,941,612

FLOUR MILLS

Name	*Location*	*Capital*	*Annual Output (in Bales) (from July, 1934, to June, 1935)*
Foh Sing (No. 1)	Shanghai	500,000	1,519,886
Foh Sing (No. 2, 4 and 8) ..	Shanghai	3,000,000	7,776,504
Foh Sing (No. 3)	Shanghai	300,000	3,562,096
Foh Sing (No. 7)	Shanghai	1,500,000	4,640,560
Fu Feng	Shanghai	1,000,000	8,335,474
Sun Ta	Shanghai	150,000	1,454,417
Sin Ta	Shanghai	500,000	1,585,836
Hwa Feng	Shanghai	300,000	1,798,115
Yu Tung	Shanghai	100,000	2,442,175
Chung Hwa	Shanghai	160,000	601,943
Tsiang Sin	Shanghai	100,000	912,269
Sin Kee	Shanghai	not reported	834,059
Mou Sing (No. 1)..	Wusih	1,200,000	1,078,105
Mou Sing (No. 2)..	Wusih	500,000	1,043,694
Tai Lung	Wusih	100,000	893,420
Kui Feng	Wusih	200,000	2,018,080
Hen Feng	Changchow	200,000	755,002
I Chen	Chinkiang	500,000	1,333,393
Pao Sing (No. 1)	Hsuchow	300,000	208,862
Ta Tung	Nanking	1,000,000	2,257,907
Yang Tse	Nanking	800,000	2,298,451
Kung Ling Kee	Kiangyin	8,000	3,003
Min Feng Sing	Kiangyin	40,000	159,272

Ta Feng	Chingkiang	1,000,000	314,646
Tai Nai	Taihsien	224,000	982,710
Yang Chow	Yangchow	200,000	765,756
Foh Sing	Nantung	not reported	998,517
Ho Sing	Kwanyun	not reported	12,187
Li Feng	Ningpo	150,000	9,867
Yu Feng	Chaosing	24,000	20,382
I Sing	Wuhu	200,000	155,090
Pao Sing (No. 2)	Pengpu	600,000	1,266,392
Sing Feng	Pengpu	100,000	307,297
Ta Chen	Chuhsien	20,000	38,930
TOTAL		14,976,000	52,384,297

(All of the above-mentioned flour mills are located in Kiangsu, Chekiang and Anhwei.)

Name	*Location*	*Capital*	*Annual Output (in Bales) (from July, 1934, to June, 1935)*
Hu Nan	Changsha	160,000	254,888
Foh Sing (No. 5)	Hankow	1,000,000	2,838,780
Kin Lung	Hankow	500,000	495,242
I Feng	Hankow	4,000	409
Yu Lung	Hankow	50,000	601,775
Wu Feng	Hanyang	200,000	803,119
Chen Min	Shasi	50,000	200,653
Sin I	Shasi	30,000	137,773
Wei Feng	Laohokou	40,000	40,805
TOTAL		$2,034,000	5,373,444

(All of the above-mentioned flour mills are located in Hupeh, Hunan and Kiangsi)

Name	*Location*	*Capital*	*Annual Output (in Bales) (from July, 1934, to June, 1935)*
Shwan Fuh	Tsingtao	300,000	455,953
Hen Sing	Tsingtao	300,000	123,201
Sing Yeh	Tsingtao	1,000	2,341
Shun Ho	Tsingtao	1,500	6,400
Chen Sing	Tsingtao	2,000	4,000
Ching Liang	Tsingtao	30,000	133,801
Sui Feng	Chefoo	297,000	179,044
Chi Feng	Tsining	100,000	558,914
Chen Feng	Tsinan	700,000	2,203,534
Hwei Feng	Tsinan	500,000	1,203,360
Hwa Ching	Tsinan	308,700	1,311,394
Pao Feng	Tsinan	200,000	576,588
Feng Nien	Tsinan	700,000	887,341
Chen Kee	Tsinan	300,000	1,449,085
Mou Sing (No. 4)	Tsinan	250,000	782,638
Min Feng	Chowtsun	20,000	15,200
Tai Feng	Tsaochwang	50,000	13,363
Jen Teh	Taian	not reported	26,571
Yun Nien	Chingchow	5,000	6,300
Hwa Tung	Weihsien	10,000	10,920
Pao Sen	Weihsien	5,000	4,248
Chung Ho Sing	Weihsien	3,000	5,460
Tien Feng	Kaifeng	150,000	663,459
Teh Feng	Kaifeng	30,000	188,878
I Feng	Kaifeng	60,000	162,935
Tung Feng	Sinsiang	500,000	1,414,797
Ta Ho Hen	Anyang	20,000	238,530
Ta Sing	Luiho	100,000	295,063
Ho Ho	Ssuchang	60,000	104,723
Chin Chu Heng	Laohoku	80,000	6,256
TOTAL		$4,984,200	13,034,297

(All of the above-mentioned flour mills are located in Shantung and Honan)

Name	*Location*	*Capital*	*Annual Output (in Bales) (from July, 1934, to June, 1935)*
Show Feng (No. 1)	Tientsin	1,700,000	1,319,673
Show Feng (No. 2)	Tientsin	unknown	1,162,478
Show Feng (No. 3)	Tientsin	unknown	512,385
Foh Sing	Tientsin	800,000	1,408,846
Chia Lung	Tientsin	unknown	775,284
San Yang	Peiping	6,000	113,857
Chien I	Paoting	500,000	1,143,839
Foh I Yun	Chengting	9,000	12,173
Teh Chen	Tangshan	110,000	71,709
Foh li	Tsanhsien	200,000	115,362
I Feng	Hantan	150,000	302,477
Chu Feng	Shihkiachwan	66,600	139,820
Chin Feng	Yangku	1,000,000	481,960
Sing Kee	Taiyuan	unknown	37,431
Wei Yu	Yutse	70,000	216,815
Chin I	Lingfeng	76,000	125,805
Ta Tung	Tatung	128,400	61,216
Suiyuan Electric Co.	Suiyuan	unknown	197,200
Paotow Electric Co.	Paotow	80,000	78,150
TOTAL		$4,896,000	8,276,480

(All of the above-mentioned flour mills are located in Hopei, Shansi, Suiyuan, and Chahar.)

In China there are altogether 94 flour mills, their total capital amounting to $26,890,200 and total annual production to 79,068,518 bales.

Since 1922, the amount of wheat flour imports as compared with exports have often been in excess, ranging from 7,199,848 to 1,508,258 quintals. Since the import duty has been increased to G.U. 0.75 per picul and 10% additional tax, altogether G.U. 0.825 per picul, the import excess of wheat flour has been continuously decreasing. China's imports and exports of wheat flour from 1932 to 1936 are shown in the following table :

Year	*Exports*			*Imports*		
	Quantity	*Value*		*Quantity*	*Value*	
	in Quintals	*$*	*G.U.*	*in Quintals*	*$*	*G.U.*
1932.. ..	317,281	3,802,321	2,077,666	4,013,784	55,229,026	30,112,342
1933.. ..	397,408	4,124,757	2,112,023	1,957,113	27,808,396	14,260,166
1934.. ..	64,572	634,348	322,563	595,746	7,075,112	3,601,139
1935.. ..	3,863	40,908	20,397	510,496	6,006,607	3,238,045
1936.. ..	92,172	1,004,583	446,323	310,068	4,669,252	2,066,538

VII. THE TEA INDUSTRY

At the beginning of 1936, due to the adoption of the new currency policy and the stabilization of foreign exchange, exporters of Chinese tea estimated that the quotations for all kinds of tea would increase. However, incessant rain in the spring caused deterioration in the quality of the new crop, so that after a few months of feverish buying on the part of the leading exporters the market came suddenly to a standstill. In August and September, owing to the Mid-Autumn Festival and the outbreak of civil war in Spain, the tea firms had to sell their stock at reduced prices. The market was further weakened by the devaluation of the French franc and the dull market in Africa.

In short, China's tea trade during 1936 showed a decline, even though the price of tea increased on account of the favorable condition of foreign exchange. Details concerning the improvement and marketing of tea in different tea-producing regions are as follows:

1. *Keemun Tea.*—The term "Keemun tea" indicates the products of four Anhwei districts, namely, Chimen, Fouliang, Chihteh and Kuichih. The tea produced in these localities is considered to be the best black tea in China and is exported chiefly to England and the United States. The annual production of Keemun tea during 1936 was as follows:

District	*No. of Tea Firms*	*Chests of Black Tea Produced*	*Chests of Scented Tea and Tea Dust*
Chimen	133	32,242	7,413
Fouliang	69	18,203	4,181
Chihteh	49	11,713	4,114
Kuichih	2	551	194
TOTAL	253	62,709	15,902

The product of the Keemun tea improvement station is prepared entirely by machine. Owing to its uniform shape, good color and flavor and its freedom from impurities, it commanded the highest price ever quoted for Keemun tea. The first crop was sold at $275 per picul, the second crop at $240 and the third at $90. Even the summer crop was sold at $170. In view of this high price a number of large firms in the district contemplate installing machinery to improve their product.

2. *Liang-Hu Tea.*—This tea includes the products of 20 hsien of Hupeh and 17 hsien of Hunan. As regards quality the Ichang product is the best, while Anhua, which has the largest production, is the center for Liang-Hu tea. The total amount of Liang-Hu black tea sold in the Hankow market during 1936 was 187,375 chests. Detailed figures follow:

District	*No. of Chests Brought to Hankow*
Anhua	83,362
Taoyuan	11,196
Kaochiao	13,695
Hsiangyin	8,861
Liuyang	3,626
Liling	1,229
Yungfeng	8,251
Louti	1,422
Pingkiang and Changshouchia .	12,209
Niehchiashih ..	5,484
Yangloutung ..	6,268
Ichang	2,239
Lantien	29,593
TOTAL	187,335

3. *Tunchi Green Tea.*—The term "Tunchi green tea" indicates the products of Tunchi and the neighboring districts of Chekiang and Anhwei provinces. The production figure for Tunchi alone amounted to 96,750 chests, showing a great increase in comparison with the previous year's figure of about 70,000 chests. Available figures are as follows:

District	*No. of Chests of Green Tea Produced*
Siuning	25,000
Wuyuan	17,000
Sihsien	10,000
Chimen	3,000
Taiping	2,000
Ihsien	8,000

4. *Pingshui Tea.*—This tea includes the green tea produced in Shaohsing, Hsinchang, Chenghsien, Shangyu and Chuchi, all located in Chekiang province. The total production transported to Shanghai from these districts during 1936 was 190,665 chests. Detailed figures are shown in table on page 713.

5. *Wenchow Tea.*—Wenchow tea generally includes the products of the Chekiang districts Yunchia, Lotsing, Juian, Pingyang and Taishun. Owing to their similar shape, the products of Shacheng and Futing on the Fukien-Chekiang border also come under this category but are of better quality. Wenchow tea comprises both the green and black varieties, the black being produced in larger quantities. The

PINGSHUI TEA

Firms	*No. of Factories*	*No. of Chests Sold*
Hsieh Lung	21	48,885
Tung Tai and Hsieh Tai	13	40,165
I Tai	12	34,190
Chen Ho	12	13,618
Kung Sheng Yung	17	20,919
Yung Hsing Lung	13	24,993
Chung Hsin Chang	2	3,321
I Lung	2	3,190
Jen Teh Yung	1	1,384
TOTAL	93	190,665

total output of Wenchow black tea during 1936 was 15,000 chests (about 8,000 shih-tan) as against 10,000 chests (about 5,000 shih-tan) during 1935 representing an increase of about 33⅓ per cent. The amount of Wenchow green tea produced during 1936 was 10,000 chests (about 6,000 shih-tan) as against 12,000 chests (about 7,000 shih-tan) during 1935 representing a decrease of about 1,000 shih-tan. Though the Wenchow tea produced in 1936 found a ready market, the price was not high.

6. *Tuchuang Tea.*—The term "Tuchuang tea" indicates the tea collected from the interior and prepared in Shanghai by the tea firms. In 1936, 40 such firms operated in Shanghai, with a total production of about 30,000 chests (about 18,000 shih-tan) as against 40,000 chests in 1936.

COMPARATIVE FIGURES FOR TOTAL TEA EXPORTS DURING THE LAST FIVE YEARS (1932-36)

	1932	*1933*	*1934*	*1935*	*1936*
Black Tea					
Quantity (Quintals)	88,917	98,154	149,130	104,752	96,030
Value ($)	12,292,678	9,416,749	12,164,226	7,854,170	7,968,396
Green Tea					
Quantity (Quintals)	166,088	174,425	161,789	154,008	155,931
Value ($)	21,005,721	20,332,962	18,501,929	18,045,507	19,192,267
Brick Tea					
Quantity (Quintals)	127,979	111,936	129,634	96,912	90,876
Value ($)	4,675,964	3,261,896	3,859,384	2,715,087	2,305,565
Other Kinds					
Quantity (Quintals)	12,156	24,930	39,279	25,732	30,006
Value ($)	604,191	1,198,430	183,750	1,009,420	1,195,483
Total					
Quantity (Quintals)	395,140	419,445	480,432	381,404	372,843
Value ($)	38,578,504	34,210,037	36,098,539	29,624,184	30,661,711

Reform Measures.—As the tea industry has been suffering from severe depression during recent years, many reform measures were carried out by the government during 1936, including the following:

1. *Government Control of Anhwei and Kiangsi Black Tea.*—With improvement of quality, stabilization of price, financing of transactions, increase of transportation facilities, extension of market and the propaganda and research services as the aim, a committee for the regulation of the transportation and marketing of Anhwei and Kiangsi black tea was inaugurated on April 1, 1936, under the joint auspices of the provincial governments of Anhwei and Kiangsi. A large sum of money was loaned to the different tea trade co-operative societies and the merchants by the Anhwei Provincial Bank, the Yuu-Mig Bank of Kiangsi and the Bank of Communications. The total production of the Keemun black tea and the Ningchow

black tea was 60,000 chests and 20,000 chests respectively and for each chest $30 and $15 was loaned.

2. *Field Inspection of the Keemun Black Tea and Tunchi Green Tea.*—With a view to improving the quality of tea, inspectorates were established in both the Keemun and the Tunchi districts under the joint auspices of the government testing bureau of Shanghai, the agricultural department of the National Economic Council, and the committee for regulating the transportation and marketing of Anhwei and Kiangsi black tea. Steps taken included supervision over grading, inspection of working premises, inspection of tea chests, registration of bakers and sanitary inspection. Owing to deficiency of equipment and technical experts an inspectorate of green tea was established only at Tunchi. The field inspection work consists of supervision over grading, examination of quality, testing of water content, coloring and packing and inspection of factories. The result so far has been satisfactory.

3. *Improved Production of Keemun Tea.*—The most important step toward the improvement of production was the establishment of the Keemun tea improvement station, which consisted of two sections, namely, the technical section to carry on services concerning promotion, co-operation, testing, grading and packing of tea and the section of general affairs. Large plants were erected on the Fenghuanshan and machinery was installed. Farmers were trained and co-operative societies were established to render them financial aid.

4. *The Chekiang Tea Improvement Station.*—This station was organized by the reconstruction department of the Chekiang provincial government and inaugurated on August 1, 1936. The principal functions of the station consist of the improvement of the plantation, manufacturing and marketing of tea. The first step taken was to improve production of the Pingshui tea.

5. *Improvement of Tea Production in Hupeh Province.*—With a view to improving the quality of tea, stations were established both at Ichang and Yangloutung. The station directed the farmers to organize co-operative societies, to learn the new method of planting tea trees, to improve the process of manufacturing and to establish model tea farms. The Government Testing Bureau of Hankow was responsible for research and investigation in connection with brick tea.

6. *Improvement of Tea Production in Hunan Province.*—Originally experimental work was carried on by the Third Agricultural Experiment Station of Hunan and its branch station at Koacheo. But, owing to the deficiency of both funds and equipments, the result was not satisfactory. In 1936 the Ministry of Industry rendered financial aid to this station with a view to the improvement of Liang-hu black tea. Furthermore, the reconstruction department of the Hunan provincial government decided to organize a committee in connection with the improvement of production of Hunan tea.

7. *Improvement of Tea Production in Kiangsi Province.*—Experimental work was carried on here by the Suishui tea improvement station. In 1936 a new kind of tea, known as Ming Jui, was produced. Its color and shape were better than those of the Keemun tea, though the flavor was inferior, and it commanded a price 14% higher than the peak price for the ordinary Ningchow tea. Recently the co-operative services committee of Hunan province established a number of co-operative societies at Suishui and Wuning and planned to instal machinery in order to improve tea production.

8. *Reform Measures of Tea Production in Fukien Province.*—The reconstruction department of the Fukien provincial government established a tea improvement station at Fuan and a tea warehouse inspection bureau at Taikiang. A tea professional school rendered good service in the improvement of tea production. In 1936 a central bureau for controlling the tea warehouse established in Foochow and its branch bureaus was organized in Fuan, Saichi and Lingteh in order to regulate transportation and facilitate financial co-operation between the tea firms and the banks.

VIII, THE SUGAR INDUSTRY

The sugar industry has made much progress during the last year. The sugar factories established in different provinces are as follows:

Shantung.—The Pu Yi Industrial Company was established in 1920, suspended operation in 1927 and resumed the manufacturing of sugar from 1935. This factory located at Tsinan was the first to use sugar beets as raw material. It is capitalized at $2,500,000. Machinery for manufacturing sugar was bought from America. The plant, which can handle 500 tons of sugar beets daily, consists of the following principal machines: one pump of 2,000 ton capacity per minute and one pump of 500 ton capacity, one lime kiln, one beet washer, one beet elevator, one automatic scale, one beet slicer, one beet juice diffusion battery, 1st and 2nd liming tanks, 1st and 2nd filter press, 1st and 2nd bag filters, vacuum evaporator, quadruple-effect evaporator vacuum pan, sulphur stove and saltpeter crystalizer, centrifugal machine and drying device.

As alcohol can be made from molasses, an alcohol distillery has been established in Pu Yi with a capacity of 1,250 gallons. The plant was bought from Japan and consists of a distilling still, water cooler, dilution tank, fermenter, etc. There are four boilers of 336 H.P. each, and a 200 K.W. A.C. generator in the sugar refinery and one boiler of 100 H.P. capacity in the distillery.

The sugar beets are planted by the farmers of Shantung. The daily consumption of the sugar plant was increased from 200 to 400 tons after the improvement of the sugar manufacturing machinery. All persons employed in the Pu Yi Industry Co. from the director and technical experts to the laborers are Chinese.

Kwangtung.—During 1936 the annual production of sugar was increased in the Kwangtung Sugar Refineries as compared with the figure recorded in the previous year. The Kwangtung government sugar refineries are as follows:

The Shihtou Refinery was expanded in 1936, new machinery being imported from Czechoslovakia to the value of £208,000 while an additional $500,000 was expended on buildings. This factory is capable of crushing 2,750 tons of sugar cane daily. From December 10, 1934, to the end of April, 1935, 1,044,806 piculs of cane were crushed and 83,966 piculs of sugar obtained. Crude sugar manufactured in other factories and refined by Shihtou Refinery amounted to 7,103 piculs, from which 5,256 piculs of white sugar were obtained. Molasses and alcohol produced amounted to 47,713 piculs and 376 piculs respectively. During the second period, dating from December, 1935 to April, 1936, the figures recorded were sugar cane crushed, 1,314,079 piculs, sugar obtained, 115,355 piculs; and molasses produced 52,210 piculs. If the production index of the first period be taken as 100, the figures obtained during the second period were 129.29 for sugar and 109 for molasses.

The Hsintsao Sugar Plant is a branch factory of the Shihtou Refinery, and its daily capacity for crushing sugar cane has been increased from 500 tons to 750 tons. During the first period dating from December, 1934, to March, 1935, 19,668 piculs of sugar, 9,612 piculs of molasses and 214 piculs of alcohol were obtained from 255,717 piculs of sugar cane crushed. During the second period dating from December, 1935, to the end of April, 1936, 46,254 piculs of sugar and 19,480 piculs of molasses were obtained from 536,359 piculs of sugar crushed. The production index for the second period if that for the first period be taken as 100, was 235 for sugar and 202 for molasses. This indicates that the amount of production has been increased considerably.

The Shuntak sugar plant is also a branch factory of the Shihtou Refinery. During the period dating from December, 1935, to the end of April, 1936, 84,513 piculs of sugar and 36,457 piculs of molasses were obtained from 993,683 piculs of sugar cane crushed. The Kityang Sugar Plant, also a branch of the Shihtou concern manufactured 52,152 piculs of sugar and 52,152 piculs of molasses from 639,503 piculs of sugar cane crushed during the same period.

The total capacity of the four sugar plants above-mentioned is 5,000 tons of sugar cane daily. But owing to the insufficiency of supply, only 3,483,632 piculs of sugar cane were crushed during the fiscal year of 1935-36. Measures aimed at the promotion of sugar plantations have now been carried out with success and the number of sugar plantations established by the refineries themselves has been increased from 6 to 27.

Kwangsi.—The Kwangsi sugar refinery, established and controlled by the Kwangsi provincial government is located at Kweihsien. The products manufactured in this refinery have a good market in the province. Its principal activities consists of crushing sugar cane, refining sugar, improving sugar cane plantation, and lending money to the farmers.

Fukien.—Fukien was originallys a sugar producing region, but owing to the keen competition of foreign sugar in the market, its sugar industry has been continuously declining. The reconstruction department of the Fukien Provincial Government asked the technical experts of the National Economic Council to draft a plan concerning the improvement of the sugar industry. Investigations showed that South Fukien was very favorable for the growth of sugar cane. The total expenses for the establishment of a sugar refinery were estimated at $3,000,000, but on account of the financial distress the plan could not be realized. Small cane-crushing machines were installed, however, and the yield of juice was increased from 50 catties to 75 catties per picul of cane crushed. The sugar producing regions of Fukien province have now been divided into four districts, in each of which a sugar cane plantation, a sugar cane seedlings farm, a training institute for imparting instruction concerning sugar manufacture and a sugar industry co-operative society have been established.

Chekiang.—Besides Fukien, Kwangtung, Kiangsi, Szechwan and Kwangsi provinces, Chekiang is also an important sugar producing province, the total quantity of crude sugar and crystal sugar produced here annually amounting to about 320,000 piculs. A co-operative sugar refinery has been established in order to improve both the quality and quantity of sugar. The machinery installed in this refinery consists of the following machines and equipment:

2	sugar cane crushing machines ..	3	vacuum pans
4	centrifugal separators	1	crystallizer
1	sulphur stove ..	1	boiler
40	settling, decantation and washing tanks	8	iron tanks
20	pans		

During the last year the refinery operated for 54 days and 770 piculs of white sugar and 2,380 piculs of brown sugar were produced. Measures for the improvement of the sugar cane seedlings and the development of the sugar refinery are now being carried out in the province.

Kiangsi.—According to the reconstruction plan drafted by the Kiangsi Provincial Government, nine large factories are to be established, one of which will be a sugar refinery. Kiangsi was famous for its sugar production years ago, but no reliable statistical records can be obtained. It is learned that the annual production in Kanhsien amounts to about 200,000 piculs.

Szechwan.—Before foreign sugar came into the Chinese market, Szechwan produced annually the largest amount of sugar in China. In order to develop the sugar industry in the province, the reconstruction department of the Provincial Government has established a sugar refinery as a joint undertaking of government and private interests with a capital of $20,000,000. This refinery will undoubtedly benefit the rural population to a great extent.

China's Imports of Sugar.—Originally China was a sugar exporting country but, owing to the keen competition of foreign sugar, the native sugar industry has been declining and up to 1895 no sugar exported at all. Customs reports show that the highest figure for sugar imports (about $130,000,000) occurred in 1930. It is an encouraging sign, however, that since the enforcement of the new customs tariff rates, the import of foreign sugar has been significantly on the decrease.

Marketing Conditions of Sugar during 1936.—Owing to the rich harvest and improved social order in 1936, the sugar industry enjoyed a boom year. In spite of the smuggled sugar coming from the north and the rumor that the customs tariff rates on sugar would be reduced, the sugar market was quite flourishing. Sugar quotations had slight fluctuations; ups and downs of foreign and Chinese sugar were confined to more than one dollar and from $4.00 to $5.00 respectively. During the second half of 1936, when smuggled sugar was mostly kept off the market and the expected reduction of tariff rates was not realized, the sugar market was in a more flourishing condition.

PROFITS MADE BY THE VARIOUS LARGE SUGAR COMPANIES DURING 1936

Name	*Net Profit*
Yuan Sen	$150,000
Yuan Tai Hen	110,000
Fang Tsui Ho	100,000
Yuan Yu	60,000
Ta Sing	40,000
Ho Yuan	45,000
Mou Fong	20,000
Yu Ta Fong	130,000
Yu Fong Hen	70,000
Chun I	70,000
Yuan Hen	50,000
Ho Sing	50,000
I Fong	30,000

IX. THE TOBACCO INDUSTRY

The May 30 Incident of 1925 gave a strong impetus to the Chinese tobacco industry, as it resulted in a boycott of foreign goods and consequently the number of native cigarette manufacturing factories was increased from 30 to more than 100. Afterwards the introduction of a new tax system helped the smaller factories, enabling them to manufacture low-grade cigarettes at a reasonable profit. A few years later, owing to the keen competition from foreign cigarettes and unsettled political conditions, the Chinese tobacco industry declined and many small factories went into bankruptcy. During recent years, the improvement of the quality of the Chinese cigarettes and the development of transportation facilities has made it possible, however, for the industry to recover its former prosperity. China's tobacco exports and imports during the last three years are shown in the following tables:

CHINA'S TOBACCO EXPORTS

	1934		*1935*		*1936*	
	Quantity (Quintals)	*Value ($)*	*Quantity (Quintals)*	*Value ($)*	*Quantity (Quintals)*	*Value ($)*
Cigarettes	9,750	167,462	8,739	1,357,151	3,886	730,748
Tobacco, Leaf ..	148,552	7,226,112	135,695	7,243,615	172,007	8,980,148
Tobacco, Prepared	—	467,695	3,459	397,971	3,899	392,276
Tobacco, n.o.r. ..	—	23,020	—	52,842	—	34,368
TOTAL ..	—	9,431,109	—	9,051,579	—	10,137,540

CHINA'S TOBACCO IMPORTS

	1934 Value ($)	*1935 Value ($)*	*1936 Value ($)*
Cigarettes	2,034,701	1,685,499	781,598
Cigars	463,888	459,870	491,806
Tobacco, Leaf	30,958,989	8,445,082	14,997,900
Tobacco, Prepared	120,704	98,785	87,430
Tobacco, n.o.r.	438,117	611,647	1,030,603
TOTAL	34,016,399	11,300,883	17,389,337

The above tables indicate that during 1936 the increase in China's tobacco exports amounted to more than $1,000,000, yet there was still a large excess of imports over exports.

The tables below indicate that there are 110 Chinese tobacco companies and Shanghai is the principal cigarette-producing center. Among these Chinese concerns there are only four large-sized factories, namely, the Nanyang Brothers Tobacco Company, the Hwa Cheng Tobacco Company, the Hwa Tung Tobacco Company and the Dah Tung Tobacco Company; all of the other Chinese tobacco factories are very small. The foreign tobacco companies in China, though fewer in number as compared with the Chinese factories all operate on a large scale. The total quantity of cigarettes produced annually in China amounts to 1,103,235.11 boxes of which 568,508.58 boxes are produced in the foreign mills and the rest in the Chinese mills. The cigarettes manufactured by the foreign tobacco companies exceed the Chinese not only in quantity but also in quality. Cigarettes of the first grade produced in foreign mills amount to 3,133.70 boxes, while those manufactured by the Chinese mills total 203 boxes in the case of Nanyang Brothers Tobacco Company, 41.6 boxes in the case of the Hwa Cheng Tobacco Company and 0.4 boxes in the case of the Hwa Ping Company. All of the other Chinese tobacco companies manufacture second-grade cigarettes only. As to transportation facilities, the Chinese tobacco companies cannot compete with the foreign ones because most of the latter have established their mills in large cities such as Shanghai, Tientsin, Tsingtao, Hankow, while all of the Chinese mills are concentrated in Shanghai. Owing to keen competition from the foreign tobacco companies, the Chinese tobacco industry has continuously declined and the value of cigarettes exports has dropped during the past few years, having been valued at $1,674,000 in 1934, $1,355,000 in 1935 and $730,000 in 1936.

The raw material used by the tobacco factories is the tobacco leaf. Owing to their superior quality, American leaves are used for the high-grade cigarettes, while for the lower grades a mixture of Chinese and American leaves is employed. The tobacco-producing centers in China are located in Honan, Shantung, Anhwei and a few other provinces. Of these the tobacco which comes from Hsuchang, Honan, is the best.

A. CHINESE-OWNED CIGARETTE FACTORIES

Cigarette-Producing Regions	*No. of Factories*	*Tax-Paid (Boxes of 50,000 Cigarettes)*	*Tax-Exempted (Boxes of 50,000 Cigarettes)*	*Total (Boxes of 50,000 Cigarettes)*
Shanghai. ..	84	468,349.72	42,912.91	511,262.63
Hankow . ..	1	2,056.00	25.00	2,081.00
Nantung ..	1	90.00	—	90.00
Ningpo	3	1,227.00	—	1,227.00
Wenchow ..	3	837.00	—	837.00
Wuhu	1	279.50	—	279.50
Pengpu ..	1	900.00	—	900.00
Pohsien . ..	2	401.00	—	401.00
Hofei	1	35.00	—	35.00
Tsinan	2	1,527.00	—	1,527.00
Tsingtao ..	8	8,237.50	102.00	8,339.50
Tientsin ..	1	566.50	—	656.50
Paoting . ..	1	25.50	—	25.50
Yangku . ..	1	9,685.60	761.00	10,446.60
TOTAL ..	110	494,307.32	43,800.91	538,108.23

B. FOREIGN CIGARETTE FACTORIES IN CHINA

Name	Location	No. of Boxes (Tax Paid)			No. of Boxes (Tax Exempted)			Total No. of Boxes		
		1st Grade	2nd Grade	Total	1st Grade	2nd Grade	Total	1st Grade	2nd Grade	Total
I. Chung (B.A.T.) ..	Shanghai	3,013.60	250,315.66	253,329.26	35.40	5,379.37	5,414.77	3,049.00	255,695.03	258,744.03
I. Chung (B.A.T.) ..	Hankow	—	110,507.80	110,507.80	—	6,405.00	6,405.00	—	116,912.80	116,912.80
I. Chung (B.A.T.) ..	Tsingtao	.40	60,973.80	60,974.20	—	6,345.70	6,345.70	.40	67,319.50	67,319.90
I. Chung (B.A.T.) ..	Tientsin	—	104,508.80	104,508.80	—	4,036.40	4,036.40	—	108,545.20	108,545.20
Tobacco Products Corporation	Shanghai	.30	7,308.00	7,308.30	—	242.40	242.40	.30	7,550.40	7,550.70
To Lun	,,	—	191.90	191.90	—	16.80	16.80	—	208.70	208.70
Chin Cheng..	,,	35.40	777.90	813.30	.70	7.52	8.22	36.10	875.42	821.52
Kien Shen	,,	—	40.10	40.10	—	6.13	6.13	—	46.23	46.23
Chin Hwa	,,	.10	14.60	14.70	—	—	—	.10	14.60	14.70
Cheng Chang	Tientsin	27.90	3,905.40	3,933.30	11.10	13.40	24.50	39.00	3,918.80	3,957.80
Tung Ya	,,	—	2,000.50	2,000.50	—	2,371.90	2,371.90	—	4,372.40	4,372.40
Hsi Ho	,,	2.00	2.30	4.30	6.80	.50	7.30	8.80	2.80	2.60
TOTAL		3,079.70	540,546.76	543,626.46	54.00	24,825.12	24,879.12	3,133.70	565,371.88	568,505.58

C. COMPARISON OF NUMBER OF BOXES OF CIGARETTES PRODUCED IN FOREIGN AND CHINESE FACTORIES

	No. of Boxes (Tax Paid)		No. of Boxes (Tax-Exempted)		Total		Total
	1st Grade	2nd Grade	1st Grade	2nd Grade	1st Grade	2nd Grade	
Chinese	138.00	494,169.32	107.00	43,693.91	245.00	537,863.23	538,108.23
Foreign	3,079.70	540,546.76	54.00	24,825.12	3,133.70	565,371.88	568,108.58
TOTAL	3,217.70	1,034,716.08	161.00	68,519.03	3,378.70	1,103,235.11	1,106,613.81

TOBACCO PRODUCTION

Producing Center	*Price Per Picul*	*Annual Production in $*	*Color of Leaves*
Namyung, Kwangtung	48	600,000	Light Yellow with Brown Spots and Lines
Chunchow, Hupeh	29	92,800,000	Light Yellow with Brown Spots and Lines
Weihsien, Shantung	41	102,500	Light Yellow
Tsinghsien, Shantung	41	2,050,000	Yellow Brown
Itu, Shantung	40	640,000,000	Yellow Brown
Chenghsien, Honan	35	350,000	Light Yellow
Hsuchang, Honan	45	1,575,000,000	Yellow Brown
Hsiangchen, Honan	50	1,250,000,000	Light Yellow
Tenhsien, Honan	32	1,120,000,000	Dark Yellow
Liufutsen, Fengyang, Anhwei ..	50	1,000,000,000	Light Yellow with Brown Spots and Lines
Tenchiachuang, Fengyang, Anhwei	22	308,000,000	Yellow
Lichiachuang, Pengpu, Anhwei ..	45	67,500	Yellow Brown

The Cigar Industry.—Due to the high rate of foreign exchange and the import duty imposed on cigars, many small cigar factories have been established during recent years and their products have found a ready market. Most of these factories are located in Shanghai, their capital ranging from $60,000 to $400.

Ssu Yen (絲烟).—*Ssu yen* is cut and prepared from tobacco leaves and is classified into four kinds, namely' water-pipe tobacco, pipe tobacco and snuff and chewing tobacco. With the rapid growth of the cigarette industry smoking habits have changed and the consumption of *ssu yen* has been decreased. China's imports and exports of *ssu yen* or prepared tobacco leaf during the past three years have been as follows:

Year	*Exports*		*Imports*	
	Quantity (in Quintals)	*Value (in $)*	*Quantity (in Quintals)*	*Value (in $)*
1934	4,298	467,695	113,000	120,704
1935	3,459	397,971	67,656	98,785
1936	3,899	392,276	15,045	87,430

The above table indicates that the imports of *ssu yen* or prepared tobacco leaf are on the decrease and the annual export excess over imports has amounted to more than $300,000.

As the consumption of snuff and chewing tobacco is not great in China, only water-pipe and pipe tobacco will be discussed here. Water-pipe tobacco of the first quality is produced in Fukien and Kansu, while pipe tobacco is produced in Kiangsi, Chekiang, Kansu, Honan and Shantung. Owing to the development of the cigarette industry, however, both production and consumption of *ssu yen* have been reduced. All of the *ssu yen* is prepared by hand and the details of this handicraft industry are shown in the table on page 721.

X. THE IRON AND STEEL INDUSTRY

Forty years ago, China started to manufacture iron and steel by new processes, but no subsequent progress has been made. During the most flourishing period the capacity for manufacturing iron and steel reached

SSU YEN INDUSTRY

Province	*No. of Firms*	*Total Capital*	*Annual Production*	*No. of Firms Whose Annual Production Is not Known*
Kiangsu	158	183,880	521,738.64	55
Chekiang	303	347,300	96,810.16	139
Kiangsi	107	76,900	101,400.00	9
Fukien	87	21,500	12,000.00	47
Kwangtung	84	8,150	244,000.00	14
Kwangsi	81	80,000	329,750.00	4
Hunan	298	99,240	228,200.00	124
Honan	279	163,610	601,439.40	111
Shantung	33	276,200	102,850.00	1
Hopei	52	62,300	417,000.00	15
Shansi	11	2,400	8,536.00	2
Chinghai	5	4,500	40,480.00	—

REMARKS: All of the figures recorded above are based on the investigation sheet of handicraft industry distributed by the Ministry of Industry. Those provinces from which no investigation sheets were received have not been included.

1,000,000 tons and 110,000 tons respectively. Now most ironworks, such as the Han Yang, Ta Yeh, Lung Yen and Hun Yu plants suspended operations and the Penhsihu and Anshan ironworks were seized by the Japanese. The Ho Hsin plant makes iron and steel only by melting the waste iron and steel scraps. There are in fact, two iron and steel works operating in China, namely, the Yangtze and the Paochin plants, whose annual production of iron amounts to about 10,000 tons. The production of steel is negligible.

The general condition of China's iron and steel works is shown in tables on pp. 722–724.

The erection of factories for steel manufacture has been decided upon and plans have been drafted both by the Central Government and the provincial governments of Kwangtung, Shansi and Szechwan.

XI. THE MACHINE-MAKING INDUSTRY

Owing to the development of different kinds of industry in China, the imports of machines and parts have been expanding during recent years. The value of machine imports for 1932, 1933, 1934, 1935 and 1936 amounted to 16,990,689 G.U.; 20,804,601 G.U.; 29,160,674 G.U.; 40,722,747 G.U.; and 36,338,018 G.U. respectively. The import figures have increased steadily each year with the exception of 1935, during which there was a very sharp increase, due to the large amount of machinery imported for three sugar refineries in Kwangtung and for the China Alcohol Distillery in Shanghai.

Besides the increasing amount of imported machinery, many machine shops and factories have been established. There are 270 machine works registered with a total capital of $3,550,000. If the registered and non-registered machine works are considered together, the total capital and value of annual production total $5,000,000 and $20,000,000 respectively. The machines made in China are mostly pumps, grinding machines, etc., the more complicated machinery is still imported from abroad.

XII. THE CEMENT INDUSTRY

During the past few years, the consumption of cement has been continuously increasing owing to the development of public works. Hence it seems that the Chinese cement industry might have enjoyed a period of prosperity. On the contrary, however, the keen competition of foreign cement in the market has compelled the Chinese manufacturers to sell their products at reduced prices. Except for the cement works located in Kwangtung, the majority have been hit by the dumping of Japanese cement sold at very low quotations and therefore have been obliged to struggle hard for existence.

CAPACITIES OF IRON MILLS

Name	*Location*	*No. of Furnaces and their Capacity*	*Estimated Maximum Annual Production*
Hanyehping Iron Works, Hanyang Plant ..	Hanyang	Two 100-ton Furnaces Two 250-ton Furnaces	210,000 tons
Hanyehping Iron Works, Tayeh Plant ..	Tayeh	Two 450-ton Furnaces	270,000 tons
Lung Yen	Shihchinshan, Peiping	Two 250-ton Furnaces	75,000 tons
Yangtze	Hankow	One 100-ton Furnace	30,000 tons
Sin Ho Hsin	Pootung, Shanghai	One 12-ton Furnace One 30-ton Furnace	12,600 tons
Pao Chin	Yangchuan	One 20-ton Furnace	6,000 tons
Hun Yu	Sinhsiang, Honan	One 25-ton Furnace	7,500 tons
Penhsihu	Penhsihu, Liaoning	Two 140-ton Furnaces Two 20-ton Furnaces	96,000 tons
Anshan	Anshan, Liaoning	Two 300-ton Furnaces One 500-ton Furnace	333,000 tons
TOTAL			1,037,100 tons

CAPACITIES OF STEEL MILLS

Name	*Location*	*No. of Furnaces and Their Capacity*	*Estimated Maximum Annual Production*
Hanyehping Iron Works, Hanyang Plant ..	Hanyang	Two 30-ton Martin Furnaces	90,000 tons
Sin Ho Hsin	Pootung	Two 10-ton Martin Furnaces	8,000 tons
Shanghai Steel Works	Shanghai	One 15-ton Martin Furnace One 5-ton Martin Furnace	8,000 tons
Hanyang Arsenal	Hanyang	One 10-ton Martin Furnace One 2-ton Crucible Furnace	5,000 tons
Yu Tsai	Taiyuan	One 20-ton Martin Furnace	4,000 tons
Shanyang Arsenal	Shenyang	One 5-ton Electric Furnace	3,000 tons
TOTAL			118,000 tons

IMPORTS OF IRON AND STEEL FROM 1934 *TO* 1936

Name	*1934*		*1935*		*1936*	
	Quantity (Quintals)	*Value ($)*	*Quantity (Quintals)*	*Value ($)*	*Quantity (Quintals)*	*Value ($)*
Iron and Steel Ungalvanized						
Angles	150,179	1,515,072	264,433	2,536,598	200,445	2,202,354
Joists, Girders and Channels	153,703	1,710,775	176,764	2,053,733	154,568	2,011,977
Bars	1,287,451	13,019,353	1,214,984	11,401,945	1,060,434	10,740,280
Nail-rods	179,196	1,789,567	226,460	1,816,446	271,255	2,455,242
Screw and Tacks	26,993	1,086,570	26,691	859,800	26,907	863,431
Hoops	110,871	1,698,814	101,609	1,418,917	99,207	1,718,445
Slabs, Ingots and Sheet-bar	440,560	1,923,193	547,329	2,265,557	506,569	2,985,672
Nails, Wire and Cut	17,238	384,456	16,799	299,204	12,293	241,364
Pipes and Fittings	109,739	2,380,046	127,732	2,276,856	156,534	2,485,053
Rails	1,115,065	13,996,023	751,035	8,498,768	965,747	14,871,008
Sheets and Plates, under 3.2 mm. thick	222,080	3,156,221	252,335	3,218,316	467,692	6,582,282
Sheets and Plates, 3.2 mm. thick and over	258,541	3,042,550	278,770	2,881,744	262,505	3,405,751
Terneplates	20,071	678,858	6,037	185,239	17,394	569,463
Tinned Plates	459,929	13,726,768	324,063	9,134,102	401,697	13,783,815
Wire	37,085	554,674	44,770	696,550	47,426	698,462
New Wire Rope	5,259	274,832	5,592	256,371	6,646	274,564
Iron and Steel Ungalvanized, n.o.r.	—	2,040,933	—	1,605,743	—	2,507,150
Iron and Steel Galvanized						
Pipes and Fittings	76,244	2,239,515	81,770	1,821,839	89,125	1,556,586
Sheets	245,623	5,197,464	295,981	5,398,549	157,020	3,035,690
Wire	157,817	2,799,190	206,226	2,889,738	207,139	3,108,332
New Wire Rope	6,627	343,822	9,254	391,118	10,625	524,056
Iron and Steel, Galv., n.o.r.	14,954	372,715	5,350	120,907	5,853	129,322
Bar Groppings and Bar Ends	253,644	1,868,573	327,331	2,208,328	236,865	1,775,488
Cobbles	86,360	579,168	75,877	464,659	82,024	602,836
Plate Cuttings	298,077	2,076,934	306,358	1,968,668	322,177	2,552,795
Old or Crap, n.o.r.	137,270	842,688	184,876	955,507	163,016	971,027
Wire Shorts	97,624	1,017,867	88,646	724,941	113,951	1,038,808
Iron and Steel, Galvanized or Ungalvanized, n.o.r.	18,229	144,469	23,903	162,237	29,080	230,988
Bamboo Steel	28,280	476,667	33,083	491,369	31,038	549,180
Steel Spring, Tool and Alloy	58,901	1,824,355	58,263	1,968,597	102,876	3,657,411
Structural Sections and Building Forms	97,322	3,311,070	142,902	3,375,032	139,959	4,335,950
TOTAL	6,170,933	86,073,202	6,205,223	74,347,378	6,347,967	92,464,792

EXPORTS OF IRON AND STEEL FROM 1934 TO 1936

Materials	*1934*		*1935*		*1936*	
	Quantity (Quintals)	*Value ($)*	*Quantity (Quintals)*	*Value ($)*	*Quantity (Quintals)*	*Value ($)*
Iron Ore	8,575,656	3,161,635	13,160,454	2,557,261	13,027,041	5,008,661
Iron and Steel, and Products	—	505,988	—	610,037	—	879,923
Iron, crude and Slabs	5	19	38	168	657	4,085
Iron and Steel, old and pieces	65,460	73,612	—	—	48	284
TOTAL	8,641,121	3,741,254	13,160,492	3,167,466	13,027,746	5,892,953

CHINESE MACHINE WORKS

(Small Ones Not Included)

Name	*Location*	*Year of Incorporation*	*Capital ($)*	*Classifications of Machinery*	*H.P.*
Sin Chung	Shanghai	1926	120,000	Crude Oil Engine, Pumps, Steam Engine and Building Materials	51
Yun I	,,	July, 1923	26,000	Flour Milling Machinery, etc.	7.5
Yao Kun Kee	,,	Jan., 1915	20,000	Printing Machinery	17
Yun Yuan	,,	1914	10,000	Railway, Steam Ship and Mining Machinery	12
Yuan Sin Chan	,,	May, 1919	10,000	Bleaching and Dyeing Machinery	20
Shanghai	,,	1930	50,000	Crude Oil Engine, Rice Milling Machinery, Pumps, etc.	96
Huan Chiu	,,	1928	160,000	Textile Machinery	70
Central, Shanghai	,,	1935	20,000	Textile and Printing Machinery	14
Chung Hwa	,,	1913	16,000	Textile Machinery	15
Min Chin	,,	Nov., 1932	50,000	Printing Machinery	28
Kun Sheng	,,	Sept., 1929	15,000	Printing Machinery	7.5
Ho Chung	,,	Feb., 1923	10,000	Bleaching and Dyeing Machinery	5
Kien Yeh	,,	Mar., 1930	25,000	Printing Machinery	20
I Sin Sheng	,,	1892	50,000	Textile Machinery	22.5
Sing Tsiang	,,	1912	60,000	Oil Extracting, Rice Milling, Crude Oil Engine, and Pumps	20
Chen Sin	,,	1916	10,000	Knitting Machines	5.5
Sing Yeh	,,	1927	100,000	Casting Articles and Machinery	40
Tung Sing	,,	1902	30,000	Ginning Machinery	7.5

Pai Chan	Shanghai	Mar., 1930	20,000	Machinery of Different Kinds	12.5
Chung Sin	,,	Apr., 1929	10,000	Crude Oil Engines and Pumps	3.0
Hwa Sheng	,,	Feb., 1929	11,000	Electric Hosiery Making Machinery	5.0
An Tai	,,	Oct., 1920	28,000	Cotton Weaving and Dyeing Machinery	30.0
Ta Kun	,,	Feb., 1935	60,000	Lathes and Pumps	30.0
Chung Yang	,,	Jan., 1930	45,000	Nails, Wires, etc.	46.0
Chung Hwa	,,	Feb., 1924	100,000	Agricultural Machinery	25.0
Shun Chan	,,	Jan., 1931	80,000	Machinery of Different Kinds	30.0
Shanghai Hun Yeh	,,	Aug., 1932	50,000	Chinese Typewriters and Stoves	10.0
Hou Sen	Wutsin	Oct., 1913	15,000	Internal Combustion Engine, Agricultural Textile and Rice Milling Machinery	222.0
Wan Sheng	,,	June, 1920	30,000	Internal Combustion Engine, Rice Milling Engine and Pumps	24.0
Ho Chung	Wusih	1930	13,250	Agricultural Machinery	7.5
Min Sen	,,	1934	15,000	Agricultural Machinery	10.0
Wu Ling	Hangchow	Mar., 1914	100,000	Textile Machinery	48.0
Ta Yeh	,,	Oct., 1923	15,000	Textile and Agricultural Machinery	12.0
Ta Lai	,,	1931	20,000	Textile Machinery	18.0
Nan Yang	Changsha	Jan., 1926	20,000	Pumps, Fire Protection and Printing Machinery	—
Hu Nan	,,	Feb., 1929	130,000	Lamps and Parts, Gas Automobile	60.0
Hwa An	Kunming	1922	200,000	Manufacturing and Repairing of Machinery of Different Kinds	35
Kun Ming	,,	1926	60,000	Oil Extracting and Rice Milling Machinery	—
Hwa Sing	,,	1922	50,000	Iron and Brass Tools	—
Chen Ya	,,	1929	50,000	Printing and Rice Milling Machinery	15
Teh Li Sin	Tientsin	Apr., 1924	10,000	Pumps and Printing Machinery	12
Ta Ku	,,	Mar., 1929	40,000	Repairing of Ships	8
Hopei Agricultural Machinery Works	,,	June, 1932	105,196	Agricultural Machinery	65
Yun Tsen	Peiping	1917	10,000	Pumps and Flour Milling, Agricultural and Knitting Machinery	40
Hsi Chan	Nanking	Sept., 1921	23,600	Crude Oil, Pumps, Flour Milling Machinery and Others	5
Honan Agricultural Machinery Works	Kaifeng	Sept., 1932	300,000	Agricultural Machinery	35
Yun Sin	Nanking	Mar., 1930	10,000	Machine Repairing	7.5
Hen Feng	Tsinan	Jan., 1919	50,000	Flour Milling and Cake Making Machinery	30
Fu Feng	Weihsien	Jan., 1930	10,000	Weaving and Oil Extracting Machinery	23
Hwa Feng	,,	Jan., 1920	120,000	Weaving and Pumps	61
Ta Sin Chen	Chefoo	June, 1933	20,000	Crude Oil Engine and Tools for Machine Shop	28
Lu Fang Kee	Hankow	1910	20,000	Ginning and Flour Milling Machinery	60
Kwan Chan	,,	Feb., 1927	19,500	Machine Repairing	20
Shun Sin Chan	,,	1901	10,000	Machine Repairing	8
Tung I	Tsingtao	Mar., 1920	10,000	Ship and Textile Machinery Repairing	15
Hwa Ta	Foochow	Oct., 1930	10,000	Iron and Brass Tools and Machinery	10

MACHINERY AND TOOLS IMPORTED FROM 1932 TO 1936

(UNIT IN G.U.)

Category	*1932*	*1933*	*1934*	*1935*	*1936*
Agricultural Machinery and Parts	49,990	15,263	7,488	26,826	50,969
Electric Dynamos or Generators and Parts	903,074	420,118	740,668	430,587	189,646
Electric Motors and Parts	1,422,770	1,101,679	1,080,002	1,086,719	788,271
Transformers and Parts	571,866	409,371	362,776	462,079	334,542
Electric Machinery, n.o.r.	709,487	630,579	749,418	1,195,834	917,208
Machine Shop Tools ..	516,760	481,929	780,532	999,277	1,310,158
Machine Tools	406,157	359,769	308,016	435,825	405,975
Hand Tools	1,063,787	937,520	813,739	859,195	759,787
Prime Movers and Parts	3,792,382	2,012,177	4,182,127	2,891,238	2,806,861
Pumps and Parts . ..	407,889	697,441	677,771	812,934	530,286
Office and Sales Machines and Parts ..	264,661	248,137	223,173	194,746	157,363
Typewriters and Parts.	262,272	174,695	244,924	207,703	162,918
Printing, Bookbinding, Paper-making Machinery and Parts ..	620,180	395,114	702,048	1,547,850	1,174,596
Sewing, Knitting, and Embroidering Machinery and Parts ..	498,560	552,366	711,353	482,753	335,269
Textile Machinery and Parts	8,780,978	4,656,947	7,230,717	7,712,213	6,171,077
Cigarette and Cigar Making Machinery and Parts	507,390	130,978	73,473	75,784	50,125
Other Machinery and Parts	6,313,466	7,580,528	10,279,449	21,301,184	10,192,967
TOTAL (in G.U.)..	16,990,689	20,804,601	29,160,674	40,722,747	26,338,018
TOTAL (in $) ..	49,503,605	40,570,536	57,291,602	75,735,311	59,549,140

MACHINE-MAKING WORKS IN DIFFERENT PROVINCES AND MUNICIPALITIES

Place	*No. of Factories*	*Total Capital*	*H. P.*
Shanghai	126	1,944,444	1,167.5
Kiangsu	33	174,800	216.5
Chekiang	16	174,450	165.5
Hunan.	3	151,500	70.0
Yunnan	4	200,000	50.0
Tientsin	3	155,196	85.0
Peiping	8	111,670	75.5
Honan	5	305,500	46.0
Nanking	15	57,300	64.5
Shantung	24	254,180	284.0
Hankow	6	61,250	69.0
Tsingtao	15	33,100	82.0
Shansi	1	500	—
Fukien	6	21,000	64.5
Shensi	1	5,000	—
Hopei	1	—	—
Weihaiwei..	3	2,500	15.0
TOTAL	270	3,553,390	2,455.0

IMPORTS OF CEMENT, 1932–1935

	1932		1933	
	Quantity in Quintals	Value $	Quantity in Quintals	Value $
French Indo-China	1,157,746	1,511,837	588,622	683,374
Hongkong..	1,405,191	1,992,251	510,148	567,779
Japan	411,753	443,979	621,436	286,551
Macao	373,516	485,180	211,620	220,182
Other Countries	322,125	382,470	346,922	292,250
TOTAL	3,670,331	$4,815,717	2,278,748	$2,050,136

	1934		1935	
	Quantity in Quintals	Value $	Quantity in Quintals	Value $
French Indo-China	321,542	539,458	288,856	532,559
Hongkong..	103,901	163,187	17,328	29,136
Japan	328,770	268,984	370,409	266,828
Macao	13,924	23,964	1,421	2,644
Other Countries	19,927	41,365	5,193	23,691
TOTAL	788,064	$1,036,958	683,207	$854,858

The above table indicates that the total amount of cement imported has been decreasing during recent years. The number of quintals of cement shipped to China from French Indo-China, Hongkong and Macao has been reduced from 1,157,746; 1,405,191 and 373,516 to 288,865; 17,328 and 1,421 respectively. But imports from Japan, though showing slight fluctuations, were not decreased. The competition in the Chinese market caused the British Green Island Cement & Co. to suspend operations and a reduction of production from 1,000,000 to 500,000 piculs was also caused in the cement works at Haiphong, because of the lack of a ready market in China.

As the Japanese dumping policy aims at monopolizing the cement market in China, the amount of cement imported from that country has always ranked first since 1933. It is an encouraging sign, however, that efforts have been made both by the Government and the privately-owned cement works themselves to improve both marketing conditions and manufacturing process. In Kwangtung the authorities have devised a system by which local consumers are required to buy the cement manufactured in the province, and the Hsitsun Cement Works, located at Canton, took advantage of this in order to increase its annual production from 500,000 to 900,000 barrels. Furthermore, during 1936, owing to joint marketing and technical improvement, though struggling hard with foreign competitors, some other Chinese-owned cement works, notably the Chee Hsin Cement Co., the Hwa Chi Hupeh Cement Co., the Shanghai Portland Cement Works and the China Portland Cement Co. were able to show good profits.

CHINA'S ANNUAL PRODUCTION OF CEMENT

Name	Annual Production in Barrels
Chee Hsin Cement Co. ..	1,700,000
China Portland Cement Co.	900,000
Shanghai Portland Cement Works	550,000
Hwa Chi Hupeh Cement Co.	300,000
Hsitsun Cement Works ..	900,000
TOTAL	4,350,000

Due to the increased demand for cement in the market resulting from reconstruction works, the cement industry in China underwent considerable development during the year under review. The Chih Chin Cement

Co. in Shantung was restarted and expanded its annual production capacity from 2,500,000 to 5,000,000 barrels. New machinery was installed both in the China Portland Cement Co. and the Hsitsun Cement Works, and their annual production capacity was increased from 900,000 to 1,350,000 barrels. Three new cement works namely, the Sipeh, Kiangnan and Chungking plants were established, the Kiangnan being the largest and the Chungking plant coming next. The capital and estimated annual production capacities of these undertakings are shown in the following list:

Name	*Capital*	*Estimated Annual Production Capacity*
Kiangnan Cement Co.	$5,000,000	1,500,000 barrels
Chungking Cement Co.	1,200,000	300,000 ,,
Sipeh Cement Co.	500,000	120,000 to 150,000 ,,

It is estimated that there will be an increased annual production of 3,000,000 barrels of cement. Consequently the total annual production is about 7,300,000 barrels, which is sufficient amount for building purposes in modern China.

XIII. THE OIL INDUSTRY

Vegetable Oils.—Owing to the rich production of different kinds of vegetable seeds, vegetable oils are produced in considerable quantity in almost all of the provinces of China. The following table shows the estimated quantity of vegetable seeds produced annually.

ANNUAL PRODUCTION OF PRINCIPAL VEGETABLE SEEDS
(UNIT IN 1,000 PICULS)

Province	*Tung Seed*	*Soy Bean*	*Groundnut*	*Sesame Seed*	*Rape-seed*	*Cotton Seed*
Chahar	—	784	—	—	607	—
Suiyuan	—	209	—	—	479	—
Ninghsia	—	36	—	—	—	—
Kansu	—	1,239	—	6	1,361	—
Shensi	—	1,091	367	301	1,817	2,364
Shansi	—	2,075	218	704	773	1,413
Hopei	—	8,075	10,936	2,429	408	6,665
Shantung	—	30,829	13,252	2,462	428	2,665
Kiangsu	—	18,268	6,382	2,015	3,487	3,909
Anhwei	—	10,588	1,956	1,704	3,937	546
Honan	—	20,319	7,397	6,382	2,456	2,404
Hupeh	1,500	5,470	2,222	1,075	5,964	4,499
Szechwan	2,750	11,600	7,957	1,026	17,170	1,003
Yunnan..	—	3,873	459	44	1,871	—
Kweichow	—	3,044	1,184	67	1,918	—
Hunan	2,500	2,088	1,608	106	7,515	235
Kiangsi	—	4,285	1,552	758	12,628	79
Chekiang.	1,000	2,772	52	131	4,927	1,098
Fukien	—	1,135	2,586	—	891	14
Kwangtung . ..	—	2,143	7,692	73	3,100	9
Kwangsi	650	—	—	—	—	—
Others	125	—	—	—	—	—
TOTAL ..	8,525	129,923	66,279	19,283	447,777	410,168

If 30% of the above-mentioned seeds are used as seedlings and 70% to produce oil, the estimated quantity of vegetable oils is shown in the following table:

ANNUAL PRODUCTION OF PRINCIPAL VEGETABLE OILS
(UNIT IN 1,000 PICULS)

Province	*Tung Seed*	*Soy Bean*	*Groundnut*	*Sesame Seed*	*Rape-seed*	*Cotton Seed*
Chahar	—	48	—	—	127	—
Suiyuan..	—	13	—	—	101	—
Ninghsia	—	2	—	—	—	—
Kansu	—	78	—	1	286	—
Shensi	—	67	90	84	382	149
Shansi	—	131	53	173	162	99
Hopei	—	501	2,682	680	86	420
Shantung	—	1,943	3,223	689	88	168
Kiangsu	—	1,150	1,563	564	733	246
Anhwei	—	667	479	477	825	34
Honan	—	1,280	1,810	1,562	515	153
Hupeh	525	345	544	305	1,251	64
Szechwan	963	731	1,949	288	2,603	65
Yunnan..	—	244	112	10	282	—
Kweichow	—	192	291	16	403	—
Hunan	875	132	392	30	1,578	15
Kiangsi	—	270	380	185	2,654	79
Chekiang.	350	174	13	27	1,035	68
Fukien	—	72	633	—	187	9
Kwangtung	—	135	1,883	18	650	6
Kwangsi	228	—	—	—	—	—
Others	44	—	—	—	—	—
TOTAL	2,985	8,231	16,097	5,109	4,948	1,623

(Calculations are made from the fact that the average numbers of catties of oil produced from 100 catties of tung seed, soy bean, groundnut, sesame seed, rapeseed and cotton seed are 35, 9, 35, 40, 30 and 9 respectively.)

Most oil extracting mills in China remain either in the handicraft industry stage or are operated on a small scale. A brief description of the oil extracting industry in different provinces follows :

OIL EXTRACTING INDUSTRY IN CHINA

Province	*No. of Mills*	*Capital*	*Average Capital per Mill*	*Oil Produced*
Liaoning	175	32,223,000	184,000	Soy bean oil and sesame oil
Kirin	39	2,480,000	63,500	Soy bean oil
Heilungkiang ..	140	3,621,000	258,000	Soy bean oil, tung oil and sesame oil
Kiangsu	740	4,534,000	6,000	Soy bean oil, cotton seed oil, groundnut oil, sesame oil, rapeseed oil, coconut oil
Chekiang.. ..	178	284,000	2,300	Tung oil, tsin oil, chu oil, rapeseed oil
Hopei	2,410	2,784,400	1,150	Soy bean oil, sesame oil, groundnut oil, rapeseed oil, cotton seed oil, red pepper oil, pai oil, tsin oil and hai oil
Honan ..	471	281,600	600	Sesame oil, rapeseed oil, groundnut oil, cotton seed oil, soy bean oil and hai oil
Shantung ..	1,038	1,048,260	1,010	Soy bean oil, sesame seed oil, fruit oil, groundnut oil, cotton seed oil, rapeseed oil
Shansi	258	316,190	1,250	Tea seed oil, cotton seed oil, rapeseed oil, sesame oil
Kwangtung ..	57	137,000	4,150	Groundnut oil, tung oil, tea seed oil

Kwangsi	454	393,700	870	Groundnut oil, sesame oil, tung oil, soy bean oil, rapeseed oil
Kiangsi	230	35,000	150	Tea seed oil, rapeseed oil, tung oil
Fukien	35	11,400	330	Tea seed oil, rapeseed oil, tung oil, groundnut oil, chu oil
Hunan	1,545	970,660	630	Tea seed oil, tung oil, sesame oil, cotton seed oil, rapeseed oil
Chahar	35	27,730	780	Sesame seed oil, rapeseed oil
Suiyuan	76	41,000	950	-do-
Ninghsia	105	84,300	800	Fruit oil, soy bean oil, sesame oil
Chinghai	74	44,400	600	Sesame oil, rapeseed oil

The above table indicates that nearly all the oil mills are very small in size.

The following table shows the general conditions of eight large oil mills located in Shanghai:

Name of Oil Mill	*Year of Incorporation*	*Capital*	*Oil Produced*
Lih Teh	—	300,000	Cotton seed oil, soy bean oil, coconut oil, rapeseed oil
Shun Yu	1919	250,000	Cotton seed oil, soy bean oil
Ta U Yu	1921	300,000	Soy bean oil, cotton seed oil, groundnut oil, coconut oil
Hwei Feng ..	(more than 10 yrs ago)	40,000	Soy bean oil, cotton seed oil
Chan Teh ..	1933	400,000	Soy bean oil (cotton seed and rapeseed oil will be extracted also)
Ta Teh Sing ..	1930	300,000	Cotton seed oil, soy bean oil, coconut oil, tung oil
Ta Chan Sin ..	—	100,000	Soy bean oil, cotton seed oil, coconut oil, rapeseed oil
Chan Kee ..	—	—	Soy bean oil

Vegetable oils have become one of the principal exports of China, the value of oil exported during 1935 amounting to $57,272,462 representing nearly 10% of the country's total exports. Of these oils, the tung oil is particularly important. China has been the principal supplier of this commodity to most consuming countries, with the exception of French Indo-China and India. The value of tung oil exported amounted to over 3,000,000 Hk.Tls. in 1913, when tung oil was first listed separately owing to its increasing importance. With minor fluctuations, the volume of tung oil exports has been steadily expanding, and in 1935 the value reached $41,582,879, topping the list of China's export commodities. However, the quality of the product is very unsatisfactory as it varies and contains a high percentage of impurities, while prices are subject to wide fluctuation in accordance with the changes in supply condition. These facts have proved to be hindrances to the development of the export trade in tung oil, and to ameliorate the situation, thereby elevating its position in foreign markets, the Ministry of Industry has promoted in China a vegetable oil corporation to be jointly organized by the ministry and the authorities of the principal tung oil producing provinces, including Chekiang, Szechwan, Hunan, Hupeh, Kiangsi, Anhwei and Kwangsi. The corporation is capitalized at $2,000,000 and its scope of activities embraces five main divisions, namely, (1) storing, extracting and refining tung oil for clients (2) storing, extracting and refining other vegetable oils for clients, (3 extending credit against goods or documents, making customs declarations and arranging transportation facilities, and general assistance in the marketing of goods, (4) the manufacturing of lubricating oil and (5) the

manufacturing of paints and varnishes.

The tung oil consumed by home markets has been estimated to amount to 700,000 piculs annually, but the market conditions have shown a marked decline in the past few years. Hankow, Shanghai and Wuchow are the principal exporting ports.

The United States is the chief buyer of Chinese tung oil, taking 70% of the total exports of this oil. England and Hongkong are also important buyers and distribution centers.

Mineral Oil.—Mineral oil occurs in large quantities in many regions of China, especially in Shensi, Szechwan, Kansu and Sinkiang provinces, but nearly all of the mineral oils consumed are imported from abroad. The value of mineral oil imports from 1934 to 1936 are shown in the following table:

Category of Oil	*1934*	*1935*	*1936 (Jan. to Nov.)*
	Value ($)	*Value* ($)	*Value* ($)
Motor Spirit (Gasoline, Naphtha, Benzine, etc.)	19,311,745	19,586,624	20,526,755
Lubricating Oil (Mineral or Semi-mineral)	383,525	356,043	354,227
Crude Oil	21,267,819	19,465,946	14,735,529
Kerosene	39,750,042	37,675,016	33,710,761
Lubricating Oil	6,575,492	6,436,863	7,141,138

The above table indicates that kerosene imports rank first, being valued at more than $30,000,000, while motor spirit comes next in order, being valued at more than $20,000,000. The total value of oil imports amounts to more than $70,000,000.

According to records compiled by the Geological Survey Office of the United States, mineral oils deposited in China are estimated to total 57,750,000,000 gallons. In Liaoning, Sinkiang, Kansu and Shensi are found shale deposits from which crude oil, combustible gases and ammonia can be obtained by fractional distillation. Petroleum occurs also in Szechwan, Sikang, Kweichow, Hunan and Kwangsi provinces. The principal mineral oil producing districts are as follows:

Shensi.—Among many small oil mining and refining works, the Yen Chan Shale Oil Company is the largest. Though it once suspended operations on account of unsettled conditions, it has been restarted by the reconstruction department of Shensi Provincial Government. Its annual production of oil amounts to more than 20,000 gallons.

Szechwan.—Though the quantity of oil deposited in Szechwan is more than that in Shensi, the annual production is only one fourth of the above-mentioned figure for Shensi. There are nine oil companies in that province, the Chungking Oil Company established in 1933 being the best.

Sinkiang.—There are many oil-producing regions in Sinkiang, but all of them remain in the handicraft industry stage. The amount of daily production of these oil companies ranges from 100 to 1,000 catties.

Kansu.—Rich oil deposits occur in Yunnan, Kansu, where the annual production is estimated at more than 50,000 catties.

In addition there are other oil producing regions in Kweichow and Sikang, for which no records are available, however.

Shale Oil Deposits.—Besides Fushun and Liaoning, there are many regions in China where oil shale occurs. The shale deposit in Yen Chan, Shensi, ranks first, the estimated quantity there being 1,000,000,000 piculs. The principal oil producing regions and quantity of oil contained per ton of shale are shown in the following table:

Oil-Producing Regions	*Gallons of Oil Per Ton of Shale*
Fushun, Liaoning	12.21
Chingchow, Kwangtung	20.84
Anting and Whan-an, Shensi	53.00
Pingshan, Szechwan	29.90
Kienwei, Szechwan	19.00

Crude Oil Refining Works.—In Shanghai and in Kwangtung Province there are respectively more than 300 and 200 small crude oil refining factories. Crude oil is used as raw material to produce kerosene and other by-products. Monthly consumption of kerosene in Kwangtung amounts to 600,000 tins, two-thirds of which are produced in such factories.

XIV. THE PAPER INDUSTRY

Papers made in China consist of two kinds, namely, hand-made paper and machine-made paper. The hand-made paper, whose annual production amounts to more than $40,000,000 plays an important part in domestic and general uses. For the purpose of printing books, newspapers, etc., machine-made paper is needed. This is both manufactured in China and imported from abroad to the amounts of approximately $10,000,000 and $50,000,000 respectively.

CHINA'S IMPORTS OF PAPER, 1934–1936

Classification	*1934* $	*1935* $	*1936* $
Paper Boards	3,127,010	3,655,534	2,478,766
Cigarette Paper	3,589,529	2,716,747	3,642,081
Paper Coated and/or Enameled	847,256	745,113	847,163
Common Printing and News Printing Paper (Made Chiefly of Mechanical Wood Pulp)	12,203,214	15,437,992	14,230,598
Drawing, Document, Banknote, and Bond Paper	1,049,785	1,222,080	1,976,625
Glazed and Marbled Paper	910,475	631,075	608,542
Sticking Paper	37,577	27,267	27,310
Greased Paper	2,357,923	461,901	180,440
Packing and Wrapping Paper	1,644,765	1,416,994	1,762,467
Kraft Paper	2,199,340	1,710,660	2,050,532
Parchment Paper, etc.	1,422,612	1,312,963	1,631,458
Simile Paper	732,209	844,074	578,496
Tissue Paper	866,064	1,495,703	1,665,424
Writing Paper	483,728	575,972	599,264
Printing Paper (Free of Mechanical Wood Pulp)	2,591,925	2,322,318	2,487,289
Printing Paper, n.o.r.	1,034,431	1,365,726	365,912
Wall Paper and Decorated Paper	249,083	253,719	251,428
Paper, n.o.r.	1,921,205	2,577,274	2,937,164
Paperware and All Articles Made of Paper, n.o.r.	3,862,683	7,528,268	11,615,954
TOTAL	$41,130,814	$46,301,380	$49,946,913

The above table indicates that imports of paper have been increasing considerably during recent years, especially printing paper, which accounts for more than $14,000,000. Therefore, it is necessary for China to establish paper mills to manufacture printing paper. During 1936 continued efforts were made to promote China's paper industry. Further progress was witnessed in the organization of the Wenchi Paper Mills, in Wenchi, Chekiang, a joint undertaking of Government and private interests capitalized at $7,000,000. The Kwangtung Paper Mills, where a building has been erected and machinery installed, will start operation in the near future. Plans have been drafted for the establishment of the Sishan Paper Mills, in Kiangsi, and the Wuhu Paper Mills, in Anhwei. In addition to the common papers, the principal product manufactured in these paper mills is to consist of newsprint made of Chinese raw materials.

Owing to the complicated conditions prevailing in the Chinese hand-making paper industry, detailed figures concerning the total production of the home-manufactured paper cannot be obtained. However, the annual production, valued in dollars, is estimated as follows:

District	*Estimated Annual Production*
Central China	$26,700,000
South China	10,500,000
North China	3,345,000
Three Eastern Provinces, Chahar and Suiyuan	1,345,000
Others	130,000
TOTAL	$42,020,000

CHINA'S EXPORTS OF PAPER FROM 1934 TO 1936

	1934	*1935*	*1936*
Paper, 1st Grade	$480,046	$504,295	$473,602
2nd Grade	571,952	533,301	512,996
3rd Grade	196,521	192,833	139,552
Paper, Joss	926,846	925,428	889,188
Paper, n.o.r.	427,458	389,475	416,075
TOTAL	$2,602,823	$2,545,332	$2,431,413

XV. THE MATCH INDUSTRY

Since the enforcement of the new tariff rates, the import of foreign matches has been significantly on the decrease. Many match factories were established or output was increased in order to meet the demand of the market. But, during the past few years, owing to over-production and smuggled goods, the match industry has ceased to enjoy prosperity and the price has continuously decreased. Many small factories went into bankruptcy and the comparatively larger ones were compelled to suspend operations or reduce production. This has occurred despite the vigorous efforts of the Government to carry out preventive work against smuggling and to enforce the match registration system, which prohibits the establishment of a new factory where no match revenue office has yet inaugurated. In March, 1936, after having been in a deplorable plight for several years, the match industry established a system of joint marketing which was approved by the Ministry of Industry. The aim is to bring the producers into closer co-operation in regulating production and in marketing. This scheme, which has been joined by many Chinese and foreign match factories, has been satisfactorily promoted in the provinces and municipalities where the match revenue has already been imposed.

The following table shows the marketing condition and the regulated amount of production in the match factories located in the district where the match revenue system is being carried into force.

Location	*Name of Factory*	*No. of Chests Sold from July, 1933, to June, 1934*	*No. of Chests Sold from July, 1934, to June, 1935*	*Limited No. of Chests Produced in 1936*
Shanghai	Ta Chung Hwa	26,197	31,562	26,903.83
,,	Ta Chung Hwa Chow Pu Factory.	20,285	4,256	22,744.01
,,	Ta Hwa	8,059	18,055	7,787.72
,,	Hwa Min	3,690	1,853	5,481.48
,,	Chung Kuo	7,885	7,168	8,450.61
,,	Ta Min	2,640	9,495	7,199.76
Soochow	Min Sheng	1,300	1,017	1,806.00
,,	Ta Chung Hwa	29,345	25,037	25,215.61
,,	Chung Nan	151	134	720.00
Chinkiang	Ta Chung Hwa	21,822	24,174	20,255.97

Nantung	Tung Sui	12,304	17,551	13,435.10
Hsuchow	Kiang Peh	1,800	—	1,800.00
—	Kan Hsing	3,483	4,242	3,244.59
Hangchow	Ta Chung Hwa	33,919	27,043	36,446.65
Ningpo	Chen Ta	15,196	17,078	14,973.10
Lisui	Sui Chan	2,165	660	5,488.90
Wenchow	Kuang Min	913	836	2,478.65
—	Pien Min	—	—	2,504.89
Fengyang	Hwai Shang	9,993	12,191	10,387.11
Kiukiang	Ta Chung Hwa	18,885	26,813	20,782.64
Hankow	Tsu Sheng	13,019	13,698	11,284.29
Changsha	Ho Fang	2,222	1,118	5,270.35
Tsinan	Lu Hsing	5,131	6,670	3,599.03
,,	Hung Tai	2,318	932	8,415.23
,,	Chen Yeh	32,482	34,570	25,971.23
,,	Tung Yuan..	12,848	12,128	10,565.85
Chefoo	Chan Hsing	12,590	13,959	12,882.90
Chimo	Chiao Tung	6,104	3,710	7,130.58
Itu	Tung I	12,390	12,266	10,651.66
Tsining	Chen Yeh	27,582	36,680	23,708.80
Chimo	Hai Bing	2,103	2,209	1,832.43
,,	Chung Ya	864	1,900	1,800.00
,,	Fuh Nai	537	927	1,126.84
,,	Ta Min	138	74	720.00
Lungkou	Chan Hou	1,346	3,350	2,674.92
Lingching	Lu Si	3,688	2,246	3,388.41
Weihsien	Hwei Fang	2,866	3,174	3,907.07
Weihaiwei	Teh Wei	2,324	1,500	2,922.40
—	Kou Chi	—	534	720.00
—	Yu Ho..	—	—	1,800.00
Tsingtao	Chen Tung	3,550	1,666	3,130.40
,,	Lu Tung	11,089	15,370	14,235.16
,,	Hwa Peh	54,887	66,926	43,457.02
,,	Chen Yeh	27,586	36,170	25,305.51
,,	Hwa Shen	5,362	2,818	4,968.09
,,	Shing Chan..	20,160	19,894	18,037.10
,,	Hsing Yeh	14,592	13,550	13,418.60
,,	Ching Yeh	2,102	5,926	4,531.04
,,	I Hwa	—	3,662	4,354.65
,,	Lu An	—	1,328	2,543.28
Tientsin	Tan Hwa	42,736	28,116	37,686.68
,,	Peh Yang	24,860	9,853	20,079.00
,,	Yung Chan	12,354	3,350	11,503.78
,,	Ta Sheng	3,954	2,582	2,762.67
Peiping	Tan Hwa	33,641	20,447	30,680.38
Kiaoho	Yung Hwa	25,778	18,276	21,015.27
	TOTAL	643,235	630,744	649,861.24

There are several match factories in Shansi where the match revenue system has already been established, but they have not adopted the joint marketing system. Thence the amount of production is not regulated. Their names and amounts of production are shown in the following table:

Location	*Name of Factory*	*No. of Chests Sold from July 1933 to June 1934*	*No. of Chests Sold from July 1934 to June 1935*	*Limited No. of Chests Produced in 1936*
Hsinchiang	Yun Chan	2,436	1,312	Not Regulated
,,	Hsieh Ho	2,722	3,762	Not Regulated
Fenyang	Kuon Lun	6,300	5,413	Not Regulated
Taiyuan	Si Peh	—	7,860	Not Regulated
	TOTAL	11,458	18,347	

The following table shows the foreign match factories adopting the joint marketing system.

Nationality	*Name of Factory*	*No. of Chests Sold from July, 1933, to June, 1934*	*No. of Chests Sold from July, 1934, to June, 1935*	*Limited No. of Chests Produced in 1936*
Japanese	Tsing Tao	32,600	38,645	55,987.96
,,	Shan Tung	16,884	15,910	38,732.66
,,	Hwa Tsiang	—	4,462	15,370.11
,,	Tung Hwa	2,431	60	11,312.40
,,	I Fan	—	—	4,059.71
,,	San Yu	2,051	1,460	14,233.16
,,	Chung Hwa	2,028	4,638	41,436.63
American	Mei Kwang..	17,522	30,907	27,993.68
,,	Nei Ho	200	2,245	2,751.46
	TOTAL	73,516	98,327	211,875.77

The total output of matches is 861,737 chests, of which one third is produced in the foreign match factories.

Most of the match factories in the provinces where the match revenue system has not yet been established are small in size. The total amount of production is estimated to be 100,000 chests. The following table shows the name, location and estimated amounts of production of all of the match factories in these provinces.

Location	*Name of Factory*	*Estimated Amount of Production (in Chests)*
SZECHWAN :		
Chungking	Hwa Yeh	2,500
,,	Fong Yu	2,200
,,	Kiang Pa	300
,,	Chen Hsing	900
,,	Foo Hsing	550
Kiangpeh	Hwei Li	300
Pahsien	Min Sheng	1,100
Peiling	Mou Yeh	1,500
,,	Li Chi	1,200
Hochwan	Ho Yu..	2,100
,,	Hen Shen	1,200
,,	Min Chi	2,100
,,	Kwang Min	700
,,	Shing Min	1,200
Chuhsien	San I	600
Kwangan	Li Min	1,000
,,	I Min	1,300
,,	Min Yung	1,100
Yungchwan	Min Shing	1,200
Hokiang	Hen I	1,200
Luhsien	Li Chi	1,400
,,	Pu li	1,400
Ipin	Min An	400
Fushun	Kwang Chi	400
Chienweihsien	Yu Chi	400
Tsechung	I Min	400
Meichow	Chi Chan	300
Loshan	Yu Min	500
,,	Hwa Fang	600
,,	Yu Shing	150
,,	I Shing	800
Ya-an	Shing Shing	300
Chengtu	Shing Ho	1,200
Kwangyuan	Kwangchi	600

KWANGTUNG :		
Swatow	Li Shen	2,000
Chaoan	Chi Chan	1,600
,,	Li Hwa	—
Chenghai	Yunshun	—
Hsingwei	Kwang Min	4,300
Nanhai	Min Shen	8,800
,,	Shen Kee	—
,,	Chiao Min	—
Taishan	Chu Kwang	7,000
Samshui	Si Nan	8,200
Canton	Wen Min	8,400
,,	Kwangtung	9,500
,,	Chung Kuo	7,300
,,	Tung Shan	10,700
,,	Kwang Ta	6,800
,,	Chiao Min	—
Chinyuan	Min Shing	—
Canton	Ta I	—
Fanyu	Kwang Chung Shing	—
Nanhai	Kung I	—
,,	Li Min	—
Chaonan	Yao Chan	—
Swatao	Tung Min	—
KWANGSI :		
Wuchow	Wu Chow	3,700
YUNNAN :		
Kunming	Li Hwa	2,400
,,	Sih Ching	2,400
,,	Ta Yun Nan	2,400
,,	Sui Ho	2,400
,,	Min Shen	2,400
,,	Ta Yu Ching	2,400
,,	Min San	2,400
Tengchun	Teng Chun	600
Tali	Li Hwa	600
Hweitsei	Teh Chan	300
Chaotung	Yuan Tung	3
Luliang	Jih Shen	14
Kaiyuan	Chung Nan	90
KWEICHOW :		
Kweiyang	Hwei Chan	—
Tsunyi	Teh Tai	—
,,	I Chan	—
Szenan	Teh Chan	—
SHENSI :		
Changan	Sui Chan	—
Nancheng	I Han	—
Lintsiang	Pao Hwei	—
KANSU :		
Kaolan	Kwang Min	—
Tsingning	Chung Ho	—
Tienshui	Pingshing	—
CHINGHAI :		
Siling	Kwang Min	—

The general condition of the match industry in the four Northeastern provinces is not well known, since this territory is still occupied by the Japanese.

In short, owing to the adoption of the joint marketing system and the strengthened smuggling preventive work, China's match industry revive during 1936. The total number c chests of matches produced in Chin is estimated at about 1,000,000.] all of the match factories adopt th system of joint marketing in order t co-operate more closely to promot exportation, this industry will flouris

in the near future. China's export of matches during the last three years is shown in the following table:

Year	*Quantity (in Gross)*	*Value (in Dollars)*
1934 ..	599,037	245,443
1935 ..	387,969	149,347
1936 ..	141,568	67,348

XVI. THE RUBBER, CELLULOID AND BAKELITE INDUSTRIES

Rubber Industry.—During the period under review the Chinese rubber industry has been carrying on a desperate struggle for existence. According to the statistical records there were 30 rubber factories operating in Shanghai during the first half of 1936, namely, the Dah Shanghai, the Dah Chung Yang, the Dah Chung Hwa, the Dah Sen, the Dah An, the Dah Tung, the Dah Kun, the Dah Lu, the Chung Kuo, the Kun Shan, the Shih Chia, the Ming Sen, the Chen Dah Hun Kee, the Chen Tai Sing Kee, the Yun Dah, the Yun Ho, the Chiao Tung, the Hun Dah, the Li Ya, the Hsih Kun, the Sing Dah, the Nan Hwa, the Chung Hwa Fai Kee, the Hwa Chan Sing Kee, the Hwa Sing, the I Chang, the I Sen, the I Ho, the Shih Yeh, and the recently established Chao Fong. The Kwangtung Brothers, the I Yuan, the Dah Chung and the Foo Li were closed down on account of the dull market. In Kwangtung nine rubber factories went into bankruptcy and 21 were still in operation, namely, the Hsiang Sen, the Fen Tsiang, the Chung Nan, the Wan Li, the Foo Tsiang, the Nan Tsiang, the Yuan Tung, the Chung Kuo, the Ching Tung, the Yueh Tung, the Kuo Hwa, the Ping An, the Foo Yi, the Tsiang Dah, the Chung Hwa, the Yun Hwa, the Kun Ping, the Tun Yuan, the Hsin Ho, the Tso Dah and the Hwa Sing.

The depression in the Chinese rubber industry in 1936 was due to the following causes: first, raw material prices were on the increase as a result of unfavorable condition of foreign exchange after the adoption of the new currency policy. For example, at the beginning of 1936, quotations for crude rubber, gasoline, cotton cloth and magnesium carbonate were 27 to 28 cents per lb., 65 cents per gallon, $5 per *p'i* (匹), and 22 to 23 cents per lb. respectively and by the end of the same year increased to 65 cents per lb., 90 cents per gallon, $8 per *p'i* and 30 cents per lb. Secondly, the rubber goods produced could not find a ready market owing to the keen competition of the Japanese especially in North China and the Three Northeastern Provinces. The markets for the rubber goods manufactured in Shanghai are found in the Yangtze Valley provinces and in Yunnan, Kweichow and Fukien. In order to compete with foreign goods in the market, the quotations for Chinese rubber products have been considerably reduced, ranging from $5 to $10.50 per dozen. There are two rubber factories in Tsingtao, the Yu Tai and the Foo Tse, and one in Chefoo. All of them have suffered from economic depression and their business has declined during the last few years.

The Celluloid Industry.—In Shanghai, there are two celluloid factories which manufacture both the raw material and celluloid products, namely, the Dah Chung Hwa and the Chung Sing. The former was established in August, 1928, and operates on a comparatively larger scale, its products being famous throughout the whole country. But unfortunately its branch factory was completely destroyed by fire in August, 1934, and the loss amounted to about $80,000 or $90,000. Next comes the Chung Sing Celluloid Factory, established in the spring of 1934. Owing to the good market, this factory has been expanded during recent years. A branch factory has been established and its capital has been increased from $30,000 to $60,000. Besides the above-mentioned establishments, there are in Shanghai more than 100 small-sized celluloid factories in which no raw material is manufactured, but where celluloid goods are made from materials imported from abroad. Of these the Chung Kuo, the Huan Chiu, the Chen Hwa, the Min Sing, the Sing Hwa, the Ching Yu and the Mei Tai are the most important.

Celluloid consists of pyroxylin and camphor, with one or several other substances added to stabilize it and give it color. Pyroxylin is nitrated cellulose, with 11 to 12% of nitrogen, while gun-cotton is more highly nitrated and contains more than 12.5% of nitrogen. Therefore as the question of national defense is concerned the celluloid industry should be promoted in China as such plants may easily be transformed into explosive factories in case of war.

The Bakelite Industry.—The bakelite and some other plastic goods are made of synthetic resins which lead to a final hard and rigid shape under heat and pressure. Filling materials are added to improve the quality and organic dyes or inorganic colors can give the production any desired color. In the market it is designated as *tien-mu* (電木), and *tien-yu* (電玉) in the case of the non-transparent and the transparent goods respectively. Owing to their superior quality and cheap price, these products have enjoyed a boom period during the past few years, but recently some small factories have begun to manufacture bakelite and other kinds of plastic goods of inferior quality in order to compete in the market, and this may cause the decline of the industry. Therefore, it is hoped that the factories concerned with this industry can co-operate more closely in order to improve the quality of the products and have better marketing facilities. The general condition of the factories operating in Shanghai is shown in the following table:

Name	*Location*	*Date of Establishment*	*Capital* $	*Power (H. P.)*	*Products*	*No. of Workers*
Sai Cheng	Shanghai	Jan., 1931	100,000	50	Tien-yu Powder and Products	121
Ya Kwang	Shanghai	Apr., 1931	250,000	30	Tien-yu and Tien-mu powder and Products	89
Kung I ..	Shanghai	Mar., 1933	5,000	8	Tien-yu and Tien-mu Products	20
Ya Ta ..	Shanghai	July, 1933	10,000	10	Common Products	32
Yu Sen ..	Shanghai	Feb., 1934	2,000	3	Wireless Accessory	17
Chung Kuo	Shanghai	Jan., 1935	30,000	14	Tien-yu and Tien-mu Products	42
Hung Yu .	Shanghai	Nov., 1935	5,000	8.5	Artificial Ivory	—

There are some very small factories which are not included in this list.

MINING AND METALLURGICAL INDUSTRY

I. F. CHENG (程義法)

INTRODUCTION

Minerals have been produced in China since the earliest historic times, but the mining and metallurgical industry in the modern sense is still young in its development as compared with that in western nations. However, China is not deficient in mineral resources and in view of the progress that has been made in existing mining enterprises during recent years it may be expected that this branch of industry will eventually become an important factor in the building up of the nation's wealth.

The development of China's mining and metallurgical industry may be divided into four periods, the first of which dates from ancient times to the day when China began to have intercourse with western nations. During this period mines were worked privately by individuals and production was on a very small scale. The methods used were primitive and crude, the working generally being carried out along the outcrops.

The second period dates from the introduction into China of Western mining methods, continuing up to the fall of the Ching dynasty. During this period some big mineral deposits were prospected and exploited with modern processes, and several metallurgical plants modeled after Western methods with modern equipment were also established and put into operation. In these enterprises foreign interests generally participated, both technically and financially.

The third period began with the founding of the Republic in 1912 and extended to the termination of the Peking régime in 1927. During this period manufacturing industries in China developed at a rapid rate and the demand for raw materials was greatly increased. Chinese financiers began to take an active interest in investment in mining enterprises, and consequently many large mining companies with Chinese capital began to spring up.

The fourth and last period began with the establishment of the National Government in Nanking. This has been a period of unprecedented reconstruction and continued progress. The production of minerals has been doubled and the tendency points towards an ever-increasing demand for mineral products. The possibilities for mining and metallurgical enterprises are great, and only time is needed for their greater development.

COAL

The coal resources of China have an important bearing upon the nation's economic progress, as coal is still by far the most important fuel for the supply of heat and power in the country. The latest estimate of the coal reserves in China, as presented by Dr. W. H. Wong, of the National Geological Survey, at the Fifth Pacific Science Congress at Vancouver in 1933, is about 250,000,000,000 metric tons, and this has been generally accepted as sufficiently accurate within the limits of present day investigations. Thus, of the world's total coal reserve of approximately 4,000,000,000,000 tons, China's reserve constitutes 6% or one-seventh thereof. In other words, China's coal reserve is equal to one-seventh of that of the United States of America, and one-fifth of that of Canada, it occupies third place among all of the nations of the world.

Of this approximate total reserve of 250,000,000,000 tons of coal in

China, the Three Northeastern Provinces and Jehol comprise only about 2%, while Shansi has about 50%, and Shensi about 30% of the total. The reserve of bituminous coal is about 79.3%, that of anthracite is about 19.3%, and that of lignite is only about 1.4% of the total coal resources.

The following table showing the distribution by provinces of the coal reserves in China is compiled from the data contained in the fifth issue of the General Statement on the Mining Industry in China published by the National Geological Survey (the statistics used in this article are largely taken from this same source) and represents the most up to date figures available:

TABLE 1. COAL RESOURCES OF CHINA (IN MILLIONS OF METRIC TONS)

Province	*Anthracite*	*Bituminous*	*Lignite*	*Total*	*Per Cent in Total*
Chahar	17	487	—	504	0.21%
Suiyuan	58	396	22	476	0.19%
Shansi	36,471	87,985	2,671	127,127	52.17%
Hopei	981	2,088	2	3,071	1.26%
Shantung	26	1,613	—	1,639	0.67%
Honan	4,455	3,309	—	7,764	3.21%
Shensi	750	71,200	—	71,950	29.53%
Hupeh	160	280	—	440	0.18%
Anhwei	60	300	—	360	0.15%
Kiangsi	216	776	—	992	0.40%
Chekiang	22	78	—	100	0.04%
Kiangsu	25	192	—	217	0.09%
Hunan	1,043	721	—	1,764	0.72%
Szechwan	64	9,810	—	9,874	4.05%
Yunnan	11	1,485	131	1,627	0.66%
Kweichow	774	775	—	1,549	0.64%
Kwangtung	50	371	—	421	0.17%
Kwangsi	150	150	—	300	0.12%
Fukien	291	105	—	396	0.16%
Ninghsia	166	322	—	488	0.20%
Kansu	1,500	1,500	—	1,500	0.62%
Liaoning	187	1,649	—	1,836	0.75%
Kirin	2	986	155	1,143	0.47%
Heilungkiang	6	619	392	1,017	0.42%
Jehol	2	573	39	614	0.25%
Sinkiang	—	—	—	6,000	2.46%
Chinghai	—	—	—	500	0.21%
TOTAL	45,987	187,770	3,412	243,669	100.00%

The use of coal as a fuel in China dates back about 2,000 years, but it was only with the introduction of western metheds that coal mines began to be extensively worked and coal was produced on any large scale. The location of large and well-equipped mines depends much on the transportation facilities within reach. Until recent times almost all of the mines with an annual output of more than 200,000 tons were situated north of the Yangtze River and near railways. But since the establishment of the National Government in Nanking, and in view of the construction of new railways and the building up of new industries in Central and South China, several new colleries have been started in the Yangtze Valley and in the province of Kwangtung; there is a prospect of more coal fields being exploited and developed in Central and South China within the next few years.

As the coal industry in China has a comparatively long history, we find small coal mines in almost every field, operated either by a single proprietor or by small groups in partnership.

The method of working these mines is primitive, though in many cases steam power has been adopted for hoisting. Since the founding of the Republic in 1912, large collieries equipped with modern machinary and operated along scientific lines have sprung up year after year. At present there are 31 large collieries operated by well-organized companies which practically control the coal market of China. Facts concerning these collieries are shown in the following table:

TABLE 2. FACTS ABOUT THE IMPORTANT COLLIERIES IN CHINA

Name of Colliery	*Capital*	*Mining Method*
IN NORTHERN CHINA		
1. Kailan Mining Administration ..	£2,000,000	Room and pillar, and caving.
2. Mentoukou Co.	$2,800,000	Room and pillar.
3. Chungfu Joint Administration ..	3,300,000	,,
4. Luta Co.	2,500,000	,,
5. Chinghsing Mining Administration	5,000,000	Room and pillar, sand and earth filling.
6. Lincheng Mining Administration..	3 500,000	Room and pillar.
7. Chengfeng Co.	6,600,000	,,
8. Liukiang Co.	1,440,000	Room and pillar, vertical and incline. shaft.
9. Yeli Co.	4,000,000	Room and pillar.
10. Chunghsing Co.	7,500,000	Long wall method.
11. Yuehsheng Co.	1,300,000	Room and pillar.
12. Paoching Co.	2,860,000	Room and pillar and caving.
13. Chinpei Coal Mining Administration	1,000,000	,,
14. Liuhokou Co.	3,000,000	Room and pillar
IN CENTRAL CHINA		
15. Hwainan Mining Administration..	1,400,000	Room and pillar
16. Pinhsiang Coal Mine	12,000,000	Long wall method, main adit.
17. Tatung Co.	980,000	Room and pillar.
18. Hwatung Co. ..	1,200,000	,,
19. Changhsing Co. ..		,,
20. Yuanhua Co. ..	1,120,000	,,
IN SOUTHERN CHINA		
21. Fukwoh Co.	1,000,000	
IN THE THREE NORTHEASTERN PROVINCES AND JEHOL		
22. Fushun Colliery	Y20,000,000	Open Cut, long wall and sand filling.
23. Nanchang coal mine	Y1,000,000	Room and pillar.
24. Yentai		Incline shaft.
25. Fuchowwan coal mine	Y2,500,000	
26. Sian coal mine	1,460,000	Incline shaft and open cut.
27. Hokang Co.	3,100,000	,,
28. Peipiao Co.	5,000,000	Room and pillar.
29. Penchihu Co.	7,000,000	ncline shaft and long wall.
30. Muleng Co.	6,000,000	
31. Chalainor mine ..	Rp12,000,000	Open cut, sand and earth filling.

With the exception of the Three Northeastern Provinces and Jehol, which under existing circumstances must be considered apart, modern collieries have been developed in China with the admission of foreign capital. The new mining laws promulgated in May, 1930, provided that foreign capital should not exceed 49%. Among the Sino-foreign mines which are jointly operated, those of the Kailang Mining Administration, situated in the Kaiping basin, northeast Hopei, is by far the largest, being capable of producing 6,000,000 tons of bituminous coal annually. In the last few years, however, owing to sharp competition in the coal market, its output has been curtailed.

The second largest Sino-foreign capitalized mine is the Chungfu Joint Administration in Tsiaotso, Honan Province, producing over 1,000,000 tons of anthracite a year. It was formed by the consolidation of the former Peking Syndicate and the Chungyuen Company. The regular operation of these mines was resumed in 1933 after a period of several years of inactivity on account of labor troubles. Since the establishment of the administration, the Government has given valuable assistance to the management and consequently business showed great improvement.

These two mines, as well as the Mentoukou Company west of Peiping, which has an annual output of 30,000 tons, are all Chinese-English enterprises. The largest Sino-Japanese capitalized mine in China is that of the Luta Company, working at Weihsien and Tzuchuen, situated along the Tsingtao-Tsinan Railway line in Shantung. It has a total production of about 700,000 tons a year. The Tzuchuen coal mine was damaged by a great flood in May, 1935, but the water having already been pumped out and regular operations resumed, its output has now returned to normal.

In addition to the above, the Chinghsing Coal Mine, on the Chengting-Taiyuen Railway line, is operated with combined Chinese and German capital, and production has been increased to 800,000 tons annually. The same company operates a modern coking plant at Shihkiachwang, the maximum coking capacity of the furnaces being 120 tons in 24 hours. Up to the present this has remained the only by-product coking-plant in China.

The most prosperous coal mine with entirely Chinese capital is that owned by the Chunghsing Company at Tsaochwang, in southern Shantung, situated on a branch line of the Tientsin-Pukow Railway. Its coal is comparatively low in ash as well as in sulphur. Because of its good coking quality and high calorific value, however, it has very extensive market all over China. This mine is now producing 1,500,000 tons a year.

The Hwainan Mining Administration is another shining example of purely Chinese capitalization that has achieved success and promises an even greater future. It operates a mine in the Hwaiyuen district of north Anhwei, on the southern bank of the Hwai River. Although its history is comparatively short, its growth has been quite spectacular. With the completion of a railway line between the mine and Yuchikou, on the northern bank of the Yangtze River, direct transportations of coal to the various ports in the Yangtze Valley, is assured, and its output has been recently increased to 1,000,000 tons a year.

There are several bituminous coal mines situated along the Peiping-Hankow Railway, such as Lingcheng and Yeli, in Hopei Province, and Liuhokou, in Honan Province, each producing from 100,000 to 600,000 tons a year. There are other bituminous coal mines such as those scattered around the Tatung district in Shansi, the Hwatung coal mine in northern Kiangsu, the Tatung mine in northern Anhwei, the Changhsing mine in Chekiang, and the Pinhsiang mine in Kiangsi, the annual production of each being approximately 200,000 tons. Besides all of these, the Ministry of Industry has set aside many coal deposits which are to employ only Chinese capital, and preparations are well under way for their exploitation.

Among the anthracite mines, besides the Chungfu and the Mentoukou mines, the Paoching Company in Shansi produces about 500,000 tons of good anthracite, while the Yuenhua Company at Tayeh in Hupeh is producing about the same tonnage of semi-anthracite each year.

TABLE 3. COAL PRODUCTION IN CHINA, 1934–1936 (IN TONS)

Area	*1934*	*1935*	*1936*
Hopei	7,740,000	7,028,000	6,657,500
Shantung	3,504,000	3,950,000	4,377,000
Shansi	2,700,000	1,850,000	2,000,000
Honan	2,130,000	1,014,000	1,765,000
Chahar	202,000	196,000	235,000
Three Northeastern Provinces & Jehol	figures not available		
TOTAL	16,276,000	14,938,000	15,034,000

In Table 3 figures are given only for the most important coal-producing areas, as statistics for all of the provinces of China are either incomplete or as yet unavailable. The figures given indicate a slight decline in coal production except in Shantung, which shows a steady increase. But it must be noted that all of the provinces listed in the above table are in North China, and if the increase in coal production in the Yangtze Valley in recent years be taken into consideration it will be seen that the decline in production as shown in the table does not necessarily mean a general decrease of the coal output for the country as a whole.

The cost of coal production in China is comparable to that of any of the western nations, the cheapness of Chinese labor being the most important factor. The cost of producing coal from native pits is even lower than that of the bigger collieries, which are influenced by: (1) the laborer's standard of living (2) the nature of roofing, (3) condition of the coal seam, (4) equipment of underground transportation, and (5) mechanical efficiency. As a matter of comparison, the following table will show how the cost of coal production varies with the region.

TABLE 4. AVERAGE COST OF COAL PER TON AT MINES

Region	*Average*	*Maximum*
Shansi, Hopei, Hunan along railroads	C$2.00–C$4.00	C$4.30
Kiangsu, western Shantung along railroads	4.00– 5.00	5.20
Eastern Shantung along railroads	5.00– 6.00	6.00
Along the Yangtze River	5.00– 8.00	8.00

Taking production as a whole into account, the average cost per ton in 1931 was $3.79. If we compare the cost of production with that in foreign countries in the same year, i.e., Y4.90 per ton in Japan, $6.00 (silver) per ton in the United States, $8.00 (silver) per ton in Europe, and $4.00 (silver) per ton in Annam and India, the cost in China was still the lowest.

The average consumption of coal in the country is only 0.055 ton per capita. This figure is exceedingly low by comparison with the rate of 4 tons per capita in England, 2.4 tons in the United States of America and 0.55 ton per capita in Russia and Japan. However, the consumpton of coal in China Proper is increasing

from year to year, and, judging from the rate of increase, it can be predicted that new collieries will have to be established to meet the demand. The following table shows the principal uses of coal in China.

TABLE 5. COAL CONSUMPTION IN CHINA ACCORDING TO USES
(Estimated for 1934)

Use	China Proper		Northeastern Provinces	
	tons	%	tons	%
Railways	1,750,000	8.4%	1,626,000	23.5%
Mines and metallurgical plants	1,100,000	7.6%	1,605,000	23.2%
Steamboats	1,100,000	5.4%		
Household (including native manufactories)	10,500,000	50.0%	3,178,000	53.3%
Modern industrial plants (including electric utility plants)	6,000,000	28.6%		
TOTAL	20,945,000	100.0%	6,409,000	100.0%

The market price of coal in China varies with the brand, the season and the condition of supply. Between 1931 and 1933, as the transportation system was not well organised, the market price of coal attained a high level. In 1934 it began to drop, but in 1935, as the customs duties for imported coal were increased by tariff revision, the market price had a tendency to rise. In 1936 the market price went up even higher and indications seem to point to still higher prices.

Moreover, the export trade of coal is steadily increasing and it seems that there is a great demand for Chinese coal abroad. The present situation of the Chinese coal industry is good and gives much promise for the future.

PETROLEUM

China produces a very small amount of mineral oil. The most important petroleum field in the country is situated in the northern part of the province of Shensi. Here the oil-bearing strata are divided into three series:—the Yenchang series having four oil beds; the Yungping series having two oil beds (both of the above series are of the Triassic age); and the Fusze series having three oil beds, which are of the Jurassic age. Another important petroleum field lies in Szechwan Province, where oil seepage has been noted at several places and positive results may be obtained upon boring. There are petroleum fields in the Yumen and Tunghuang districts of western Kansu, and in Sinkiang several oil wells are in existence in the districts of Urumchi, Suilai, Usu, Tacheng, etc. Oil has also been discovered in some places in Kweichow Province, but the real economic value of these finds remains to be proved.

The biggest oil shale deposit is in the Fushan coal field of Liaoning. Although this shale contains only 5% in oil, its economic value is due to the fact that it overlies the coal seams which have to be stripped for mining purposes and its cost of production is therefore only nominal.

Next in importance with regard to oil shale are the deposits in the Mingyuan district of Jehol, the Hsuanhua district of Chahar, the Hwunyuan district of Shansi, and the Anting district of Shensi. Quite recently a shale deposit has been discovered in Maoming, Kwangtung, and its reserve is reckoned to amount to several million tons.

No reliable estimate of China's petroleum reserves is yet available.

According to a report by the Standard Oil Company on the exploration done in Shensi and Szechwan in 1920, the petroleum reserve is placed at 1,375,000,000 barrels. This probably includes the reserves of Kansu and Sinkiang. If we use this figure as a basis and add to it the Fushun oil shale reserve of 5,500,000,000 tons, equivalent to 2,109,000,000 barrels of oil (assuming that the shale contains an average of 5.5% oil) and the Shensi oil shale reserve 5,000,000,000 tons, equivalent to 852,000,000 barrels of oil (assuming the shale contains from six to eight gallons of oil per ton of shale), then the total petroleum reserves in China fall into the sixth place among all of the nations of the world as regards petroleum and oil reserve.

The petroleum industry in China has not yet been greatly developed. The only field that is being worked on a modern basis to any extent is that at Yenchang in Shensi, but the output is not of much importance. There are only two producing wells, one dug in 1906 to a depth of 300 feet and the other to a depth of 520 feet. The combined production of the two wells amounts only from 200 to 300 catties per day (one catty equals 604.79 grams). Systematic prospecting work was under taken by the government in the summer of 1934. The first well at Yenchang, which was sunk to a depth of 100 metres, reached the oil horizon, producing about 1,500 catties daily. Through geological studies made by Messrs C. C. Wang and C. H. Pan, of the National Geological Survey, a promising field was located near Yungping, northwest of the Yenchang District. The first well at Yungping was sunk to 60 meters, at which depth it met with oil, giving a daily output of 6,000 catties. Additional wells will be sunk when the localities have been prospected.

In the Szechwan district, though a number of localities are now producing some oil, the quantity is very insignificant, even compared with that produced in Shensi. The Tzuliutsin area produces less than 50 barrels. Huochingkou, east of Penglaichen in north Szechwan, has about 20 wells each of which produces only a few thousand catties of oil per day. In addition a small amount of oil is recovered from a seepage at Shiyoukou, south of Chungking, and Shuichiatsou, west of Tehhsien.

The largest production of oil now comes from the distillation of the Fushun oil shale. The distillation plant there consists of 80 retorts, each having a distilling capacity 500 tons of shale in 24 hours. The production of oil began in 1930 after tedious and expensive experiments. The total production of heavy oil was about 60,000 tons a year, requiring 1,200,000 tons of shale. The production is being rapidly increased and in 1934 it reached the level of 650,000 barrels.

Besides the oil from wells or shales, a quantity of oil is produced also from coking plants. The Shihkiachwang plant operated by the Chingsing Mining Administration now produces about 2,000 barrels a year. In Liaoning several thousand barrels of oil are produced also at the Anshan and Penchihu plants.

The following is a table showing the yearly production of mineral oil in China from 1931 to 1934:

TABLE 6. PRODUCTION OF MINERAL OIL IN CHINA

(In Barrels of 42 Gallons)

Locality	*1931*	*1932*	*1933*	*1934*
(1) CHINA PROPER				
Yenchang, Shensi	552	351	305	288
Kansu	100			
Szechwan	144	400	400	400

Sinkiang	300			
Chinghsing Mining Administration, Hopei	1,593	1,500	2,482	1,925
TOTAL	2,689	2,251	3,187	2,613
(2) THE NORTHEASTERN PROVINCES				
Fushun Shale Oil	427,567	494,417	609,532	650,000
Penchihu	2,080	2,540	4,999	4,868
Anshan	20,100	18,750	18,985	20,000
TOTAL	449,747	515,707	633,516	674,868
GRAND TOTAL	452,436	517,958	636,703	677,481

As China has a very small annual production of petroleum products, her entire consumption practically depends upon the foreign supply. The value of the annual import of mineral oils to China amounts to about $100,000,000. Of the oil imported, kerosene formed the greater part, amounting to about 5,000,000 barrels a year, but in consequence of the improvement of communications and the steady development of industries in late years, the import of gasoline and fuel oil have rapidly increased. It is expected, however, that with future exploitation of the important oil reserves and the installation of refineries in China, a part of the imported oils will be replaced by native products. So far as the distribution and reserves of oil shales in this country are concerned, the outlook is encouraging. The amount of oil that may be obtained from shale deposits is quite considerable, although thorough prospecting must be done to determine the value of each deposit.

IRON

Systematic study of the reserves of iron ore in China has been carried out by the National Geological Survey for many years. The latest figures, as compiled by Prof. T. F. Hou of that organization, show that the iron ore resources of China are estimated at about 1,200 million tons, of which 883 million tons are to be found in the Three Northeastern Provinces and Jehol. Of the remaining 323 million tons of ore, the distribution may be grouped into divisions, namely, (1) about 175 million tons in North China, (2) about 112 million tons along the Yangtze Valley and (3) about 36 million tons in the Southeastern Provinces. The probable distribution of iron ore resources in the provinces is as follows:

TABLE 7. IRON ORE RESOURCES IN CHINA

Province	*Tonnage of Ore Reserve*
Liaoning	872,181,570 tons
Jehol	11,340,000 ,,
Chahar	91,645,000 ,,
Suiyuan	700,000 ,,
Hopei	42,179,000 ,,
Shantung	14,340,000 ,,
Honan	2,740,000 ,,
Kiangsu	7,437,000 ,,
Chekiang	7,154,000 ,,
Anhwei	19,864,000 ,,
Hupeh	39,640,000 ,,
Kiangsi	15,179,000 ,,
Hunan	26,550,000 ,,
Szechwan	1,000,000 ,,
Kwangtung	8,066,000 ,,
Fukien	22,422,000 ,,
Other estimated reserves	24,000,000 ,,
TOTAL	1,206,437,570 tons

The figures in the above table show that China is by no means a country rich in iron deposits; in fact China's

probable reserve of this important mineral is rather small if the area and population of the country are taken into consideration, especially when the large amount in Manchuria and Jehol, which constitutes over 70% of the total, is excluded. The iron ore reserve of China Proper equals only one three-hundredth of that of the United States or one seven-hundred-fiftieth of the world's total reserve. Of the total amount of about 323 million tons of iron ore in China Proper, North China contains more than half. The most important deposits in this area are in Hsuanhwa-Lungkuan in Chahar, Luanhsien in Hopeh, and Peiyunshan in Suiyuan, all being in the proximity of the Great Wall.

According to the results of the studies conducted by Prof. K. Y. Hsieh, of the National Geological Survey, the more extensive iron ore deposits in north China are mostly of metamorphosed sedimentary origin. Next comes the purely sedimentary ore, which constitutes about ten per cent. The ores in Hupeh, Anhwei, Chekiang, Fukien and Kwantung, are more or less of an igneous origin, either through contact pyrometasomatic process or of a hydrothermal formation.

The important producing centers of iron ore in China are situated in the Yangtze Valley and in Liaoning, the total output of these two areas being a little over two million tons a year. Of this amount, Liaoning and the Yangtze Valley each produce about a half. The ores produced in Liaoning are exclusively for the supply of the Anshan Steel Works and the Penchihu Iron Works, where the raw material is turned into pig iron and steel. The ores produced in the Yangtze Valley, besides supplying the blast furnaces of Liuhokou Iron Work at Hankow and Paoching Iron Works in Shansi, are mostly exported to Japan.

The most noted iron mine in the Yangtze Valley is the Tayeh Mine in Hupeh, operated by the Hanyehping Company and having had an ore reserve of about 26 million tons, about half of which has already been mined out. The ore is a mixture of hematite and megnetite, the iron content running about 60%. Because of its loan obligations, however, the Hanyehping Company is obliged to sell its iron ore to Japan at very low contracted prices. Adjacent to the Tayeh Mine is the Hsiangpishan Mine, which is operated by the Hupeh provincial government under the direct control of the Hupeh Provincial Bureau of Reconstructon. From now on it will supply only to the Liuhokou blast furnace at Hankow and other domestic consumers.

In Anhwei, the Yufan Company made a loan from a Sino-Japanese company upon its establishment and signed a long-term contract for exportation of its ore. In the Tangtu district of Anhwei are several other iron mines such as Paohsing, Fulimin, and Yihua, all selling their ores to Japan. The iron ore production by the principal mines in the Yangtze Valley from 1934–1936 is given in the following table.

TABLE 8. IRON ORE PRODUCTION BY PRINCIPAL MINES IN THE YANGTSE VALLEY, 1934-1936. (In Tons)

Name of Mine	*1934*	*1935*	*1936*
Hanyehping Co., Hupeh	465,740	536,690	541,700
Hsiangpishan, Hupeh	39,801	196,276	200,000
Yufan Co., Anhwei	142,330	168,200	140,160
Paohsing Co., Anhwei	130,130	195,510	181,050
Fulimin Co., Anhwei	128,255	217,120	237,150
Yihua Co., Anhwei	26,570	51,090	40,160
TOTAL	932,826	1,364,886	1,340,220

According to the returns of the Chinese Maritime Customs, the export of iron ores for the year 1934–1936 were respectively 857,566; 1,316,045 and 1,302,704 tons. These figures show how small a fraction of the iron ore produced is used locally. In order to make some reservation of iron ore resources for the sake of the future iron and steel industry of China, each of the five mines operated by private capital has been given for export during 1937 a quota which is the average of those of the preceding three years.

Of course small iron mines worked by native methods are found all over the country. But with the introduction of better made foreign iron and steel this indigenous iron mining and smelting industry has dwindled to insigificance. The working of these native mines is intermittent and on a very small scale, and it is hard to obtain reliable statistics about them. From all possible data collected in former and recent year it would appear, however, that the annual production of ore by these native mines is estimated at about 400,000 tons, and the pig iron made from the ores at about 138,000 tons. Below is a table showing the distribution of production of ore and pig iron in various provinces.

TABLE 9. ESTIMATED ANNUAL PRODUCTION OF IRON BY NATIVE MINES IN CHINA
(In Tons)

Province	*Iron Ore*	*Pig Iron*
Shensi	180	50
Shansi	180,000	60,000
Honan	25,000	8,000
Anhwei	5,000	1,600
Chekiang	300	100
Fukien	13,000	1,000
Hunan	12,800	5,052
Szechwan	60,000	20,000
Kwangtung	30,000	9,000
Kwangsi	11,500	3,350
Kweichow	300	75
Yunnan..	1,500	500
Others	80,000	30,000
TOTAL	409,582	138,727

Thus the annual production of iron ores in China Proper, including the output from native mines, totals below 2,000,000 tons; its increase or decrease chiefly depends upon the amount permitted for export.

The adoption of modern blast furnaces for iron ore smelting and the subsequent making of steel in open hearth or bessemer to began some 40 years ago at Hanyang. There are at Hanyang four blast furnaces, two of these having a capacity of 250 tons each per day and the two other capacities of 75 tons each; in addition there are seven open hearth furnaces. In 1919 the same company erected two new blast furnaces at Tayeh near its iron mine, each having a capacity of 450 tons. All of these blast furnaces, with a total capacity of 1,560 tons of pig iron per day, and the steel furnaces and rolling mills at Hanyang have remained idle during the last 10 years; due to various complications the resumption of production has been indefinitely delayed.

The only furnaces in operation at present are those of the Liuhokou Company at Hankow and the Yangchuan furnace of the Paoching Company in Shansi. The former has a capacity of 100 tons of pig iron per day, while the latter has a capacity of only 20 tons per day. Due to the high manufacturing cost and other difficulties, these furnaces are working only intermittently, and often suspend work altogether. One of the main difficulties encountered in running these furnaces is to obtain cheap and good coke that can be supplied to the works regularly. This is specially true in the Yangtze Valley. All of the coking coals, such as those from the Kailan, Chunghsing, Liuhokou and Chinghsing mines are too distant from the scene of operation. The high cost of transportation and the irregularity of supply greatly handicap the industry.

In North China the Lungyen Iron Works were established during the World War near Peiping. However, the furnace, which has a capacity of 250 tons a day, has never been blown in since its establishment.

At the same time the Penchihu Iron Works and the Anshan Iron and Steel Works of the South Manchurian Railway, both situated in the province of Liaoning, quickly increased their iron production under energetic management, in spite of the fact that the ores are of a comparatively low grade. The Penchihu Company has increased its production from 70,000 or 80,000 tons to 150,000 tons, almost doubling its output. The Anshan Works formerly had an annual capacity of 450,000 tons of pig iron and 300,000 tons of steel. The capacity of the plant has now been increased to 650,000 tons of iron and 400,000 tons of steel. The same organization has put up a new blast furnace with a daily capacity of 400 tons and 36 coking furnaces with a total annual capacity of 150,000 tons of coke, these having been completed in January, 1935.

The following table shows the number and capacity of blast furnaces in China:

TABLE 10. NUMBER AND CAPACITY OF BLAST FURNACES IN CHINA

Company	*Locality*	*Number of Furnaces*	*Capacity*	
			Each	*Total*
Lungyen Co.	Shichingshan, Peiping	1	250	250
Hanyehping Co.	Hanyang, Hupeh	2	250	
		2	75	650
Hanyehping Co.	Tayeh, Hupeh	2	450	900
Liuhokou Iron Works ..	Shenchiaki, Hankow	1	100	100
Paoching Iron Works	Yanchuan, Shansi	1	20	20
Hungyu Co.	Sinhsiang, Honan	1	25	25
Hoshing Steel Works	Pootung, Shanghai	1	12	
		1	33	45
Penchihu Co.	Penchihu, Liaoning	2	20	
		2	140	320
Anshan Iron Works	Anshan, Liaoning	2	300	
		1	500	
		1	400	1,500
TOTAL		20		4,210

The steel-making industry in China is still far behind the times. At present the only plant that is carrying on regular operations in the making of steel on a commercial scale is the Hoshing Steel Works at Pootung, Shanghai. This factory was started during the World War and made some profit at that time. Besides two small blast furnaces, it has two basic Siemens-Martin furnaces for making steel, each of which has a capacity of 10 tons per heat. There is also a small rolling mill which can roll rounds, squares and light rails. Since the war, the factory has been operating only at intervals. Following the re-organization of the New Hoshing in 1935, however, the plant has been in operation constantly, and its business is now quite prosperous. It is now specializing in the making of bamboo, steel bars for building construction, its main market being found in Shanghai.

In Shanghai there is another steel plant which was formerly a part of the defunct Kiangnan Arsenal at Kaochangmiao but was afterwards made a separate organization under the control of the Directorate of Ordnance. This plant has one 15-ton acid open-hearth, one 3-ton basic open-hearth, and an electric furnace,

together with a rolling mill for finished products. It used to make steels for use in arsenals but now it specializes in steel castings only, and accepts no business from outside.

There are a few electric furnaces in Shanghai. These are nothing more than steel foundries of quite small size. Amongst them we may mention the electric steel plant operated by the Academia Sinica. This plant is primarily for research work, but, aside from making steel castings for commercial houses, it has, as a result of research and experimentation, placed on the market high grade electric steels such as high-speed tool steel, stainless steel, and different kinds of alloy steels, with quality as good as imported steels from Europe or America.

There are small steel plants at Taiyuan, in Shansi, and at Chungking, in Szechwan. As their capacities are all very small, the production of steel is very limited. The need of developing an iron and steel industry in China to supply her own requirements has never been so badly felt as now. The construction of railroads and modern steel truss bridges, the growth of industries of all sorts, the modernizing of cities and towns and the progress made in every direction since the establishment of the National Government in Nanking, have given rise to a keen demand for large quantities of iron and steel which has become more pressing with each successive year. In order to meet this situation, three plans have been formulated for the construction of iron and steel works in China. The Central Government is building a plant with a daily capacity of 300 tons of finished products, the Shansi Provincial Government is finishing one plant near Taiyuan which will be capable of producing 240 tons daily, and the Kwangtung Provincial Government hopes to have near Canton a plant with a capacity of 250 tons per day. Though considerable financial difficulty must be overcome before these plans can materialize, it is hoped that their realization will not be long delayed.

A great improvement was seen in the iron and steel industries in China during the years 1935 and 1936. Prices rose considerably, with the possibility of further increase, and the supply was hardly able to meet the demand. The Liuhokou Company, which had always been in a state of financial stringency in past years, began in 1935 to give a bonus to its employees. According to its reports the New Hoshing Company made a profit of $500,000 last year and it is preparing to resume operations with its small blast furnaces so as to make iron. All of these signs show that there are great possibilities for the iron and steel industry in China, and, with the government taking the initiative, China should be able ultimately to supply her own needs without much difficulty.

MANGANESE

The important manganese producing provinces in China are Hunan, Kiangsi, Kwangtung and Kwangsi, where occur the more entensive deposits of the country. Next in importance are those ores found in Hsingcheng in Liaoning, Tayeh in Hupeh and Changping in Hopei. The Hsiangtan district in Hunan is one of the important manganese mines, and the latest report shows that it has a reserve of more than a million tons. Loping in Kiangsi and Wuhsuan in Kwangsi are also noted for occurrence of manganese ores. In Kwangtung, Chinhsien is no less important in this respect, and, according to the estimate made by the

geological survey of Kwangtung and Kwangsi Provinces, the ore reserve in this district amounts to 10 million tons. The following is a table showing the estimated reserves of manganese ores in China.

TABLE 11. ESTIMATED RESERVES OF MANGANESE ORES IN CHINA

Locality	*Tonnage*	*Kind of Ore*	*Content*
KIANGSI:			
Loping, Tatiehshanfeng ..	670,903	Psilomelane .. .. Pyrolusite.. .. .. Psilomelane (sand) ..	51.44% 20.30%
Loping, Tatiehshanfeng	342,459	Pyrolusite	
Loping, Hsiaotirhshanfeng ..	114,429	,, ...	43.96%
Loping, Hsiaotirhshanfeng ..	72,994	,, (sand) ..	20.00%+
HUNAN:			
Siantang, Shangwutu ..	1,300,000	,, ..	30.53%
KWANGSI:			
Wuhsuan, Sanlihsu	6,000,000	,, ...	30.54%
KWANGTUNG:			
Chinhsien, Kungtungling	8,000,000	,, ...	20.52%
Chinhsien, Tiaoyukung	4,000,000	,, ...	20.50%
Others	2,000,000	,, ...	
TOTAL	22,500,785	Pure ore about 9,000,000 tons	

Besides places included in the above table, there are other localities where manganese ores are found, but they are usually of a lower grade and statistics are wanting. The ores in the Three Northeastern Provinces are not included in the above table.

The manganese mines in Hunan and Kiangsi have been stopped for several years. The mines that are still being worked are those in Kwangsi, and there is also a small amount of ore produced in Chekiang. In Hsingcheng, Liaoning, a total of 600–700 tons of ore is produced annually.

Manganese ores are used only for the making of dry cells. Most of the ores mined are exported. The metal content of the ores averages about 45%. The following table gives the export of ores in the last three years:

TABLE 12. EXPORT OF MANGANESE ORES FROM CHINA (in tons)

Ore	*1934*	*1935*	*1936*
Manganese	870	830	23,800

The figures show the export of manganese ores. It may be noticed that the production of this mineral increased considerably in 1936 after an acute decline during the two former years.

TUNGSTEN

China is famed as the first producer of tungsten in the world. Of the total annual world production of about 15,000 tons of tungsten ore 80% comes from China and Burma, China contributing something over 40%. The ore deposits occur in the adjoining districts of Kwangtung, Hunan, and Kiangsi, the richest field being in the southern part of Kiangsi Province. This field was badly affected by bandits in former years, but with the removal of this menace the industry has recovered and there is hope for its future. Moreover, the Government has established a special bureau for the better control of supply and demand.

The distribution of the reserves of tungsten ore in Kwangtung, Hunan and Kiangsi is as follows:

TABLE 13. ESTIMATED RESERVES OF TUNGSTEN ORE IN CHINA (in tons)

Province	*Tonnage*
Kiangsi	779,234
Hunan	21,400
Kwangtung	148,855
TOTAL	949,489

Besides those provinces mentioned in the above table, there are still other places where tungsten ores are found. Recently this mineral has been mined in Kwangsi, Hopei and Fukien Provinces. Thus the total reserve in the country must be more than a million tons at least and the amount in reserve is not met with elsewhere in the world.

The ore exported usually contains 60–65% WO_3. In natural occurrence it is accompanied by tin, molybdenum, copper or arsenic minerals; therefore careful ore-dressing is needed in order to get rid of the foreign substances.

The total production of tungsten ore for the last three years is given in the following table:

TABLE 14. PRODUCTION OF TUNGSTEN ORE DURING THE PERIOD 1934–1936 (in tons)

Ore	*1934*	*1935*	*1936*
Tungsten	6,305	7,383	7,050

ANTIMONY

China is the most important producer of antimony in the world and contributes about 70% of the world's total production of this metal. The first center of production in China was, and still is Hsikuangshan, in Singhua district. The second center is Panchi, in Anhua district. Both of these districts are in the province of Hunan. There are many other places where antimony is produced. The following is a table showing the known reserves of pure antimony in China:

TABLE 15. RESERVE OF PURE ANTIMONY IN CHINA (in tons)

District	*Tonnage*
HUNAN:	
Hsikuangshan and Environs	2,200,000
Panchi, Yiyang	257,040
Changchengling, Yichang	20,000
Kwangsi, Yunnan, Szechwan, etc.	500,000
TOTAL	3,677,040

The production of antimony was at its peak during the years of the Great War in Europe, the export at that time reaching more than 30,000 tons a year. Since then it has dropped tremendously. Though there were some years when the production and export of this mineral had again risen to something over 20,000 tons in 1932 it again dropped to about 10,000 tons. The last three years, however, have seen a small increase in production.

The reason for the decrease in the production of antimony in China in recent years is not hard to understand. This metal has very limited use in China and its mining and smelting industry entirely depends upon the export trade. The world's market for antimony is in the United States of America, and most of the antimony produced in China is shipped to that country. In 1931 the Americans organized the Texas Mining and Smelting Company to produce antimony for their own use. The antimony sold by this company is always 10 cents cheaper than the Chinese product. As a result in 1934 only 2,000 tons of Chinese antimony were exported to the United States, as against the usual amount of from 6,000 to 10,000 tons. Moreover, Jugoslavia has increased its production of antimony and Australia can be supplied at present from domestic sources.

In order to exercise better control over the antimony trade, the Government has established, as in the case of tungsten, a special bureau in Hunan in charge of the production. The object is to raise the quality of the product, and to stabilize supply and demand so that the mines shall operate profitably without suffering from over production.

The production of antimony during the years 1934–1936 are given in the following table:

TABLE 16. PRODUCTION OF ANTIMONY IN CHINA, 1934–1936
(in tons)

Designation	*1934*	*1935*	*1936*
Antimony Crude	1,805	3,429	2,705
,, Regulus	13,449	14,186	13,168
,, Refuse and Oxide	930	1,176	1,439

COPPER

Copper has been used for coinage in China for centuries. For many years it has also been used for a variety of other purposes. Because of the long history of the copper mining and smelting industry, the deposits in the country have been more or less exhausted. As it is naturally poor in copper resources, and in view of the increased use of this metal resultive from the development of industries, China has to depend upon other nations for the supply of copper. Her average consumption per year is about 6,000 tons, but the mines in the country produce much less than this amount and can meet only a small fraction of the demand.

Although copper deposits have been found in almost every province, they usually occur in too limited a quantity. At present there are only two centers of production that are of any importance. One of these is in the Tungchuan or Huichih district of northern Yunnan and the other is in Penghsien, in northwestern Szechwan. The Tungchuan mines produce from 400 to 500 tons of copper every year, which amount is even less than one-tenth of the imported copper from abroad. In Penghsien there is a modern plant with an annual output of over 100 tons for smelting copper, but the mines have practically stopped working since 1933. The ores of the two aforesaid districts are of different types. The Tungchuan ores are generally richer in copper content, being near or above 5%, while those of Penghsien are much poorer. In the latter region, however, there is appreciably more of a reserve.

Besides the above, copper deposits that are comparatively more hopeful of future exploitation are those in Hupeh and Shansi. At Yanghsing, a neighboring district of Tayeh in Hupeh, copper was mined and smelted several years ago. The copper smelter at Fuchikou, on the banks of the Yangtze River, was a plant equipped with modern apparatus. But because of shortage of ore supply. the plant was operated only for a very short time; since then both the mine and smelter have been laid up. The Government is now prospecting this area.

TIN

China is one of the greatest producers of tin in the world; Kochiu, in the southern part of Yunnan, is widely famous for its production of the metal. Next in importance are the mines in Kwangsi and in Hunan, while in the tungsten producing areas of southern Kiangsi, tin is also mined and locally smelted.

The Kochiu ores consist chiefly of cassiterite, or tin mineral, which is worked from superficial residual deposits or from rock ores. The ore is generally low in metallic content,

but can be easily concentrated. The concentrates are then sent to the city, where they are smelted by native methods. The tin thus produced contains a maximum amount of 99% metal, which is exported through Mengtze on the Yunnan-Indo-China Railway. But when the product reaches Hongkong it has to be re-smelted and purified before it is shipped to the foreign market to be sold. Because of this the tin miners at Kochiu sustain heavy losses on their products.

In order to avoid the loss involved in the re-smelting and purifying of tin at Hongkong, the Kochiu miners organized in 1932 the Kochiu Tin Smelting Company, with an authorized capital of $5,000,000 Yunnan currency. This organization operates a quite modern tin smelting plant at Kochiu, which is equipped with two 12-ton reverberatory furnaces and one 6-ton purifying furnace. These furnaces are either fired with fuel oil or with the bituminous coal from Haifeng. The annual output of the plant is over 2,000 tons. The product generally contains 99.5% tin but may run as high as 99.8%. The company has direct radio communications with London so that the sales of the product may be transacted directly without going through the hands of middlemen.

Of the total production of about 10,000 tons of tin in China, more than 7,000 tons come from Yunnan. The Fuchou district, in North Kwangsi, ranks second, producing over 500 tons a year. Then comes Hunan, where about 100 tons are produced from the districts of Kianghua, Longwu, etc. A small amount of tin is produced in Kiangsi and Kwangtung.

The export of tin from China has been increasing during the last three years, especially in the year 1936, when the export exceeded 10,000, tons, this being due, of course, to the increased production of the metal at Kochiu and the successful business management of the Kochiu Tin Smelting Company. However, as shown by the figures of the customs returns, a small amount of the export is re-imported for use at home.

The export of tin for the years 1934–1936 is given in the following table:

TABLE 17. EXPORT OF TIN FROM CHINA, 1934–1936 (in tons)

Metal	*1934*	*1935*	*1936*
Tin	6,479	9,180	11,260

LEAD AND ZINC

In China, lead and zinc minerals usually occur together. The chief lead and zinc producing locality is Suikoushan, in the Changning district in Hunan. These ores are produced also in the provinces of Szechwan, Sikang, Yunnan and Kweichow, although in very small amounts. Galena is found in almost every province, but only very few of such deposits are of any economic value.

The lead and zinc concentrates of Suikoushan contain respectively 57–62% lead and 36–42% zinc. The production of the ores in the years 1934–1936 are as follows:

TABLE 18. PRODUCTION OF LEAD AND ZINC CONCENTRATES AT SUIKOUSHAN, 1934–1936 (in tons)

Ore	*1934*	*1935*	*1936*
Lead	6,460	5,489	5,493
Zinc	12,846	9,592	not available

The ores mined at Suikoushan are transported to Changsha to be smelted in the Hunan lead smelter operated by the provincial government. As the ore is more or less argentiferous, the plant also produces some silver in addition to the metallic lead.

Formerly a part of the zinc ore from Suikoushan was smelted by native methods at the Sungpo plant about six kilometers from the mine and the rest was exported. In 1932 the provincial government established in

co-operation with the Ministry of Military Affairs a modern zinc-smelting plant near Changsha, each contributing $10,000 towards the capital. The plant was completed in June, 1934. It has two roasting furnaces and one retort furnace, with a monthly smelting capacity of 300 tons of concentrates.

The Tungchuan or Huichih district in Yunnan ranks second in the production of lead and zinc ores, and then comes the Huili district in southern Szechwan. However, the output of these places is not more than a few hundred tons each year.

GOLD AND SILVER

The gold mines of China are fairly widely distributed, especially in the ancient metamorphic strata. But the mines are usually worked intermittently by individuals without any organization or equipment, and statistics are hard to obtain. The more important gold-producing areas are in Manchuria, especially in the province of Heilungkiang. According to the estimated figures of gold production in China for 1934, Manchuria and Jehol produced about 40,000 taels, while the other provinces produced about 90,000 taels. Of the latter amount, about 11,250 taels were produced in Hopei, 210 taels in Hunan, 30,000 taels in Szechwan and Sikang, 1,500 taels in Kansu and Chinghai, 28,000 taels in Sinkiang and Outer Mongolia, and 1,000 taels in Kwangtung, Kwangsi and Honan.

It is only in Heilungkiang that the gold mines are worked on a comparatively large scale; the rest are making very little progress, and there is no difference in the annual production in these mines. The gold consumption is not big in China, except as used for ornamentation.

Although China is one of the chief silver consuming countries in the world, yet she is very poor in the resources of this metal. She has long been an importer of silver from other countries in order to supply the material needed for making coins and ornaments. But with the inflation of the price of silver, China became an exporter of the metal and until very recently large quantities of her accumulated silver stock were moved abroad.

The small amount of silver metal that is produced nowadays in China is a by-product from the argentiferous lead ore of Suikoushan. It amounts to from 100,000 to 200,000 taels a year.

ALUMINIUM

The most important ore of aluminium is bauxite. Such ores are to be found in China, but they are not yet mined. The most noted aluminium deposit known at present is found in the districts of Poshan and Tzechuan in Shantung. According to an estimate by Professor Wong of the National Geological Survey, the probable reserve in these areas may reach as many as 271,000,000 tons. If one-fourth of the deposits were bauxite, the latter would amount to about 68,000,000 tons. In Lingyu, Hopei, there is also a bauxite deposit, which, according to investigations made by the Japanese, is said to have quite an appreciable reserve.

At Liaoyang, in the province of Liaoning, there are very rich deposits of bauxite shales, the reserve being more than 10,000,000 tons. The ore contains 40–58% Al_2O_3. In Fuhsien, in the same province, similar deposits occur in abundance; the Japanese estimats them to have a reserve of 100,000,000 tons. In 1933 the South Manchurian Railway built an experimental plant at Kingchow to extract aluminium from these deposits.

In addition to bauxite, alunite, another mineral containing aluminium, is found in great quantities in, Chekiang, Anhwei and Szechwan provinces. So far none of the deposits is utilized for making aluminium, though the consumption of the metal is gradually increasing in the country.

MERCURY, ARSENIC, BISMUTH AND MOLYBDENUM

Since ancient times Chinese has been known for her production of mercury, but the deposits have been

more or less exhausted and now only a very small amount is produced. The chief mercury producing districts are Tungjen, Shengchi and Pachai, situated in Kweichow Province, and Fenghuang in western Hunan. The total output is only about 30 tons a year.

Realgar and orpiment are the two minerals that make the Tsuli District in Hunan famous for its production of arsenic, though other districts in the same province such as Chenghsien, Linwu and Changning produce arsenic oxide from the oxidation of arsenepyrite. Fengyi in Yunnan also produces realgar and orpiment, which are also produced to some extent in Kwangsi, Szechwan, Kweichow and Kwangtung. The total amount of these products is more than 1,000 tons a year

Bismuth ore is often found in China as an accessory mineral with tungsten and they are thus mined and worked together in the tungsten producing districts of Kwangtung, Hunan and Kiangsi, though in Pinyang, Kwangsi, the main ore mined is bismuth. The quantity of production in all of these places is not large, and it varies very little from year to year.

Kwangsi, Chekiang, Fukien and Shantung are all noted for the production of molybdenum, but the amount has been almost negligible in recent years. Molybdenum also occurs together with tungsten in Kwangtung, Hunan and Kiangsi. At present a small amount is worked in conjunction with the tungsten ore in southern Kiangsi in the Tayu district; it is not much more than a ton each year.

NON-METALLIC MINERALS

1. Gypsum. — Important gypsum producing districts in China are Yingcheng in Hupeh, Hsiantan in Hunan and Pinlu in Shansi. It is also produced in Kwangtung, Shensi, Kansu, Kiangsu, Anhwei, Szechwan, Yunnan, Kweichow and Sinkiang. Yingcheng produces the largest amount, from 50,000 to 60,000 tons a year. Hsiantan comes second with an annual production of 13,000 tons and Pinlu third with a yearly output of about 2,500 tons.

The reserves of gypsum in China are fairly large and its use is gradually increasing. Hence there are possibilities for this mining industry to prosper, for the present rate of production cannot meet the demand. The total consumption of gypsum in China is about 110,000 tons a year. Of this amount, about 40,000 tons come from abroad in the form of building materials. The cement industry uses about 15,000 tons and the rest is imported for miscellaneous purposes.

The gypsum mine in Yingcheng was started so long ago as the Ming dynasty. For some time during the early years of the Republic it was operated under the control of the provincial government. After 1932, however, the mine became a commercial enterprise and the Yingcheng Gypsum Company was formed with a capital of $800,000. The method of working the mine is very primitive, so there is ample room for improvement. Besides gypsum, rock salt is also produced to the amount of about 150,000 piculs a year.

2. Rock Salt.—This is produced in the gypsum mines such as those of Yingcheng and Hsiantan. The salt produced from the salt wells in Szechwan and Yunnan belongs to this same category. It is rock salt that has been dissolved by the natural waters underground. The Szechwan wells, of which those in the Tsuliutsing area are most widely known, produce yearly an amount of more than 5,000,000 piculs.

3. Alum.—Alum is largely produced in the boundary districts between Chekiang and Fukien. Pingyang in southern Chekiang produces about 10,000 tons per year and Futing in Fukien about 2,000 tons. Then comes Lukiang in Anhwei, also producing about 2,000 tons. The deposits in Pingyang and Lukiang total about 250,000,000 tons, containing about 180,000,000 tons of alum. This amount of alum would contain 10,000,000 tons of elementary

aluminium. The yearly consumption of alum in China amounts to about 10,000 tons and the surplus is exported to India, the Straits Settlements and Annam. The export amounts to about 4,000 tons a year.

4. Saltpeter. Obtained by boiling clay in water, this product contains both sodium and potassium nitrates. Its formation is due to the combination of the sodium and potassium elements in the clay with the organic substances broken down in the clay; therefore it is found almost everywhere. A rich reserve of Chili saltpeter strata is found in Tsinghai near Sining, but the deposits have not yet been worked.

5. Phosphorus.—The phosphorus mines in China are found in Tunghai in Kiangsu and in the West Sand Isles of Kwangtung, but none of these is being worked. At present the phosphorus used for fertilizer comes from animal bones and the match industry imports it from abroad.

6. Sulphur.—Sulphur is produced from pyrites, which occur in almost every province. The mineral is either found in the coal seams, as in Honan and Shansi, or in association with the sulphide ores of lead and zinc, as in Hunan. The smelting of sulphur is being carried on by individuals. The annual production is estimated at from 3,500 to 4,000 tons in China Proper, the deficiency in the supply being made up by imports.

7. Asbestos.—Asbestos occurs in many localities. In Kingchow, in the province of Liaoning, asbestos mines, worked by the Japanese, have an annual output of more than 100 tons. Asbestos is found also in Jehol, but the production is not great. In China Proper the chief center of production of asbestos is Laiyuan, in Hopei, the annual output there amounting to more than 100 tons.

8. Graphite.—Graphite is found in several provinces, including Hunan, Hopei, Kiangsu, Honan, Shansi, Shantung and Suiyuan. But the production is by no means large. At Hsiasu, a small town between Nanking and Chinkiang, there is a graphite mine which can produce from 1,500 to 2,000 tons a year.

9. Flourspar.—The most important localities that produce this mineral are to be found in the province of Chekiang. It is estimated that the total reserve of fluorspar in this province amounts to about 400,000 tons. If this figure be reliable, then the total reserves of China Proper should reach 500,000 tons at least. The ore mined in Chekiang contains from 60 to 90 % of calcium fluoride—even more in some cases. The yearly output is from 7,000 to 8,000 tons and is exported entirely to Japan. A small amount is also worked in Shantung.

10. Talc.—Talc was mined in Liaoning for a number of years. In 1933 the production amounted to 60,000 tons. Penglai in Shantung also produces talc to the amount of about 1,000 tons a year.

11. Clay.—Clay is chiefly worked for the pottery or porcelain industry. About 150,000 tons of clay are produced every year in Kiangsi for the procelain industry which has made China famous. Hopei produces a great amount for pottery making, the quantity at present exceeding 200,000 tons per year. The Poshan and Tzuchuan Districts in Shantung produce 80,000 tons, while Ishing, Kiangsu, where the most noted industry is pottery-making, contributes yearly 60,000 tons to the total amount of 1,000,000 tons worked in the country. Fire-clay, besides being used for the local manufacture of fire bricks, is also exported abroad, the export from Poshan to Japan ranging from 3,000 to 10,000 tons a year.

12. Limestone.—Limestone is mined for making lime and cement and is produced in all provinces. But the quarries are not worked on any large scale and the production is rather scattered. According to the available data, the total annual production of limestone is estimated at about 5,000,000 tons, of which 1,000,000 tons come from Manchuria and Jehol.

CONCLUSION

The mineral resources of China are considerable, those found in Man-

churia and Jehol constituting about 6% of the total. The more important of such mineral reserves are coal, iron, petroleum, manganese, tungsten, antimony, tin, lead, zinc, aluminium, gold and other non-metallic minerals, coal predominating.

Up to the end of 1936, the Ministry of Industry had granted 19,519,754 kungmow (1 kungmow = 100 square meters), of land as mining concessions to private ownership and companies, coal mines constituting more than 80% of the total.

The following table gives the areas over which different minerals are worked under concessions granted by the government.

TABLE 19. AREA OF MINING CONCESSIONS GRANTED UP TO THE END OF 1936 (in kungmow)

Gold	654,933	Molybdenum	20,976	Mica	37,438
Silver	23,365	Tungsten	373,354	Rock Crystal	15,656
Copper	10,951	Coal	16,357,087	Graphite	82,311
Iron	383,088	Fire Clay	70,673	Fluorspar	57,639
Tin	193,085	Kaolin	33,924	Arsenic	30,648
Lead	149,872	Talc	86,818	Alum	66,616
Antimony	361,513	Barite	109,454	Asbestos	105,066
Manganese	83,011	Gypsum	68,025	Others	36,999
Zinc	33,299	Sulphur	48,939		
Aluminium	106	Rock Salt	24,908	TOTAL	19,519,754

Taking the market prices in 1933 as a basis for calculation, the value of the total annual production of minerals in China amounts to about $800,000,000. To this sum China Proper contributes 75% and Manchuria and Jehol the remaining 25%. If salt and cement are excluded from the list of minerals produced, the value of purely mineral products is about $200,000,000 for China Proper and more than $80,000,000 for Manchuria. In China Proper the most important minerals produced are coal, tin, gold, antimony and tungsten, while in Manchuria, coal, petroleum and iron head the list.

In the last ten years the value of minerals produced in China has increased from $300,000,000 to $800,000,000—that is, two and a half times higher. The rate of progress in the production of minerals in China Proper and in Manchuria has been the same. The increased value of mineral production in the former has been due chiefly to increased production of non-metallic substances, while that in the latter has been due to increased production of iron, coal and petroleum. It may be seen that the metallurgical industries have not progressed at the pace expected.

The last decade has been a period of steady progress in China's mining industry and it has also been a time of rehabilitation and expansion in the country's metallurgical industry. As enterprising people have begun to realize that the success of other industries largely depends upon cheap and ample supplies of raw material, more interest has been taken in the basic mining and metallurgical industries. With the government taking the lead in its program of national reconstruction and under the demands of private industry, the mining and metallurgical industries in China have in the last two years shown signs of activity and prosperity. The rise in the market prices of products, the substantial profits made by mines and iron works and the resumption of operations in plants that have been at a standstill for years indicate conclusively that the time has arrived for the development of mining and metallurgy in China and that the outlook for the future prosperity of these industries is most promising.

LABOR CONDITIONS

LOWE CHUAN-HUA (駱傳華)

I. GENERAL SITUATION

During the period 1936–1937 the political and economic situation in China improved remarkably. As in the previous year, gratifying progress was made towards national unification and reconstruction and this had the effect of encouraging economic recovery throughout the country. Due to firm and far-sighted government measures, China's foreign trade rose more than 20% in 1936, and the total customs revenue amounted to $324,633,291, representing an increase of $9,113,579, or 2.89% as compared with the 1935 total. During the year the currency situation was further strengthened and exchange rates remained steady. Commodity prices went up (wholesale prices in Shanghai having risen from 90.5 in 1935 to 103.3 in November, 1935, and 118.8 in December, 1936), while industrial enterprises received much helpful support from various government organizations. As a result of the good crops reported in the majority of the provinces, factories in Shanghai and other industrial centers received increased stimulation. Wages which in 1935 were reduced by 10% or more in many places were restored in part in the latter half of 1936. As a whole, therefore, the period 1936–1937 may be regarded as having been a very favorable one from the standpoint of workers in China. [1]

II. INDUSTRIAL AND COMMUNICATIONS POPULATION IN CHINA

A. Industrial Population in China.—Further investigations and new data in regard to China's industrial population have been secured since publication of the last issue of the *Chinese Year Book*. The following table shows the number of industrial workers in various provinces and leading cities in China who are considered as coming within the scope of the Chinese Factory Law:

Name of Place	*No. of Workers*
Nanking	3,109
Tientsin	8,401
Tsingtao	32,778
Peiping	2,901
Hankow	12,048
Weihaiwei Administrative Area	289
Honan	14,193
Kiangsu	77,639
Hunan	4,706
Shantung	8,530
Kwangsi	1,024
Szechwan	293
Hupeh	10,451
Chekiang	5,099
TOTAL	181,461

The above data were obtained from reports issued by the Central Factory Inspection Bureau, Nanking, in June, 1936.

B. Communications Population in China.—According to the year book published by the Ministry of Railways in December, 1936, a total of 61,545 workers were employed on various railways in China. The number of employees in the Chinese Postal Service was reported to be 26,639, while the number of employees employed in the Chinese Telegraph Service was reported to be 23,355, as indicated in the annual statistical report of the Ministry of Communications for 1936.

III. LABOR UNIONS

The China Branch of the International Labor Organization has recently made an investigation of various labor unions and organizations in China. This investigation included:

[1] The author is deeply indebted to the China Branch of the International Labor Office for much of the Information given herein.

(1) occupational unions, (2) industrial unions, and (3) special labor unions, such as railway workers' unions and seamen's unions. The investigation covered a period of four years, that is from 1932 to 1935. Investigations of ordinary labor unions were conducted during March, 1935, while a second investigation made in February, 1936, included the special labor unions. In the investigation forms sent out by the China Branch of the International Labor Office, the labor unions were asked to report the number of members therein as of the last day of the year.

Several points should be noted in connection with these investigations. First, while efforts were made to include all of the principal cities and industrial centers, the investigations did not and could not cover the entire country. Secondly, the investigation forms were either filled out by the highest authorities in the different localities concerned or by the labor unions themselves. According to these investigations, of the 29 districts and cities covered, only Shanghai, Nanchang, Hwaiying, Pengpu, Wuhu, Nanking, Hankow, Changsha, Chungking, Swatow, Canton and Nanhai have each more than 20 labor unions. In other words, none of the five principal cities in North China had more than 20 labor unions with a continuous existence.

The investigations further revealed that only Peiping, Tientsin, Tsingtao, Shanghai, Wuhu, Nanchang, Hankow, Changsha and Swatow had each more than five industrial unions.

As to occupational unions, the investigations showed that Shanghai, Nanking, Hwaiying, Wuhu, Nanchang, Changsha, Chungking, Swatow, Canton and Nanhai had each more than 20 unions throughout the period of investigation, that is from 1932 to 1935.

As to the size of the labor unions investigated, only those in Tientsin, Tsingtao, Wusih, Haimen and Hankow had labor organizations with an average membership of more than 1,000.

Several tendencies of the labor movement during the last four years may be mentioned here. Judging from the data revealed by the I. L. O. investigations, it is safe to say that labor organizations have increased in number and size during the last few years. For example, the investigations showed that in the 29 districts and cities covered there was an increase in the number of labor organizations every year. In 1932 the total number of labor unions reported in these 29 places was only 647, but in the following year the number had increased to 695. In 1934 it went up to 759, while in 1935 it increased to 823. The number of members in these unions has also shown an increase every year. For example, in 1932 the total number of members was 421,329, but by the following year it had grown to 422,730. In 1934 this number went up to 462,742, while in 1935 it reached 469,240. On the basis of these data, it would appear that the average number of members per union has been decreasing during the last few years. For example, in 1932 the average number of members in each of the unions investigated was 851.2, but in the following year it went down to 808.2. In 1934 it declined still further to 609.7 and in 1935 it was reduced to 570.1.

As to the distribution of labor organizations, the above data revealed that the numbers of labor unions in both North China and South China have shown decreases ever since 1935.

However, noteworthy progress has been made in the growth of special labor unions. Among new special labor unions which have been formed during the last two years are the Nanking-Shanghai and Nanking-Hangchow Railway Workers' Unions, the Canton-Kowloon Railway Workers' Union and the Chinese Seamen's Union. The number of members in these special unions has also increased during the last two years. To sum up, a number of conclusions may be drawn from the results made available by these investigations:

1. Labor unions in North China are not strong and have not shown any sign of expansion.
2. Labor unions in Central China and South China are confined to certain industrial and commercial centers along the seacoast and leading rivers.
3. There has been a steady increase in strength and an expansion of activities on the part of the special

labor unions, while the ordinary labor unions have become less and less active.

4. The year 1935 may be regarded as having been the most unfavorable from the labor standpoint as it was during that year that the economic crisis in China reached its lowest level. The decline in the labor movement witnessed during this period was due to a variety of causes, but undoubtedly the political situation in North China and the suppression of labor organizations in Kiangsi and six neighboring provinces since April, 1934, had had an adverse influence.

From the standpoint of the number of labor unions and size of membership, progress has been reported in the following cities during the last four years: Tsinan, Taiyuan, Tsingkiangpu, Hangchow, Pengpu, Hankow, Changsha, Chungking, Canton and Hwaiying.

Table 1 shows the kinds and number of labor organizations in the 29 districts and cities investigated by the International Labor Office in China as well as the increases or decreases in the number of members therein:

TABLE 1. LABOR ORGANIZATIONS

Name of District or City	*Kind of Labor Organization*	*Number of Unions*				*Number of Members*			
		1932	*1933*	*1934*	*1935*	*1932*	*1933*	*1934*	*1935*
Peiping:	Industrial	8	8	10	4	3,734	3,734	3,994	415
	Occupational	8	12	12	6	1,641	3,961	3,961	4,043
	TOTAL	16	20	22	10	5,375	7,695	7,955	4,458
Tientsin:	Industrial	5	5	5	4	15,719	14,885	7,008	4,723
	Occupational	13	16	14	11	7,920	9,660	10,751	4,608
	TOTAL	18	21	19	15	23,639	24,545	17,759	9,331
Tsingtao:	Industrial	11	10	10	9	19,588	19,457	19,457	19,555
	Occupational	3	4	4	5	630	1,028	1,028	1,417
	TOTAL	14	14	14	14	20,218	20,485	20,485	20,972
Tsinan:	Industrial	2	2	2	3	217	217	202	220
	Occupational	4	4	4	4	2,170	2,409	2,480	2,653
	TOTAL	6	6	6	7	2,387	2,626	2,682	2,873
Taiyuan:	Industrial	0	0	0	0	0	0	0	0
	Occupational	9	11	12	16	3,712	4,480	4,859	5,288
	TOTAL	9	11	12	16	3,712	4,480	4,859	5,288
Shanghai:	Industrial	34	38	39	47	36,464	37,741	38,025	32,887
	Occupational	34	37	45	72	23,472	24,502	27,536	32,731
	TOTAL	68	75	84	119	59,936	62,243	65,561	65,618
Soochow:	Industrial	1	1	1	1	661	629	597	597
	Occupational	10	9	9	10	14,948	2,006	2,035	1,491
	TOTAL	11	10	10	11	15,609	2,635	2,632	2,088
Wusih:	Industrial	3	3	3	5	34,200	33,500	30,600	32,910
	Occupational	6	6	6	16	1,400	1,300	1,200	7,555
	TOTAL	9	9	9	21	35,600	34,800	31,800	40,465
Chinkiang:	Industrial	2	2	2	2	950	962	962	962
	Occupational	13	13	12	13	3,740	3,760	4,060	5,609
	TOTAL	15	15	14	15	4,690	4,722	5,022	6,571
Nanking:	Industrial	1	2	3	2	1,480	1,770	1,961	477
	Occupational	42	41	42	42	16,663	16,621	16,849	16,120
	TOTAL	43	43	45	44	18,143	18,391	18,810	16,597

Haimen:	Industrial	1	1	1	1	3,562	3,540	3,114	2,840
	Occupational	0	0	0	0	0	0	0	0
	TOTAL	1	1	1	1	3,562	3,540	3,114	2,840
Tungshan:	Industrial	1	1	1	1	1,200	800	600	500
	Occupational	13	13	16	17	6,500	5,800	6,500	6,200
	TOTAL	14	14	17	18	7,700	6,600	7,100	6,700
Hangchow:	Industrial	0	0	0	0	0	0	0	0
	Occupational	2	2	3	0	420	420	718	0
	TOTAL	2	2	3	0	420	420	718	0
Kiashing:	Industrial	2	2	1	1	1,470	1,470	500	442
	Occupational	2	2	1	0	134	134	514	0
	TOTAL	4	4	2	1	1,604	1,604	1,014	442
Hwaining:	Industrial	0	0	0	0	0	0	0	0
	Occupational	21	27	27	27	5,678	9,452	9,452	9,452
	TOTAL	21	27	27	27	5,678	9,452	9,452	9,452
Pengpu:	Industrial	1	2	2	2	95	111	111	111
	Occupational	17	18	25	26	4,575	5,144	6,943	7,108
	TOTAL	18	20	27	28	4,670	5,255	7,054	7,219
Wuhu:	Industrial	7	7	7	1	2,086	2,086	2,154	1,320
	Occupational	33	33	36	41	14,731	14,731	16,570	2,881
	TOTAL	40	40	43	42	16,817	16,817	18,724	13,201
Tungling:	Industrial	4	4	4	0	263	345	399	0
	Occupational	13	13	13	17	986	971	894	2,913
	TOTAL	17	17	17	17	1,249	1,316	1,293	2,913
Nanchang:	Industrial	11	11	13	0	4,017	3,922	4,639	0
	Occupational	27	29	29	25	10,078	10,523	10,302	11,326
	TOTAL	38	40	42	25	14,095	14,445	14,941	11,326
Hankow:	Industrial	0	0	4	9	0	0	7,900	10,500
	Occupational	11	11	23	38	12,416	12,416	32,819	54,147
	TOTAL	11	11	27	47	12,416	12,416	40,719	64,647
Hanyang:	Industrial	0	0	0	1	0	0	0	652
	Occupational	5	6	7	11	3,145	4,001	4,146	6,444
	TOTAL	5	6	7	12	3,145	4,001	4,146	7,096
Changsha:	Industrial	6	6	6	6	5,113	5,600	5,374	5,133
	Occupational	61	66	73	79	58,362	59,802	67,422	68,534
	TOTAL	67	72	79	85	63,475	65,402	72,796	73,667
Chungking:	Industrial	1	1	1	1	247	247	247	247
	Occupational	63	70	81	115	14,286	15,025	16,843	22,391
	TOTAL	64	71	82	116	14,533	15,272	17,090	22,638
Amoy:	Industrial	3	3	0	0	108	108	0	0
	Occupational	9	10	11	11	3,203	3,303	3,968	4,589
	TOTAL	12	13	11	11	3,311	3,411	3,968	4,589
Swatow:	Industrial	7	7	7	0	2,055	2,055	2,106	0
	Occupational	22	22	22	28	14,137	15,632	16,324	17,905
	TOTAL	29	29	29	28	16,192	17,687	18,430	17,905

Canton:	Industrial	0	0	1	2	0	0	425	3,602
	Occupational	33	39	41	43	31,545	32,115	32,115	32,541
	TOTAL	33	39	42	45	31,545	32,115	32,540	36,143
Nanhai:	Industrial	0	0	0	0	0	0	0	0
	Occupational	43	45	49	31	27,356	25,841	27,562	11,700
	TOTAL	43	45	49	31	27,356	25,841	27,562	11,700
Waiyang:	Industrial	0	0	0	0	0	0	0	0
	Occupational	9	9	9	9	982	956	1,020	1,007
	TOTAL	9	9	9	9	982	956	1,020	1,007
Kunming:	Industrial	0	0	0	2	0	0	0	183
	Occupational	10	11	10	6	3,270	3,558	3,496	1,314
	TOTAL	10	11	10	8	3,270	3,558	3,496	1,497

Table 4 (p. 765) shows the average number of members in the various labor unions in 29 districts and cities in China as included in the investigations of the China Branch of the International Labor Office.

Table 2 shows the number of industrial and occupational unions in the leading regions of China.

TABLE 2. GEOGRAPHICAL DISTRIBUTION OF LABOR UNIONS IN CHINA

	1932	*1933*	*1934*	*1935*
NORTH CHINA:				
Industrial Union:				
No. of labor unions	26	25	27	20
No. of members	39,258	38,293	30,661	24,913
Members per union	1,509.9	1,531.7	1,135.6	1,245.6
Occupational Union:				
No. of labor unions	37	47	46	42
No. of members	16,073	21,538	23,079	18,009
Members per union	434.4	458.3	501.7	428.8
Total:				
No. of labor unions	63	72	73	62
No. of members	55,331	59,831	53,740	42,922
Members per union	878.3	830.9	736.2	692.3
CENTRAL CHINA:				
Industrial Union:				
No. of labor unions	75	81	88	80
No. of members	91,808	92,723	97,183	89,578
Members per union	1,224.1	1,144.7	1,104.4	1,119.7
Occupational Union:				
No. of labor unions	373	396	448	549
No. of members	191,534	186,608	224,803	263,902
Members per union	513.5	471.3	501.8	480.7
Total:				
No. of labor unions	448	477	536	632
No. of members	283,342	279,331	321,986	354,196
Members per union	632.5	585.6	600.7	560.4
SUOTH CHINA:				
Industrial Union:				
No. of labor unions	10	10	8	4
No. of members	2,163	2,163	2,531	3,785
Members per union	216.3	216.3	316.4	946.2

Occupational Union:				
No. of labor unions	126	136	142	128
No. of members	80,493	81,405	84,485	69,056
Members per union	638.8	598.5	594.9	539.5
Total:				
No. of labor unions	136	146	150	132
No. of members	82,656	83,568	87,016	72,841
Members per union	607.8	572.4	580.1	551.8
Total: Industrial Union:				
No. of labor unions	111	116	123	104
No. of members	133,229	133,179	130,375	118,273
Members per union	1,200.2	1,148.1	1,059.9	1,137.2
Occupational Union:				
No. of labor unions	536	579	636	719
No. of members	288,100	289,551	332,367	350,967
Members per union	537.5	500.1	522.6	488.1
Total:				
No. of labor unions	647	695	759	823
No. of members	421,329	422,730	462,742	469,240
Members per union	651.2	608.2	609.7	570.1

Table 3 gives the names of the special labor unions in China as well as their total memberships from 1932 to 1935:

TABLE 3. SPECIAL LABOR UNIONS IN CHINA

Name of Union	*Number of Members*			
	1932	*1933*	*1934*	*1935*
Nanchang-Kiukiang Railway ..	2,960	2,960	2,852	2,735
Canton-Hankow ,, ..	1,174	1,268	1,440	1,525
Canton-Kowloon ,, ..	—	—	998	1,006
Chenting-Taiyuan ,, ..	1,683	2,134	2,122	2,239
Tientsin-Pukow ,, ..	16,800	20,260	20,169	20,821
Peiping-Hankow ,, ...	16,299	16,707	15,403	16,130
Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railways ..	—	—	—	9,836
Peiping-Suiyuan Railway	8,920	8,917	8,935	9.048
Lunghai Railway	7,027	7,216	7,361	8,208
Chinese Mechanics' Federation ..	567	607	676	736
Chinese Seamen's Federation (Canton Branch)	8,300	9,600	12,000	14,000
All China Postal Workers' Union..	10,879	12,637	13,340	14,164
All China Postal Employees' Federation	7,179	7,262	7,297	7,347

IV. LABOR LEGISLATION

During the period 1936–37 the following important industrial regulations and labor laws have been promulgated by various branches of the National Government of China:

1. Law governing the protection of loading and unloading workers, promulgated on February 1, 1936.

TABLE 4. AVERAGE NUMBER OF MEMBERS IN LABOR UNIONS

	Occupational Unions				*Industrial Unions*				*Total*			
	1932	*1933*	*1934*	*1935*	*1932*	*1933*	*1934*	*1935*	*1932*	*1933*	*1934*	*1935*
NORTH CHINA:												
Peiping	205.1	330.1	330.1	673.8	466.7	466.7	399.4	103.8	335.9	384.7	361.6	445.8
Tientsin	609.2	603.7	767.9	418.9	3,143.8	2,977.0	1,401.6	1,180.8	1,313.3	1,168.8	934.7	622.1
Tsingtao	210.0	257.0	257.0	283.4	1,780.7	1,945.7	1,945.6	2,172.8	1,444.1	1,463.2	1,463.2	1,498.0
Tsinan	542.5	602.2	620.0	663.2	108.5	108.5	101.0	73.3	397.8	437.6	447.0	410.4
Taiyuan	412.4	407.2	404.9	330.5	—	—	—	—	412.4	407.2	404.9	330.5
CENTRAL CHINA:												
Shanghai	690.3	662.2	611.9	454.6	1,072.4	993.0	975.0	699.7	881.4	829.6	780.5	551.4
Soochow	1,494.8	222.9	226.1	149.1	661.0	629.0	597.0	597.0	1,419.0	263.5	263.2	189.8
Wusih	233.3	216.6	200.0	472.1	11,100.0	11,166.7	10,200.0	6,582.0	3,955.6	3,866.7	3,533.3	1,926.9
Chinkiang	287.7	289.2	338.3	431.4	475.0	481.0	481.0	481.0	312.6	314.8	358.7	438.0
Nanking	396.7	409.1	401.2	383.8	1,480.0	885.0	659.7	238.5	421.9	427.7	418.0	377.2
Haimen	—	—	—	—	3,562.0	3,540.0	3,114.0	2,840.0	3,562.0	3,540.0	3,114.0	2,840.0
Tungshan	500.0	446.1	406.2	364.7	1,200.0	800.0	600.0	500.0	550.0	471.4	417.6	372.2
Hangchow	210.0	210.0	239.3	—	—	—	—	—	210.0	210.0	239.3	—
Kiashing	67.0	67.0	514.0	—	735.0	735.0	500.0	442.0	401.0	401.0	507.0	442.0
Hwaining	270.4	350.1	350.1	350.1	—	—	—	—	270.4	350.1	350.1	350.1
Pengpu	269.1	285.7	277.7	273.4	95.0	55.5	55.5	55.5	259.4	262.7	261.3	257.8
Wuhu	446.4	446.4	460.3	289.8	298.0	298.0	307.7	1,320.0	420.4	420.4	435.4	314.3
Tungling	75.8	74.7	68.8	171.3	65.7	86.2	99.8	—	73.5	77.4	76.0	171.4
Nanchang	373.3	362.9	355.3	453.0	365.2	356.6	356.8	—	370.9	361.1	355.8	453.0
Hankow	1,128.7	1,128.7	1,426.9	1,424.9	—	—	1,975.0	1,166.6	1,128.7	1,128.7	1,508.1	1,375.4
Hanyang	629.0	666.8	592.3	585.8	—	—	—	652.0	629.0	666.8	592.3	591.3
Changsha	956.7	906.1	923.6	867.5	832.2	933.3	895.7	855.5	947.4	908.3	921.5	866.6
Chungking	226.7	214.6	207.9	194.8	247.0	247.0	247.0	247.0	227.1	215.1	208.4	195.1
SOUTH CHINA:												
Amoy	355.8	330.3	360.1	417.2	36.0	36.0	—	—	275.9	262.4	360.1	417.2
Swatow	642.6	710.5	742.0	639.5	293.6	293.6	300.8	—	558.3	609.9	635.5	639.5
Canton	955.9	823.5	783.3	756.8	—	—	425.0	1,801.0	955.9	823.5	774.7	803.2
Nanhai	636.2	574.2	562.5	377.4	—	—	—	—	636.2	572.0	562.5	377.4
Waiyang	109.1	106.2	113.3	111.9	—	—	—	—	109.1	106.2	113.3	111.9
Kunming	327.0	323.5	349.6	219.0	—	—	—	91.5	327.0	323.5	349.6	187.1

2. Law prohibiting the keeping of slave laborers, promulgated by the Executive Yuan on January 22, 1936.
3. Law governing working conditions in mines, made public by the National Government on June 25, 1936.
4. Regulations governing the recruiting and services of conscript labor, made public by the Executive Yuan on October 14, 1936.
5. Regulations concerning the recruiting and employment of Chinese workers for foreign countries, made public by the Overseas Commission in Nanking on November 6, 1936.
6. Regulations prohibiting the use of labor contractors for workers in foreign services, made public by the Overseas Commission on November 6, 1936.
7. Regulations governing the employment of women workers in underground mines, ratified by the National Government on October 10, 1936.
8. Regulations concerning the dispatch of seamen back to their native country, ratified by the Chinese Government on October 10, 1936.
9. Convention concerning the employment of stokers and their minimum age, ratified by the Chinese Government on October 10, 1936.
10. Convention concerning the minimum age of children working on board ship, ratified by the Chinese Government on October, 10, 1936.
11. Convention governing contracts of employment for seamen, ratified by the National Government of China on October 10, 1936.
12. Convention concerning compulsory physical examinations for young and child workers on shipping vessels, ratified by the Chinese Government on October 10, 1936.
13. Minimum Wage Law, promulgated by the National Government on December 23, 1936.
14. Law regarding labor contracts, promulgated by the Chinese Government on December 25, 1936.

Little progress has been made in factory work in China during the year under review. However, beginning from 1936, the Chinese government included in its annual budget a provision for factory inspection expenses. The first stage of factory inspection work, as mapped out by the Central Factory Inspection Bureau in Nanking was accomplished by the end of 1936. In Shantung steps have even been taken with a view to enforcing the inspection of working conditions in coal mines.

The Central Factory Inspection Bureau has also worked out a set of regulations governing the inspection of factory buildings as well as procedure for their enforcement. These regulations were approved by the Ministry of Industry during the year. In May, 1936, the Central Factory Inspection Bureau again dispatched investigators to various parts of the country to review the progress made in factory inspection work, and to initiate the second stage of factory inspection work. (See *Chinese Year Book* for 1936–37, p. 1219.)

It is gratifying to note that the authorities in Nanking had already completed the second stage of factory inspection work in the early part of May, 1936, while the Shanghai Municipality has started to enforce the second stage of factory inspection work since June, 1936.

According to the report of the Industrial Section of the Shanghai Municipal Council for 1936, an agreement was arrived at between the Chinese authorities and the Council regarding the application of the Chinese Factory Law in the International Settlement whereby the Council agreed to apply those portions of the Factory Law together with the by-laws and regulations in connection therewith which were enforced in territories under Chinese jurisdiction and which might be agreed upon through negotiations from time to time. However, this agreement was rejected when submitted to the Shanghai Consular Body for approval.

In order to obtain a clear view of this controversy, let us quote the following from the 1936 Report of the Industrial Section of the Shanghai Municipal Council: "The agreement between the Council and the Chinese authorities was submitted to the Consular Body for approval in June, and in July the Council was informed that while the Consular Body had every sympathy with the Council and the Chinese authorities in their efforts to reach a satisfactory settlement of the question, there was one important respect in which an amendment must be asked for. The agreement, continued the

reply of the Consular Body, purported to apply Chinese law to all factory interests in the Settlement regardless of nationality. That in effect would mean the partial abrogation of the treaty privileges of nationals possessing extraterritorial rights." Up to the time of writing there has been no further development or progress in these negotiations between the Chinese authorities and the Shanghai Municipal Council.

V. COST OF LIVING AND STANDARD OF LIVING OF CHINESE WORKERS

During the period 1936–1937, the cost of living has shown increases in a number of the leading industrial centers in China with the possible exception of Canton.

TABLE 5. THE INDEX OF THE COST OF LIVING IN VARIOUS CITIES OF CHINA [1]

Cities / Year	*Peiping*	*Tientsin*	*Tangku*	*Shanghai*	*Nanking*	*Nanning*	*Canton*
Basic Year ..	1937-100	1926-100	1931-100	1926-100	1930-100	1931-100	1930-100
1935 ..	85.90	99.02	97.63	98.72	80.58	91.71	76.92
1936 ..	100.25	112.82	103.42	105.04	84.19	157.62	73.85

VI. WAGES

In general it is safe to say that wages have increased in many industries during the period under review, although there are no comprehensive statistics to show the extent of these increases in the various cities or districts in China.

TABLE 6. THE PERCENTAGE OF WAGE INCREASES IN THE LEADING INDUSTRIES IN VARIOUS CITIES OF CHINA [2]

Name of Place	*Nature of Industry*	*Percentage of Wage Increase*
Shanghai	Silk reeling	13 %
	Silk weaving	1 — 8 %
	Cotton spinning	5 %
	Enameling	10 —20 %
Nanking	Silk weaving	12 %
	Tailoring: Time rate ..	2 — 5 %
	Piece rate ..	4 — 6 %
Soochow	Foundry work	25 %
	Clothing industry	25 %
	Silk factory	30 %
Wusih	Silk reeling	18 %
	Coal industry	25 %
Sutsien	Brick manufacturing . ..	13 %
Hangchow	Joss money	10 —20 %

[1] The above figures have been obtained by the Bureau of Social Affairs of the Municipality of Greater Shanghai.

[2] These figures were taken from the reports of the China Branch of International Labor Office.

Wuhu	Cotton spinning	10%
Tsingtao	Spinning and Weaving	5%
Taochuen	Coal industry	7%
Canton	Tooth brush industry	20%
Shihwan	Porcelain	30 —50%

VII. WORKING HOURS

In general the number of working hours for workers in China is rarely below eight per day, and sometimes it goes as high as 13 per day. On the average, the number of working hours for the majority of Chinese workers is about 11 per day.

TABLE 7. THE PREVAILING NUMBER OF WORKING HOURS FOR THE VARIOUS LEADING CITIES IN CHINA [1]

(According to Investigations Made by the Ministry of Industry)

Name of City	*No. of Working Hours per Day*	*Name of City*	*No. of Working Hours per Day*
Shanghai	9.5	Chefoo	11
Soochow	11	Tientsin	12
Pengpu	11	Tsungchow	13
Tsingtao	12	Peiping	10
Tangshan	11	Chinghsien	11
Hankow	10	Lanchi	11.5

VIII. INDUSTRIAL ACCIDENTS

A total of 2,724 industrial accidents were reported from various parts of China during 1936, according to statistics compiled by the Central Factory Inspection Bureau in Nanking. The number of casualties totaled 3,976 while the economic loss amounted to $1,460,000, according to the same bureau.

In the International Settlement of Shanghai the total number of industrial accidents reported for 1936 was 2,200 as against 2,301 in 1935 and 1,788 in 1934. Of the 1936 total, 95 cases had fatal consequences as against 104 in 1935. It must be remembered, however, that the figures for industrial accidents given in the report of the Shanghai Municipal Council (*Regulation of Industrial Conditions 1936*) did not represent the total occurring in all industries in the International Settlement. From the same report it will be found that one of the major contributing causes of these accidents was the inexperience and youthfulness of the workers, most of whom are below 20 years of age.[2]

[1] The number of working hours for various industries in China varies a great deal. For further information in regard to specific number of working hours in the leading industries in China, particularly in Shanghai, readers are referred to pp. 1222 and 1223 of the *Chinese Year Book* for 1936-37.

[2] For fuller information concerning industrial conditions and accidents in Shanghai, readers are referred to *Regulation of Industrial Conditions*, reprinted from the 1936 Annual Report of the Shanghai Municipal Council.

IX. HOUSING CONDITIONS

During the year the Shanghai Municipal Council appointed a Housing Committee to investigate housing conditions in the International Settlement and to make recommendations for their improvement. This committee compiled and published a valuable report, the first of its kind in Shanghai and perhaps in China. According to this report, the average number of families per house within the Settlement, as calculated on the basis of the 1935 census, was 2.73 or about 15.07 persons per house. It is interesting to note here that an investigation by the S. M. C. Industrial Section showed that the typical monthly family income of wage-earners was about $25, and that about $5 could be paid in rent (which, for a typical family of five persons, means $1 per head per month). Even if there are not so many as five in the family, the reports state, poverty tends to increase the number to five by taking in relatives or friends as boarders. From these figures it may be seen how congested housing conditions are in Shanghai, particularly in the industrial districts of the city.

X. INDUSTRIAL DISPUTES AND STRIKES IN 1936

A. Industrial Disputes.—According to data received by the China Branch of the International Labor Office, a total of 278 industrial disputes was reported during the year 1936. This showed a decrease of 22 cases from the total for 1935. Of the 278 cases, 133, or 47.87%, were industrial disputes, which meant a decrease of 15 cases from 1935. (See *Chinese Year Book* for 1936–37, p. 1230.) Six cases, or 2.16%, had to do with sabotage, there being a decrease of five cases under this head, while 134 cases or 41.2% represented strikes, revealing an increase of two cases over the total reported for 1935. Of the 278 cases reported for 1935, five, or 1.8% represented factory closures, in respect of which there was a decrease of four cases from the 1935 figure.

The decrease in the total number of industrial disputes during the period under review was due largely to the betterment of employment conditions and to increased business activities in China. The following table shows the nature and number of industrial disputes during 1935 and 1936:

TABLE 8. KINDS AND NUMBER OF INDUSTRIAL DISPUTES IN 1935–36

Kind of Disputes	*1936*		*1935*	
	No. of Cases	*Percentage*	*No. of Cases*	*Percentage*
Industrial disputes	133	47.84	148	49.3
Sabotage	6	2.16	11	3.7
Strikes	134	48.20	132	44.0
Factory closures	5	1.80	9	3.0
TOTAL	278	100.00	300	100.0

Of the 278 cases, 192, or 69.6%, were related to factories. As a total of 693 factories was involved in these industrial disputes, the average number of factories involved in each case was, therefore, 3.61, which shows an increase over the figure reported for 1935.

Of the total number of industrial disputes reported for 1936, the exact number of workers affected was given only in 134 cases, making a total of 258,672 persons. In other words, the average number of workers affected by each industrial dispute was 1,930.39 persons. This showed a decrease of 746.8 persons per dispute as compared with the 1935 average.

As to the duration of the industrial disputes reported for 1936, the necessary data were supplied only in 76

cases, or 28.6%, while in 202 cases no data were given as to the length of disputes.

Of the industrial disputes reported during the year 1936, more than 20% occurred in the textile industry and the transportation industry. The following table shows the distribution of industrial disputes over various industries in China :

TABLE 9. INDUSTRIAL DISPUTES CLASSIFIED ACCORDING TO INDUSTRIES

Industries of Services	*1936*		*1935*	
	No. of Cases	*Per-centage*	*No. of Cases*	*Per-centage*
A. Primary Production				
I. Agriculture	2	0.72	1	0.3
II. Mining and Quarrying	15	5.40	18	6.0
B. Secondary Production				
III. Manufacturing Industries				
1. Wood working	4	1.44	6	2.0
2. Furniture manufacture	—	—	2	0.7
3. Metal industry	5	1.80	2	0.7
4. Machinery, etc.	1	0.36	3	1.0
5. Vehicles for transportation	1	0.36	5	1.7
6. Bricks, glass, etc.	10	3.60	2	0.7
7. House and road building	6	2.16	3	1.0
8. Gas, water and electricity	3	1.08	3	1.0
9. Chemicals, etc.	13	4.68	17	5.7
10. Textile industry	61	21.94	74	28.0
11. Wearing apparels	18	6.47	9	3.0
12. Leather, rubber, etc.	—	—	4	1.3
13. Foods and drinks	14	5.04	22	7.3
14. Paper and printing	12	4.32	4	1.3
15. Clocks, scientific instruments etc.	—	—	2	0.7
16. Others	15	5.40	11	3.7
C. Service				
IV. Transport and Communication	57	20.50	75	25.0
V. Commerce and Finance				
1. General traders	11	3.96	15	5.0
2. Brokers, exchanges, etc.	1	0.36	—	—
3. Real estate, renting agencies etc.	—	—	1	0.3
4. Money and banking	—	—	—	—
5. Hotels, resorts, etc.	21	7.55	13	4.3
VI. Public Service and Defense	7	2.52	6	2.0
VII. Professional Service	1	0.36	2	0.7
VIII. Domestic and Personal Service	—	—	—	—
TOTAL	278	100.00	300	100.0

TABLE 10. CAUSES OF INDUSTRIAL DISPUTES IN 1935 AND 1936

Causes	*1936*		*1935*	
	No. of Cases	*Per-centage*	*No. of Cases*	*Per-centage*
A. Concerning Collective Bargaining				
I. Concerning Trade Unionism and Collective Agreements				
1. Concerning trade unionism	12	4.31	8	2.7
2. Concerning collective agreements	13	4.68	8	2.7

II. Concerning Conditions of Employment				
1. Wages	91	32.73	117	39.0
2. Working hours	8	2.88	11	3.7
3. Engagement and dismissal	53	19.06	52	17.3
4. Treatment	39	14.03	16	5.3
5. Factory regulations	4	1.44	9	3.0
6. Working process or system	9	3.24	8	2.7
7. Lockouts and factory closures	5	1.80	22	7.3
8. Others	9	3.24	22	7.3
B. Not Concerning Collective Bargaining				
I. Sympathetic	1	0.36	1	0.3
II. Political	—	—	—	—
III. Other causes	25	8.99	23	7.7
C. Other Causes	9	3.34	3	1.0
TOTAL	278	100.00	300	100.0

TABLE 11. METHODS OF MEDIATION AND SETTLEMENT OF INDUSTRIAL DISPUTES

Methods of Mediation	*1936*		*1935*	
	No. of Cases	*Percentage*	*No. of Cases*	*Percentage*
I. Direct Negotiation	42	15.11	24	8.0
II. Mediation by a Third Party	7	2.52	12	4.0
III. Through Conciliation Committee	91	32.73	35	11.7
IV. Through Arbitration Committee	5	1.80	5	1.7
V. Through Other Organizations	41	14.75	51	17.0
VI. Unsettled or Unknown	92	33.09	173	57.7
TOTAL	278	100.00	300	100.0

Industrial Disputes Classified According to Their Results.—Of the 278 industrial disputes reported for the year 1936, 41 cases, or 14.74%, reported complete victories for the workers, while 59 cases, or 21.22%, reported partial victory and 18, or 8.48%, were complete failures.

TABLE 12. THE RESULTS OF INDUSTRIAL DISPUTES REPORTED IN 1936 IN COMPARISON WITH THE RESULTS FOR 1935

Results Achieved	*1936*		*1935*	
	No. of Cases	*Percentage*	*No. of Cases*	*Percentage*
I. Workers' Demands				
1. Entirely accepted	41	14.74	45	15.0
2. Partially accepted	59	21.22	36	12.0
3. Rejected	18	6.48	26	8.7
II. Employers' Demands				
1. Entirely accepted	2	0.72	5	1.7
2. Partially accepted	1	0.36	2	0.7
3. Entirely rejected	1	0.36	2	0.7
III. Results Not Determined or Unknown	156	56.12	184	61.3
TOTAL	278	100.00	300	100.0

B. Strikes.—As mentioned before, of the 278 cases of industrial disputes reported in 1936, about 139 cases resulted in strikes or factory closures. In other words, on the average about every two industrial disputes resulted in a strike or factory closure. The following table shows the number of strikes and factory closures for 1936 as compared with 1935 :

TABLE 13. NUMBER OF STRIKES AND FACTORY CLOSURES

Kinds of Strikes	*1936*		*1935*	
	No. of Cases	*Percentage*	*No. of Cases*	*Percentage*
1. Strikes	134	96.40	132	93.62
2. Factory Closures ..	5	3.60	9	6.38
TOTAL	139	100.00	141	100.00

The distribution of strikes according to industry was somewhat similar to that reported in 1935, the majority of them having taken place in the textile and the transportation industries. The following table shows the number of strikes in various industries in 1936 as compared with 1935 :

TABLE 14. STRIKES CLASSIFIED ACCORDING TO INDUSTRIES

Industries of Services	*1936*		*1935*	
	No. of Cases	*Percentage*	*No. of Cases*	*Percentage*
A. Primary Production				
I. Agriculture	1	0.71	1	0.7
II. Mining and Quarrying	5	3.60	9	6.4
B. Secondary Production				
III. Manufacturing Industries				
1. Wood working	2	1.43	2	1.4
2. Furniture manufacture	—	—	1	0.7
3. Metal industry	5	3.60	2	1.4
4. Machinery, etc.	1	0.71	1	0.7
5. Vehicles for transportation ..	1	0.71	4	2.8
6. Bricks, glass, etc.	6	4.32	1	0.7
7. House and road building ..	3	2.15	—	—
8. Gas, water and electricity . ..	—	—	—	—
9. Chemicals, etc.	5	3.60	5	3.6
10. Textile industry..	35	25.18	43	30.5
11. Wearing apparels	10	7.19	7	5.0
12. Leather, rubber, etc...	—	—	—	—
13. Foods and drinks	6	4.32	8	5.7
14. Paper and printing	5	3.60	4	2.8
15. Clocks, scientific instruments etc.	—	—	1	0.7
16. Others	9	6.47	4	2.8
C. Service				
IV. Transport and Communication ..	25	17.98	33	23.4
V. Commerce and Finance				
1. General traders	6	4.32	7	5.0
2. Brokers, exchanges, etc. . ..	1	0.71	—	—
3. Real estate, renting agencies etc.	—	—	—	—
4. Money and banking	—	—	—	—
5. Hotels, resorts, etc.	8	5.75	3	2.1
VI. Public Service and Defense	4	2.88	4	2.8
VII. Professional Service	1	0.71	1	0.7
VIII. Domestic and Personal Service ..	—	—	—	—
TOTAL	139	100.00	141	100.0

Causes of Strikes.—From the following table it may be seen that the major causes of strikes during 1936 were: (*a*) wage disputes, (*b*) conditions of employment, (*c*) treatment and (*d*) working hours.

TABLE 15. CAUSES OF STRIKES IN 1935 AND 1936

Causes	1936		1935	
	No. of Cases	Percentage	No. of Cases	Percentage
A. Concerning Collective Bargaining				
I. Concerning Trade Unionism and Collective Agreements				
1. Concerning trade unionism ..	5	3.60	3	2.1
2. Concerning collective agreements	3	2.16	2	1.4
II. Concerning Conditions of Employment				
1. Wages	53	38.13	56	39.7
2. Working hours	6	4.32	9	6.4
3. Engagement and dismissal ..	18	12.94	25	17.7
4. Treatment	13	9.35	7	5.0
5. Factory regulations	3	2.15	3	2.1
6. Working process or system ..	3	2.15	3	2.1
7. Lockouts and factory closures ..	—	—	—	—
8. Others	5	3.60	9	6.4
B. Not Concerning Collective Bargaining				
I. Sympathetic	1	0.71	1	0.7
II. Political	—	—	—	—
III. Other causes	23	16.54	20	14.3
C. Other Causes	6	4.32	3	2.1
TOTAL	139	100.00	141	100.0

TABLE 16. METHODS OF MEDIATION AND SETTLEMENT OF STRIKES

Methods of Mediation	1936		1935	
	No. of Cases	Percentage	No. of Cases	Percentage
I. Direct Negotiation	20	14.39	15	10.6
II. Mediation by a Third Party	6	4.32	8	5.7
III. Through Conciliation Committee . ..	39	28.06	21	14.9
IV. Through Arbitration Committee	2	1.44	1	10.7
V. Through Other Organizations	23	16.55	27	19.2
VI. Unsettled or Unknown	49	35.25	69	48.9
TOTAL	139	100.00	141	100.0

TABLE 17. STRIKES CLASSIFIED ACCORDING TO THEIR RESULTS

Results Achieved	1936		1935	
	No. of Cases	Percentage	No. of Cases	Percentage
I. Workers' Demands				
1. Entirely accepted	23	16.55	26	18.4
2. Partially accepted	35	25.18	18	12.8
3. Rejected	11	7.91	18	12.8

II. Employers' Demands				
1. Entirely accepted	2	1.44	5	3.6
2. Partially accepted	1	0.72	2	1.4
3. Entirely rejected	1	0.72	1	0.7
III. Results Not Determined or Unknown..	66	47.48	71	50.4
TOTAL	139	100.00	141	100.0

XI. CHINA AND THE INTERNATIONAL LABOR ORGANIZATION

Increased co-operation between the Chinese Government and the International Labor Organization also was noticed during the year under review. China continued to send full delegations to the International Labor Conferences in 1936–1937. In addition she has enjoyed the privilege of representation on the Governing Body of the International Labor Office for the last three years. It may be recalled that on March 27, 1935, the Legislative Yuan of the Chinese Government ratified the Revised Convention Concerning Protection Against Accidents for Loading and Unloading Workers. In October, 1936, it ratified also the following six conventions: (1) convention concerning the employment of women on underground work in mines of all kinds, (2) convention concerning the repatriation of seamen, (3) convention fixing the minimum age for admission of children to employment at sea, (4) convention fixing the minimum age for admission of young persons to employment as trimmers or stokers, (5) convention concerning seamen's articles of agreement and (6) convention concerning the compulsory medical examination of children and young persons employed at sea.

In April, 1935, the Chinese Government appointed Mr. Pao Hua-kuo to serve as an associate member on the Governing Body of the International Labor Office. For the 19th session of the International Labor Conference held in June, 1935, China sent the following delegates:

(*a*) Government delegates: Mr. Lee Ping-heng and Mr. Pao Hua-kuo
Adviser: Mr. Lo Sze-an
Secretary: Mr. Wang Chi-sen
(*b*) Employers' delegate: Mr. Wang Tse-sen
Adviser: Mr. Koo Ping-yuen
Secretary: Mr Chang Hua-lien
(*c*) Workers' delegate: Mr. Wang Chin-hsia
Adviser: Mr. Wu Wen-tien
Secretary: Mr. Chang Tao-min.

At this Conference an informal discussion concerning the enforcement of Chinese Labor Laws in foreign concessions and settlements in China was held among the British, French, Italian, Japanese, American and Chinese government delegates at the invitation of Mr. Butler, Director of the International Labor Office.

In November, 1935, the Chinese Government again participated in the Seamen's Preparatory Conference. The Chinese delegates were Mr. Lee Ping-heng and Mr. Pao Hua-kuo.

In April, 1936, Mr. Max Eastman, Chief of the Extra-European Section of the International Labor Office made a visit to China and further stimulated the interest of Chinese leaders in the work of the International Labor Organization.

At the 20th session of the International Labor Conference held in June, 1936, China was again represented by the following delegates:

(*a*) Government delegates: Mr. Lee Ping-heng and Mr. Pao Hua-kuo
Adviser: Mr. Lo Sze-an
Secretary: Mr. Hsia Yin-hsih
(*b*) Employers' delegate: Mr. Sun Yui-fang
Advisers: Mr. Wu Tien-yu and Mr. Chu Hsi-tsuin
(*c*) Workers' delegate: Mr. Chu Hsueh-fan
Adviser: Mr. Chao Pan-fu
Secretary: Mr. Yao Ting-chen.

At the 21st session and the 22nd session of the International Labor Conference when the question of seamen's treatment was brought up for consideration, China had the following delegates:

(*a*) Government delegates: Mr. Lee Ping-heng and Mr. Pao Hua-kuo
Adviser: Mr. Lo Sze-an
Secretary: Mr. Fong Chun-feng
(*b*) Employers' delegate: Mr. Wang Tze-kang

Adviser: Mr. Chung Chi-yu
(c) Workers' delegate: Mr. Chao Pan-fu
Adviser: Mr. Yao Ting-chen.

At this conference Mr. Chao took the opportunity to present two recommendations, both of which were adopted. The first recommendation was that the question of equal treatment for native and foreign seamen should be included in the agenda of the conference. The second recommendation presented by Mr. Chao called upon the member states of the International Labor Organization to co-operate with the Chinese Government and the Chinese seamen's unions in abolishing the use of labor contractors.

In November and December, 1936, the International Labor Office convened a conference to deal with questions of wage reduction and hour reduction in the printing industry and chemical industry. Unfortunately, the Ministry of Industry did not send any delegates to participate at these preparatory meetings.

In April, 1937, the International Labor Office convened a world textile conference at Washington, U. S. A. to deal with the question of the reduction of hours in the textile industry. China was represented by the following delegates:

(a) Government delegate: Yin Shan-teh
(b) Employers' delegate: Nieh Kan-yo
(c) Workers' delegate: Chu Hsueh-fan.

At the 23rd session of the International Labor Conference held in June, 1937, China sent the following complete delegation:

(a) Government delegates: Lee Ping-heng and Pao Hua-kuo
(b) Employers' delegate: Nieh Kan-yo
(c) Workers' delegate: Chu Hsueh-fan

AGRICULTURAL ECONOMY

C. C. CHANG (張心一)

I. GENERAL DESCRIPTION

In the last two issues of the *Chinese Year Book* a brief description of the natural environment and economic conditions relating to Chinese agriculture was given. Since then very few new facts have been discovered which would enable the writer to make substantial revisions of what has already been presented. That description may be summarized as follows:

The interaction of both the natural and the economic forces, mainly the former, has divided China into five broad agricultural regions, namely, the grazing region, the spring wheat region, the winter wheat region, the wheat and rice region and the rice region, each of which is characterized by its special crops, fruits and livestock. (For the location of these regions see the map.)

Irrespective of the different forms which it may take in the above-mentioned regions, Chinese farming is a family undertaking. Its land, capital and labor are organized mainly on a family basis. The size of farm, in terms of the area of land cultivated by the farm family, varies greatly from place to place. According to a general survey[1] of the farm households and the area of cultivated land, the average size of farm is 19 mow,[2] or approximately 3 acres, for all of the provinces surveyed. According to sample studies made in different regions the averages are somewhat higher. General observations seem to indicate that 6 acres in the wheat regions and 3.5 acres in the rice region are the upper limits of the average size per farm. Compared with other countries, excepting Japan, the Chinese family farm is the smallest in the world, and this is at the root of China's rural economic troubles.

Farm labor is supplied mainly by the family, men, women and older children working in the field as a rule. Hired labor is necessary for some families. Since there are few other opportunities of employment, a hired man of ordinary strength and experience is usually satisfied with an annual wage of from $20 to $70 if board and room are provided by the employer.

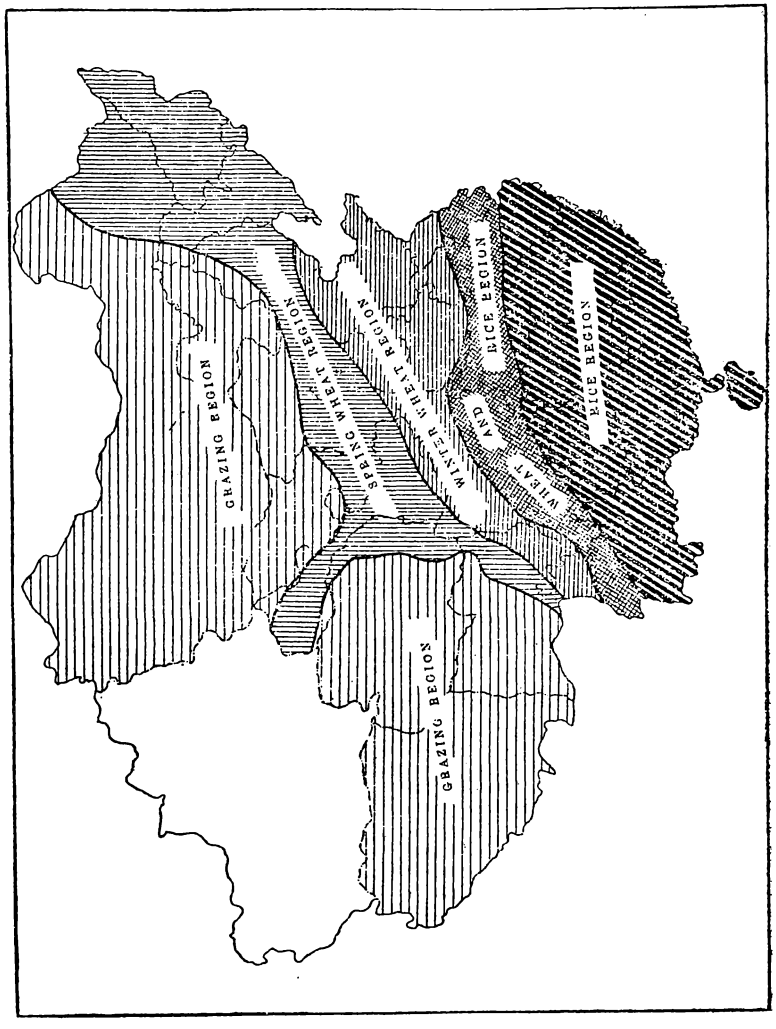
Capital investment varies greatly from farm to farm, but $3,000 per farm is a fairly high estimate for an average. Studies of sample farms showed that 90% of the capital invested is in land and buildings and the remainder in livestock, implements and other farming necessities. Private ownership of farm land is the rule and inheritance is the chief method of acquiring such ownership.

It is the avowed aim of the government to make every farmer own the land he cultivates but so far this is far from being realized, hence tenancy is still prevalent and presents various difficult problems. Estimates from 22 provinces showed that 46% of the farmers owned their land and 29% rented their land, while 25% owned some of their land and rented the rest. There are more owner-farmers in the north than in the south, possibly due to the higher productivity of the land in that region. Rent is paid in a fixed amount of crops by dividing the crops produced in certain percentages or in fixed amounts of cash. According to a general survey the first mentioned method is the most common.

The amount of rent paid varies greatly according to the supply and demand of tenants. In general if

[1] See the secondi ssue of the *Chinese Year Book*, pp.1252–1253.
[2] 15 mow=one hectare; 6.07 mow=one acre.

AGRICULTURAL REGIONS OF CHINA



the landlord provides nothing but the land, the tenant pays 40–60% of the crops produced or 5–12% of the current value of the land in cash.

The tax rate of farm land cannot be determined by the official statistics as the cadastral and tax rolls are unreliable in many districts. According to the reports of the farmers, the average amount paid on the irrigated land is 2.7% of its value, while that paid on non-irrigated land is from 2.9 to 3.1% of its value. It appears certain that legal payment of taxes on farm land is not less than 2.5% of its current value.

The inadequate size of the Chinese farm makes it necessary for members of the farm family to engage in other productive activities besides farming. Even the casual observer can see many varieties of handicrafts, industries and services in which the farmers engage. According to a recent survey[1] the most common supplementary industries are weaving, fuel-cutting, silkworm raising and fishing. The manufacture of paper, implements, bricks and other articles of daily necessity is found wherever there is a cheap supply of raw material and a ready market for the finished products. In the last few decades many rural supplementary industries have dwindled in the face of competition from factory mass production, both at home and abroad. It is this competition that aggravates the seriousness of the rural economic problems in many districts which used to be rich and prosperous.

Simple as Chinese farming is, the financial need of the farm family is great. It was estimated in 1933 that 56% of the farm families had to borrow money and that 48% of them had to borrow grain every year. That at least half of the farmers need loans from year to year for various purposes is rather a conservative estimate. If $20 is taken as an average for each of these loans the total will amount to some $600,000,000, which is not too high an estimate for the total farm indebtedness. Sources of such loans are chiefly the local landlords, merchants, storekeepers and richer farmers themselves. The interest charged are exorbitant in many cases. The common rate being from 20 to 40% annually. If this rate be compared with the 4–8% rate the farmers in foreign countries have to pay, one ceases to wonder why the Chinese co-operative movement, which in recent years has concerned itself mainly with fighting rural usury, has made such spectacular headway.

The above descriptions prove at least one point, namely, that poverty will dominate village life and rural culture will remain at a very low standard unless some drastic and practical methods are adopted to change the present situation. Because the Chinese farmer has too small a farm and too low an income the rent, the land tax and the interest rate are all too high for him to pay, even though they might appear to be reasonable in the case of farmers in other countries. If one has ten loaves of bread one can afford to give away 50% and still have five loaves with which to feed oneself; but if one has only one loaf a payment of 50% leaves one insufficient for a square meal. That is the situation when a Chinese farmer is compared to an American or a European farmer as regards ability to pay rent, taxes or interest.

The permanent solution of this problem lies perhaps in birth control amongst the rural population. Before this is introduced, the scientific prevention of natural calamities such as floods, droughts, insects and pests, and the industrialization of the rural districts, which would absorb the seasonal unemployed farm labor, may go a long way to minimize the seriousness of the problem. Research in agricultural sciences, promotion of rural co-operation and execution of proper rural financing will in time contribute valuable services to the farmer, but they cannot effect a permanent solution of the fundamental problem.

II. AGRICULTURAL SITUATION IN 1936

The year 1936 was by far the best year for the Chinese farmers as a whole since the Great War. Bumper crops and high prices for farm products were the foundation of this comparative prosperity, but improvement of peace and order and transportation facilities contributed their share. A few statistical comparisons may be made as follows:

A. Crop Production.—The estimated acreage and production of the most important field crops are shown in the tables on pp. 780–783. A condensed table may be given as follows:

[1] Crop Report, Vol. IV, No. 11.

PRODUCTION OF FOOD AND COTTON CROPS COMPARED
(in Millions of Piculs)

Region*	Food Crops†			Cotton		
	1936	Average 1933–35	Per cent of increase (+) or decrease (−)	1936	Average 1933–35	Per cent of increase (+) or decrease (−)
North-West	65,627	65,714	slight	1,087	1,029	+ 6
North Plain	534,141	527,777	+ 1	9,928	6,552	+52
Central Yangtze ..	371,700	305,863	+22	3,465	2,358	+47
East	451,304	376,429	+20	5,270	4,808	+10
South-West	314,490	349,701	−10	—	—	—
South-East	197,219	234,368	−16	—	—	—
TOTAL	1,934,481	1,859,852	+ 4	19,750	14,747	+35

* The provinces included in each region are:
North-West: Kansu, Shensi, Ninghsia, Suiyuan, Charhar
North Plain: Shansi, Hopei, Honan, Shantung
Central Yangtze: Hunan, Hupeh, Kiangsi
East: Anhwei, Kiangsu, Chekiang
South-West: Szechwan, Yunnan, Kweichow
South-East: Kwangtung, Fukien

† Food crops include rice, wheat, corn, kaoliang, millet and potatoes, which are added to grains by taking 10% of their weight.

According to the above table the total production of food crops increased by 4% in 1936 as compared with the average for the three preceding years, while cotton increased by 35%. The unfortunate regions were the South-West and South-East, where drought destroyed their rice crops, especially in Szechwan and Kwangtung. The spectacular increase of cotton production was due rather to the increased yield per mow than to the increased average of plantation.

B. Agricultural Prices.—The prices of most of the agricultural products continued their upward trend in 1936. The following table compares the price changes in some of the more important products.

WHOLESALE PRICES OF AGRICULTURAL PRODUCTS IN SHANGHAI (in Chinese Dollars Per Picul)

Products	Season	1936	Average 1933–35	Comparison (1933–35 Average Being 100)
Wheat	July-December	5.44	3.69	147
Cotton	Sept.-December	40.49	35.27	115
Rice*	Sept.-December	10.01	9.68	110
White Silk	May-December	868.00	769.00	113
Green Tea	May-December	30.10	38.96	77
Brown Sugar	All year	11.93	12.17	98

* Unit 1.80 picul.

According to the above table wheat prices rose 47%, cotton 15%, rice 10%, and silk 13% as compared with the average prices for the three preceding years. Tea and sugar prices fell away somewhat but compared with 1935 both rose by about 10%.

ESTIMATED ACREAGE AND PRODUCTION

(*Acreage in 1,000 shih mow*)

Provinces	Wheat				Barley			
	Acreage		Production		Acreage		Production	
	1936	1931-35 Average	1936	1931-35 Average	1936	1931-35 Average	1936	1931-35 Average
Chahar	1,830	2,705	2,382	2,719	2,361	2,759	3,542	3,326
Suiyuan	3,423	2,180	2,973	2,100	929	913	959	946
Ninghsia.. ..	266	284	370	378	105	93	193	167
Chinghai	2,590	2,456	3,577	4,307	1,559	1,541	1,969	2,557
Kansu ..	7,417	6,672	7,887	7,279	1,711	1,263	2,006	1,327
Shensi	14,594	12,790	17,758	15,802	2,677	3,205	3,614	4,040
Shansi ..	18,394	17,616	19,151	17,311	2,871	3,200	2,921	2,980
Hopei	29,730	34,889	30,656	41,240	3,434	6,058	4,713	8,007
Shantung	51,730	52,674	71,021	74,636	4,817	5,092	7,071	7,453
Kiangsu	32,108	33,332	54,752	60,879	16,250	15,348	27,156	27,226
Anhwei ..	19,829	19,911	33,729	28,859	6,648	6,964	11,084	10,681
Honan ..	61,425	59,738	105,414	85,343	10,491	10,906	19,047	15,472
Hupeh ..	17,072	14,737	30,122	25,968	13,413	14,007	22,207	21,777
Szechwan	16,221	14,946	38,395	37,362	12,950	11,867	30,633	28,298
Yunnan	3,782	3,431	7,195	5,992	2,183	1,899	3,884	3,069
Kweichow	3,014	2,610	5,854	4,949	2,830	2,349	4,808	4,196
Hunan ..	3,765	3,249	5,816	5,089	2,020	1,803	2,925	2,548
Kiangsi ..	5,189	6,168	6,386	8,068	3,034	2,991	3,214	3,477
Chekiang	7,480	7,595	9,951	10,611	4,313	4,498	5,905	7,066
Fukien	3,546	3,042	5,225	4,829	1,742	1,597	2,726	2,622
Kwangtung	2,136	1,836	2,941	2,280	1,763	2,002	2,171	2,242
TOTAL	305,541	302,861	461,555	446,001	98,101	100,355	162,748	159,477

OF IMPORTANT WINTER CROPS

(*Production in 1,000 shih tan*)

Peas				*Broad Beans*				*Rapeseeds*			
Acreage		*Production*		*Acreage*		*Production*		*Acreage*		*Production*	
1936	*1931-35 Average*	*1936*	*1931-35 Average*	*1936*	*1931-35 Average*	*1936*	*1931-35 Average*	*1936*	*1931-35 Average*	*1936*	*1931-35 Average*
517	578	642	625	507	320	839	484	578	622	385	252
1,127	1,437	1,041	1,368	864	711	742	716	757	1,382	385	877
404	302	472	469	8	9	31	12	—	16	—	—
896	905	974	1,357	375	468	674	889	502	464	334	479
1,465	1,196	1,591	1,163	307	206	441	208	900	749	609	459
2,115	2,120	2,436	2,208	167	116	183	111	1,799	2,291	810	1,162
2,781	3,560	2,426	3,058	962	1,332	889	1,230	1,943	1,872	1,230	1,125
889	1,287	997	1,314	337	306	302	307	1,275	1,318	674	687
1,851	2,137	2,186	2,543	216	258	185	220	552	549	566	521
4,221	5,359	5,709	6,337	4,551	4,858	6,400	7,207	3,961	3,746	3,867	3,350
3,479	3,475	4,941	4,124	1,281	1,459	1,716	1,912	3,492	3,900	3,307	3,423
6,684	6,672	11,284	9,151	458	364	615	469	2,380	1,654	1,846	1,092
5,052	5,279	6,486	6,801	5,069	5,071	6,900	6,899	4,073	3,864	3,173	2,867
9,798	8,113	17,968	14,672	8,117	7,815	16,319	16,042	12,545	10,836	14,877	12,936
1,958	1,810	2,789	2,353	5,964	5,544	9,615	9,907	1,611	1,309	1,518	968
1,259	1,291	1,621	1,614	1,338	1,220	1,791	1,665	3,063	2,356	2,396	1,851
2,027	2,115	1,484	1,689	4,215	3,369	6,453	4,797	6,029	6,031	4,465	4,864
2,022	1,866	1,428	1,368	2,025	2,108	2,252	2,316	6,346	6,900	4,195	5,714
1,794	2,190	1,399	1,930	4,495	4,278	5,254	5,424	5,260	5,080	3,489	3,993
606	528	441	472	161	139	237	195	900	500	552	355
1,093	1,234	781	879	388	405	415	475	946	989	894	822
52,038	53,460	69,096	65,495	41,805	40,356	62,253	61,485	58,912	56,428	49,572	47,797

ESTIMATED ACREAGE AND PRODUCTION OF IMPORTANT SUMMER CROPS

(*Acreage in 1,000 shih mow*) (*Production in 1,000 shih tan*)

Provinces	Rice				Kaoliang				Millet				Maize			
	Acreage		Production		Acreage		Production		Acreage		Production		Acreage		Production	
	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average
Chahar	247	—	335	—	3,665	3,001	6,911	4,749	3,367	3,023	4,770	3,967	328	304	515	438
Suiyuan	—	—	—	—	940	1,484	1,076	2,086	1,556	1,779	1,380	1,949	146	95	192	102
Ninghsia	95	94	105	92	68	59	115	99	215	222	373	357	35	36	56	55
Chinghai	—	—	—	—	—	—	—	—	180	197	213	188	13	12	25	16
Kansu	48	52	96	82	1,598	1,332	2,484	2,112	2,781	2,799	4,327	4,173	1,648	1,224	3,079	2,356
Shensi	988	1,131	3,029	3,170	1,330	1,439	2,508	2,077	2,982	3,279	4,221	4,367	2,339	2,462	4,176	3,786
Shansi	71	101	53	74	5,644	7,382	8,251	9,780	11,280	11,620	15,484	15,457	3,966	4,002	5,935	5,666
Hopei	1,004	1,294	1,824	2,506	12,454	13,254	24,279	20,059	17,773	18,126	36,171	30,727	15,728	13,950	27,564	23,668
Shantung	194	181	211	159	16,701	18,281	42,514	38,513	15,992	16,535	39,644	37,228	8,205	9,111	14,838	17,154
Kiangsu	25,845	21,536	106,126	76,502	5,640	5,397	13,749	9,972	1,202	1,461	2,778	2,836	6,059	5,809	13,657	12,429
Anhwei	15,070	14,722	55,006	38,369	4,817	4,236	10,749	6,790	403	322	685	351	900	1,388	2,050	2,225
Honan	2,827	1,599	7,313	3,568	12,347	13,072	22,509	22,370	13,406	15,984	16,416	25,014	9,760	9,718	9,084	13,601
Hupeh	21,428	23,828	71,902	69,094	2,066	2,433	4,683	4,501	2,304	1,908	3,814	2,666	1,922	1,206	4,499	1,741
Szechwan	35,997	39,456	119,402	160,017	4,836	4,146	11,179	11,601	1,097	791	1,866	1,401	9,956	9,942	20,220	28,285
Yunnan	9,442	10,572	30,970	33,969	374	539	664	879	341	419	490	656	4,549	4,975	7,350	6,881
Kweichow	7,129	7,671	18,999	22,097	286	368	661	747	211	236	425	413	2,247	2,132	5,519	4,889
Hunan	24,707	25,046	114,300	92,246	381	346	705	601	263	187	358	204	603	537	1,375	1,014
Kiangsi	23,018	18,436	84,476	59,092	118	55	178	74	649	843	962	1,215	116	64	181	93
Chekiang	23,123	23,490	87,231	75,496	153	200	168	248	316	385	346	516	1,114	869	1,911	1,531
Fukien	12,396	11,031	46,248	40,344	35	23	34	22	451	661	526	856	21	10	66	21
Kwangtung	41,866	47,485	123,376	164,169	96	82	115	93	194	266	238	333	190	182	310	304
TOTAL	245,495	247,725	871,002	841,046	73,549	77,129	153,532	137,373	76,963	81,043	135,487	134,874	69,845	68,028	122,602	126,255

ESTIMATED ACREAGE AND PRODUCTION OF IMPORTANT SUMMER CROPS

(*Acreage in 1,000 shih mow*) (*Production in 1,000 shih tan*) (*Continued*)

Provinces	Soy Beans				Cotton				Peanuts				Tobacco			
	Acreage		Production		Acreage		Production		Acreage		Production		Acreage		Production	
	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average	1936	1931–35 Average
Chahar	779	716	792	735	—	—	—	—	—	41	—	—	24	19	15	24
Suiyuan	402	370	400	330	—	—	—	—	—	16	—	—	72	79	110	103
Ninghsia	29	22	48	41	—	—	—	—	—	—	—	—	—	—	—	—
Chinghai	23	26	—	—	—	—	—	—	—	—	—	—	14	16	29	23
Kansu	598	543	783	723	110	209	24	60	1	1	1	1	354	340	498	430
Shensi	696	882	809	898	4,883	3,701	1,063	820	106	147	190	268	349	344	455	373
Shansi	1,410	1,862	1,476	1,920	2,678	2,643	733	612	83	107	155	222	364	401	361	503
Hopei	4,502	5,170	5,790	6,702	10,623	9,057	4,186	2,645	3,452	3,599	8,143	9,065	335	427	491	523
Shantung	20,072	19,517	35,441	31,614	6,239	5,240	2,554	1,715	4,407	4,411	13,232	12,951	769	773	1,620	1,559
Kiangsu	12,166	13,431	23,491	21,749	11,166	11,922	3,644	3,626	2,081	2,212	6,467	5,974	56	112	84	176
Anhwei	5,057	6,363	8,769	7,803	2,137	1,763	785	493	1,108	1,207	2,608	2,165	309	317	480	362
Honan	10,811	11,731	10,304	15,301	8,553	6,517	2,455	1,670	2,386	2,361	5,087	5,796	993	708	1,495	1,192
Hupeh	2,463	2,799	4,322	4,256	7,681	5,828	2,777	1,612	673	883	1,798	2,061	367	275	645	423
Szechwan	4,210	4,448	8,169	10,341	2,792	2,416	755	724	2,259	2,434	4,946	5,582	1,821	2,030	2,763	3,520
Yunnan	1,691	2,219	3,785	4,909	153	126	40	36	156	114	294	211	340	207	354	265
Kweichow	1,265	1,142	2,512	2,247	261	260	78	69	300	301	911	870	591	544	1,178	1,064
Hunan	1,170	901	2,123	1,520	1,371	1,429	439	399	504	545	1,136	1,078	661	691	678	699
Kiangsi	2,634	2,775	3,885	3,942	868	1,148	249	290	880	574	2,345	1,140	282	162	387	210
Chekiang	2,487	2,595	3,107	3,393	2,023	1,656	841	512	247	325	477	541	237	234	384	363
Fukien	688	823	1,157	1,359	39	34	10	8	638	716	1,295	1,457	131	149	268	260
Kwangtung ..	679	590	1,057	1,039	38	45	6	8	1,808	1,700	3,537	3,109	185	177	378	368
TOTAL	73,832	78,925	118,220	120,822	61,615	53,994	20,639	15,299	21,089	21,694	52,622	52,491	8,254	8,005	12,673	12,440

These are the terminal market prices. If the farm prices are considered the increase must be still greater, because during the period of rising prices they rise more rapidly in the country than in the city.

Many reasons may be cited for the rise of agricultural prices but the influence of the new currency system and the tendency towards economic recovery in foreign countries were the fundamental causes.

C. Foreign Trade in Agricultural Products.—Foreign trade in agricultural products also showed a favorable trend in 1936. We may first review the imports.

QUANTITY AND VALUE OF THE MOST IMPORTANT AGRICULTURAL PRODUCTS IMPORTED

Products	*1936*		*Average 1933–1935*	
	Quantity 1,000 quintals	*Value 1,000 dollars*	*Quantity 1,000 quintals*	*Value 1,000 dollars*
Cotton	407	36,147	1,387	76,512
Rice & Paddy	3,103	26,736	15,702	101,938
Wheat	1,168	11,848	10,199	51,553
Flour	310	4,669	1,576	13,602
Tobacco	11,831	14,998	2,983	21,844
TOTAL	—	94,398	—	265,449

According to the above table the annual average imports of the listed agricultural products amounted to 265 million dollars in 1933–1935 and in 1936 the total dropped to 94 million dollars. There was a decrease of 171 million dollars, or nearly 65%. This decrease was due to the larger price differentials in 1936 as compared with the previous years. These differentials are presented in the following table:

ANNUAL PRICE DIFFERENTIALS BETWEEN THE CHINESE AND THE FOREIGN AGRICULTURAL PRODUCTS

Product	*Unit*	*1936*			*Average 1933–35*		
		Foreign Product	*Chinese Product*	*Differential*	*Foreign Product*	*Chinese Product*	*Differential*
Rice	1.80 piculs	10.98	10.42	0.56	9.51	9.48	0.03
Wheat ..	1.00 ,,	6.03	5.09	0.94	4.28	3.60	0.68
Cotton ..	1.00 ,,	60.41	42.67	17.74	48.45	35.63	12.82

The above table shows that for the same kind, quality and quantity, foreign rice sold at an average of three cents higher than Chinese rice and in 1933–1935 and in 1936 it had to sell at 56 cents higher in order to pay the importing expenses and get some profit. In the same way wheat price differential rose from 68 cents in 1933–1935 to 94 cents in 1936, while cotton

price differential rose from $12.80 in 1933–1935 to $17.74 in 1936. Causes of the increase of these price differentials are to be found mainly in the new foreign exchange rate and the rising of agricultural prices in foreign countries. But no matter what the causes may be this situation favors the substitution of foreign agricultural products by domestic produce and that in turn causes a decrease in the amount of imports.

Agricultural exports as shown in the following table also registered a considerable improvement in 1936:

QUANTITY AND VALUE OF AGRICULTURAL PRODUCTS EXPORTED

Product	*1936*		*Average 1933–35*	
	Quantity 1,000 quintals	*Value 1,000 dollars*	*Quantity 1,000 quintals*	*Value 1,000 dollars*
Animals	—	7,747	—	8,754
Bristles	52	25,304	61	14,346
Egg Products	632	35,756	—	28,302
Fresh Eggs	380	5,726	310	4,552
Beans	1,134	8,278	1,155	5,667
Bean Cake	214	1,654	35	153
Bean Oil	6	230	—	—
Peanut Oil	311	11,012	338	6,811
Wood Oil	867	73,379	1,021	32,687
Peanuts	749	10,939	2,024	33,150
Tea	373	30,662	617	33,311
Cotton	670	34,441	834	27,182
Flour	1,832	8,325	134	4,578
Silk	—	43,635	—	42,415
TOTAL	—	297,088	—	225,239

According to the above table the average total annual export of the listed agricultural products amounted to 225 million dollars in 1933–1935 and rose to 297 million dollars in 1936. There was an increase of 72 million dollars, or 32%. The causes of this increase are again attributable to the Chinese currency changes and the world economic recovery.

D. Farm Purchasing Power.—"It is estimated that the annual income from sales of wheat, rice, kaoliang, millet, cotton, tobacco, etc. averaged 3,900 million dollars in 1933–1935 and it might have increased to 5,600 million dollars in 1936, an increase of 1,700 million dollars, or 44%. If wool, silk, tea, wood oil, peanuts, and other minor products are included in

our calculation the total increase in 1936 would be nearly 2,000 million dollars. This figure might indicate the extent to which the agricultural purchasing power was increased in 1936 over the three preceding years. The effect of this increase is already being felt in the revival of domestic trade."[1]

E. Rural Co-operation and Finance.—Recent estimates by the National Agricultural Research Bureau at Nanking showed that at the end of 1936 there were 37,000 rural co-operatives with a total membership of 1,644,000 people as compared with 26,000 co-operatives having 1,000,000 members at the end of 1935. There was an increase of 50% in the number of societies and an increase of 60% in the number of members.

The total amount of loans made to these co-operatives by banks and institutions were approximately 40 million dollars in 1936 as compared with 25 million dollars in 1935.

The celerity with which the rural co-operatives are organized and financed by the banks has often been criticized by co-operation experts, both Chinese and foreign. Purely from the standpoint of the co-operative movement, their criticisms are more than justified, but if the actual need of the Chinese farmers are given first consideration the speed should be doubled or trebled. With proper training and supervision of the co-operative leaders this movement can be speeded up without destroying the foundation of co-operation.

[1] Bank of China Report, 1936.

RURAL RECONSTRUCTION

LEONARD S. HSU (許仕廉)

Rural reconstruction is one phase of the national reconstruction movement in China. In spite of the popular interest in the subject, only a small beginning has been made with serious work. The term refers generally to a variety of efforts aimed at advancing or directing the social and economic development of the rural population. These efforts may be national or provincial, official or private, progressive or conservative; and most of them have been initiated only since 1931.

Institutions that are interested in rural reconstruction may be divided into two main classes, private and governmental, although in many cases the demarcation is not clear. As a rule, the private institutions furnish the initiative and preliminary exploring and experimentation and governmental institutions place their emphasis upon extension and standardization.

I. PRIVATE INSTITUTION FOR RURAL RECONSTRUCTION

The private institutions may be divided into four categories, namely:

(*a*) isolated attempts at establishing so-called "model villages" by individual welfare workers, and isolated village self-government associations operated by groups of village workers;

(*b*) social agencies, both national and local, primarily interested in rural service;

(*c*) universities, colleges, agricultural schools and rural normal schools primarily interested in rural research and in the training of rural reconstruction personnel;

(*d*) industrial and banking houses interested in the extension of their business to rural regions.

A. "Model Villages" and the Village Self-government Associations.—Isolated attempts at establishing village centers, commonly known as "model villages" represent perhaps the earliest type of rural reconstruction. One of the characteristics of the "model village" type is the personal leadership in the program, The program is usually conducted in accordance with the personal ideals of a leader. It is often financed by him or by contributions obtained through his solicitation. The approach may be a committee of village elders, or a rural improvement society, or a rural schools, through which, it is hoped, a "model village" may be created. If the attempt does not meet with success the project is often abandoned ultimately. If the attempt is successful it naturally draws more interest from the local population. Eventually more local leaders share with the original promoter the planning, financial and administrative responsibilities. Then the one-leader rural center evolves into a village self-government association.

Checheng-ts'un—The rural center in Checheng-ts'un (翟城村), Ting-hsien, Hopei, established by Mi Chien-shan (米鑑三), and his son, Mi Ti-kang (米迪剛), is considered to have marked the beginning of modern rural work in China. It was started in 1904. The center emphasized education and agricultural improvement. For educational service, the Mis helped to establish a boys' school, a girls' school, half-day schools for adult illiterates, parent-teacher meetings, community lectures and village reading rooms. In the way of agricul-

tural improvement the village had a society for forest protection, societies for crop protection and co-operative well-digging. In order to encourage local self-government, a village assembly was organized. The assembly, in turn, appointed a small executive council known as the "village government committee" for the actual management of village affairs.

Village self-government in Chengp'ing—The movement for local self-defense and local self-government in Chengp'ing (鎮平), later in Hsichuan (淅川) and Neihsiang (內鄉) was started in 1927 by Peng Yu-ting (彭禹廷). For village self-defense he organized his famous *min t'uan* (民團) or "people's volunteers." From 1930 to 1933, out of a population of 390,000 in Chengp'ing, 100,000 received the *min t'uan* training. After several successful battles with organized bandits and robbers, Peng turned the bandit infested country into a place of safety and order. For the purpose pf promoting local self-government, all three hsien had originally a joint self-government association, which was divided later into three separate "local reconstruction committees" by order of the provincial government. The self-government association maintained a system of revenue. It brought pressure to bear upon the hsien government to abolish all extra-legal taxes and miscellaneous surcharges. At the same time the association, in order to undertake reconstructional projects as decided upon by the local population, collected dues or assessments. A hsien census was taken and a land survey was completed. The association maintained a hsien factory, an agricultural loan bureau, 30 co-operatives, an afforestation service, a central granary, a trade council and a local ammunition factory.

In the field of education and social service, the association maintained one normal school, one middle school two girls' schools, 260 elementary schools, 369 adult education institutes and circulating libraries, a series of medical clinics, an orphanage, a poor house, an old man's home, a home for the crippled and a central relief organization. Opium smoking, foot binding and infanticide were absolutely forbidden. Popular campaigns such as "no smoking," "buy native goods" and "one price system" were conducted by the association. On March 25, 1933, Peng was assassinated. Since his death, many of these projects have been transferred to the hsien government.

Others centers.—There are many other interesting village centers ranging all the way from the Chechengts'un type to the Chengp'ing type. The Agricultural Improvement Society of Changkouts'un (長溝村) in Wutsin (武進), Kiangsu, the Hsiang Chuan School (香泉學校) in Chihsien (汲縣), Honan, the Shangchints'un center (上井村) in Hochin (河津), Shansi, the colonization settlements in Inner Mongolia, the Rural Improvement Society in Kaoch'iao (高橋), Shanghai, the Village Improvement Association in Tungyuan (東莞), Kwangtung, the Hsin Tsao Farmers' School (新造鄉民學校) in Fanyu (番禺), Kwangtung, and the Hsiaoshan (蕭山) Self-Government Area in Hsiaoshan, Chekiang, are but a few examples.

B. Agencies for Rural Service.—Private social agencies which are interested in rural reconstruction include the Chinese National Association of the Mass Education Movement, the Chinese Vocational Education Association, the China International Famine Relief Commission, the National Christian Council, the Y.M.C.A., the Y.W.C.A., the various mass education institutes and hundreds of local agencies. These agencies are primarily interested in rendering practical service to the rural population. In order to demonstrate the value of rural work special rural centers or demonstration areas are created by these agencies. Tinghsien (定縣), of the Mass Education Movement, Hsukungch'iao (徐公橋) and Huangshu (黃墟), of the Chinese Vocational Education Association, Li Chuan (黎川), of the National Christian Council, Weitingshan (唯亭山), of the Y.M.C.A., the Loyang demonstration area (洛陽實驗區), of the Chinese Social Education Association, Fushan (福山) and Taishan (台山) of the

Y.W.C.A., and Hopei, of the China International Famine Relief Commission, are a few well known examples. A number of mass education demonstration areas have been established also by the various mass education institutes, but most of these institutes are financed and controlled by provincial or hsien governments. Tangshan, (湯山) of Tang Shan Institute, Hsishanchiao (西善橋), of Nanking Institute, Chutien (祝甸) and Tuwu (土屋), of Shantung Provincial Institute, Lingchiachiao (凌家橋), of Chekiang Provincial Institute, and Yut'ang (兪塘), of Yut'ang Institute are some of the highly developed mass education demonstration areas.[1]

To illustrate the rural program of the social agencies, special mention may be made of (1) the Chinese Vocational Education Association, (2) the Mass Education Movement, (3) the China International Famine Relief Commission.

1. *The Chinese Vocational Education Association.*—This Association was founded in 1917. At first the association was chiefly interested in urban vocational training related to industry and commerce. Later it became interested in agricultural education. Not being satisfied with the traditional type of training in the agricultural schools, a community approach to agriculture was proposed. Hence in 1926 a rural center was established in Hsukungch'iao (徐公橋) under the joint auspices of the association, the Department of Agriculture of the Southeastern University, the Chinese Association for the Advancement of Education and the Chinese National Association of the Mass Education Movement. Since then the association has carried on an extensive rural welfare program, including an institute for improving farming implements in Shanghai, rural schools in Shaohsiang (紹興), Yuyao (餘姚), Chinkiang (鎮江) and Shanghai hsien, and rural welfare demonstration centers in Huangshu, Kukaochuang (顧高莊), Tishan (荻山) and Shanghai suburban district.[2]

The program of the various rural centers usually includes three parts, economic, cultural and political. The economic aspect includes agricultural extension, animal breeding, co-operative organization, and local industries. The cultural aspect includes rural elementary schools, mass education classes, youth and group training, civil education and moral training. The political aspect includes military drill, self-policing and local self-government.

2. *The Mass Education Movement.*—The Chinese National Association of the Mass Education Movement was originally interested in the elimination of illiteracy. The famous Thousand Character tests consist of four small volumes, each with 24 lessons, to be completed in about 16 weeks. During the last 16 years, 12,000,000 sets of such texts have been sold. It was soon discovered that a mere knowledge of reading and writing was not sufficient, and that reconstruction must cover the entire process of community life. In 1926 the movement decided to use Tinghsien as their community laboratory for "reconstructional research." In 1930 practically the entire staff of the movement was concentrated in Tinghsien, Hopei. The program included four types of education—literacy education, livelihood education, health education and civic education. The livelihood education consisted of three types of work: the organization of co-operatives, rural industrial service and agricultural extension. These four types of education reached the population through three agencies—the home, the school and the community.

As it was a private institution, the functions of the movement were limited to investigation, experimentation, demonstration and training. As to extension, administration and standardization, the work must be done by

[1] Tinghsien is in Hopei; Hsukungchiao is in Kunshan, Kiangsu; Huangshu is in Chinkiang, Kiangsu; Lichuan is in Kiangsi; Weitingshan is in Soochow, Kiangsu; Loyang is in Honan; Fushan is in Shantung; Taishan is in Kwangtung; Yutang is near Shanghai; Chutien and Tuwu are near Tsinan, Shantung; Lingchiachiao is in Hanghsien, Chekiang.

[2] Shaohsing and Yuyao are in Chekiang; Kukaochuan is in Taihsien, Kiangsu; Tishan is near Shanghai. In 1934 Hsukungch'iao was transferred to the local population.

the Government. In order to find out how the Government could make use of the Tinghsien methods, it was arranged between the Hopei Provincial Government and the Mass Education Movement that Tinghsien should be made an experimental hsien under the direct supervision of the Hopei Institute of Social and Political Reconstruction, with Dr. James Y. C. Yen (晏陽初), the Executive Secretary of the Mass Education Movement, as director.

By 1935 practical experience has revealed two new needs: first, an organic relationship with the universities to assume the responsibility of technical direction in community research; secondly, a spontaneous initiative on the part of the provincial authorities to apply and extend the new methods of rural community reconstruction through the hsien government. To meet the first requirement the North China Council for Rural Reconstruction was organized in 1936 under the joint auspices of the movement and of several universities such as Tsinghua, Nankai, Yenching, P. U. M. C., and the University of Nanking. For the second purpose the movement entered into collaboration with the provincial planning commissions in Hunan and Szechwan on matters of hsien administration and rural reconstruction.

3. *The C.I.F.R.C.*—The China International Famine Relief Commission was formed in 1921 through the consolidation of the seven relief committees in Peiping, Tientsin, Tsinan, Kaifeng, Taiyuan, Shanghai and Hankow which had been created during the great North China drought famine of 1920–1921. Originally these seven committees were interested in emergency relief or the system of free distribution of food and cash to the famine sufferers. Later this system was found to be uneconomical, and a system of "work-relief" was tried. Under this system, famine sufferers could earn food or money by working on some construction project. In this way the sufferers would get relief and at the same time the community would be benefited by permanent improvement.

From 1921 to 1933 the C.I.F.R.C. had built or repaired 4,000 miles of roads, constructed or repaired dikes totalling 780 miles, dug more than 6,000 wells and built canals totalling more than 500 miles, at a total cost of more than $10,000,000. The more important engineering operations included the highway between Yunnan and Kueichow, the canal of Sato-Minshengchu (薩托民生渠) in Suiyuan, the Kinghui Canal (涇惠渠) in Shensi, the Si-Lan motor road (西蘭公路) from Shensi to Kansu, dikes in Kiangsu and Hupeh, and and wells in Hopei.

In 1923 the Commission had launched a new type of activity, namely the organization of rural co-operatives. Hopei was chosen as its demonstration area. From 1923 to 1932 the work was here extended to 69 hsien, with 876 co-operatives, a membership of 24,217 and a share capital of $46,811.60. During and after the Yangtze flood of 1931 the commission helped the government to organize a "farm relief" program in Anhwei, Kiangsi, Hupeh and Hunan. Farmers in the flood areas were taught to organize themselves into "mutual aid" societies. Loans for rural rehabilitation were granted to these societies at a low rate of interest (usually 4%) on the basis of a collective guarantee of members of the same society. Later most of these societies were transformed into regular co-operative societies. Thus the commission, during its 15 years of existence, had followed a practical approach. It began with the negative type of straight relief. Then, realizing the greater importance of famine prevention to famine relief, the commission undertook concrete engineering projects and provided "work relief." Later, the "farm relief" and co-operative program meant an evolution from the physical phase of rural reconstruction to the socio-economic phase.

C. Universities, Colleges, Agricultural Schools and Rural Normal Schools.—Among educational institutions that have pioneered in rural emphasis may be mentioned the Hsiao Chuang School (曉莊學校), the Honan Academy for Rural Administration, the Shan-

tung Institute of Rural Reconstruction, the Hopei Institute of Social and Political Reconstruction, the Peiping Union Medical College, the Peiping Normal University, the Central Political Institute, Yenching University, Nankai University, the Central University, the University of Nanking, Tsinghua University, Cheeloo University, Chekiang University, the Kiangsu College of Education, Min-Hsien College, and the Tsihsiashan (棲霞山) Rural Normal School. Here a number of government schools are included because their emphasis is essentially on academic studies and the training of personnel, not on administration and extension.

The Hsiao Chuang School.—Although the Hsiao Chuang School and the Honan Academy for Rural Administration had a short existence, they had much influence in emphasizing the social conception of education. The Hsiao Chuang School was founded in 1927 by the Chinese Association for the advancement of Education. Shortly before the school was closed by the government it consisted of eight elementary schools, four kindergartens, a number of social education institutes and one experimental normal school. For community services the school maintained a social center known as the "central tea house," a health center, a work shop, a village self-protection corps, a village athletic association, a village fire brigade, and a village political and legal society. Students and faculty themselves participated in farming; and the entire village population participated in school activities.

The Honan Academy for Rural Administration.—The academy was established in 1930 by the provincial Government of Honan. It had two training courses, one for rural teachers and one for rural organizers. There were also two short courses; one for village chiefs and one for village police. The significance of the academy was conception of "rural administration." A group of Confucian scholars believed that village self-government was the foundation of national administration, and that it could be brought about only by an educational process. That process included the training and organization of the rural masses for self-support, self-education and self-defense. In order to propagate this idea a magazine known as the *Rural Administration Monthly* (村治月刊) was founded with Liang Shu-ming (梁漱溟) as its editor. For a time the monthly was ranked as one of the most important magazines in China.

Shantung Experiments on Rural Training.—When the Honan Academy was closed in 1931 a part of its staff went to Shantung and founded the Shantung Institute of Rural Reconstruction. The Shantung Institute, roughly speaking, had three departments—training, research and experimentation. The first department was to train rural school teachers and rural organizers in the *ch'u* (區) or such subdivisions of the hsien. The research department consisted of seminars on rural reconstruction for college graduates or men with some years of administrative experience. The experimental department was to provide practical facilities for student practice and observation. Thus under the department the hsien government of Tsouping (鄒平) was utilized as a field laboratory. The head of the department was usually the magistrate of the hsien.

Later, Hotseh (荷澤) became another experimental hsien under the control of the Institute by the establishment of a branch institute there. As graduates of the training department have increased the experiment has, since 1933, steadily extended to more than 20 hsien. In addition to the institute in Tsouping and a branch institute in Hochai, a provincial training institute was established in Tsining. The unique feature of the Shantung approach has been the peasant school or the village school which is virtually a *ch'u* government plus training functions. Each peasant school covers a population of from 25,000 to 35,000. The staff consists of a principal, a military instructor, an economic instructor, an educational adviser and other officers. In a word, the principal of the peasant school is both the administrative and the educational head of the subdivision of the hsien.

Colleges and Universities.—Among the institutions of higher learning the Peiping Union Medical College, or P.U.M.C., was one of the earliest to give a community emphasis in the teaching of technical science. Theoretically speaking, university teaching of medical science should be divided into two parts, education and service. The educational part should again be divided into pre-clinical training, clinical training and public health. For the P.U.M.C., pre-clinical training is being undertaken by Yenching and other universities. Clinical training is the medical school itself. For public health there is a department of public health and hygiene in the college. The P.U.M.C. hospital is the training hospital for the school. For urban service the school has an arrangement with the city government of Peiping whereby a special public health demonstration area is established in the East City to be used by the school as a practice field. For rural service the school uses Tinghsien as the rural practice field.

The same rural community emphasis may be given to other technical subjects. Thus many universities maintain rural experiment stations to which students are sent to do field work as part of their curricula. In this connection may be mentioned Kiangning (江寧) for the Central Political Institute, Chingho (清河) for Yenching's department of sociology, Wukiang (烏江) for Nanking University, Lungshan (龍山) for Cheeloo University, Shunhuachen (淳化鎮) for the Nanking Theological Seminary, Peihsia (北夏) and Huipei (惠北) for the Kiangsu College of Education, Wench'uan (溫泉) for the Peiping National Normal University and the Sino-Franco University, Lotaochuang (羅道莊) for the college of agriculture of the Peiping National University, Chengju (眞茹) for the Chinan National University, and East Yangchiachuang (東楊家莊) for Min Hsien College.[1] These stations have been established, not for immediate rural betterment, but for the purpose of providing the necessary laboratory facilities for technical training and research. Then function therefore is not practical, but academic

In order to provide a correlated social laboratory for the different sciences, five universities and two field organizations have recently organized a North China Council for Rural Reconstruction. The universities include Yenching, Nankai, Tsinghua and P.U.M.C., and the field organizations include the Mass Education Movement and the Shantung First Administrative Commissioner's Office. The North China Council maintains a rural institute as the working body for training and research in rural reconstruction. The institute has seven departments, namely, those of agriculture, engineering, social medicine, education, economics, social administration and local government. In addition, the institute has two community laboratories, one in Tsining and one in Tinghsien. In Tsining an arrangement has been made with the hsien government whereby the institute may nominate technical personnel to occupy the various government posts. In this way the institute may utilize the government and community facilities for research and training. At the same time each university department is related to the corresponding department in the institute. Thus the department of public health and hygiene in the P.U.M.C. is directly tied up with the department of social medicine of the rural institute.

D. Rural Extension Work by Industrial and Banking Houses: *The Program in Peipai.*—During the last five years a number of industrial and banking houses have taken an active interest in rural reconstruction. One of the outstanding examples is the program in Peipei (北碚), Szechwan, started by the Minsheng Industrial Corporation (民生實業公司). The program has two objec-

[1] Chingho, Wenchuan and Lotaochuan are near Peiping. Peihsia and Huipei are near Wusih. Wukiang is in Hohsien, Anhwei. Lungshan is a rural town along the Kiao-Tsi Railway, Shantung. Shunhuachen is in Kiangning, Kiangsu. Chengju is near Shanghai. East Yangchiachuang is in Shansi.

tives; one is the promotion of productive enterprises, and the other is the consolidation of rural community organization. The former includes many activities related to transportation and factory production such as the steamship line for the Yangtze River, the railway in North Szechwan, the rural telephone service, the cement factory, the power station, the coal companies, the ice factory, the salt mine, the textile factory and experimental farming, etc. The latter includes activities related to general culture and social security, such as the institute for scientific research, the testing laboratory, the zoological garden, the industrial museum, the rural bank, consumers' co-operation, the rural community library, the community athletic ground, the public park, the community hospital, the community newspaper, the experimental community school and the organization of local volunteers for self-protection.

The Banks.—The banks are largely interested in promoting rural credit and co-operative marketing. The Shanghai Commercial and Savings Banks maintains a special department of agriculture. This department is charged with such functions as assistance to farmers in organizing co-operatives, the extension of loans to credit and marketing co-operatives and the operation of agricultural warehouses. Another example is the Kincheng Banking Corporation, which at present was two major rural projects: (1) cotton improvement and marketing in North China, and (2) participation in the agricultural and fishing consortiums. In North China the bank, in co-operation with Nankai University and other institutions, organized a North China Agricultural Improvement Society. It issues four kinds of loans to cotton co-operatives, namely, for production, utility, marketing and well-digging. In Central China the Kincheng Banking Corporation is one of the nine banks sponsoring the China Agricultural Co-operative Credit Consortium. The consortium lends to rice, wheat and cotton farmers in Anhwei, Shansi Shansi and other provinces. On the whole the main purpose of commercial banks in rural financing is to help their own business by helping the farmers, and to help the farmers by giving them cheaper credits than they can get from the village usurers. To them rural reconstruction is considered a new outlet for business.

According to recent statistics there are in China 32 agricultural and industrial banks. The primary function of these banks, according to the present banking law, is to finance agriculture, forestry, reclamation, irrigation, water conservancy, mining and industries. Due to the absence of specialization in Chinese banking, many commercial banks, as already noted, participate in the field of rural credit. Recently the Savings Bank Law which prescribes that not less than 20% of the deposits of these banks must be applied towards the extension of agricultural loans, has greatly stimulated activities in the rural field. The usual way in which banks extend credit to rural communities is through the co-operative societies, which in turn extend credit to the individual farmers. Loans to farmers are utilized mostly for fertilizers, draught animals, farm implements, seeds, irrigation and food. The banks most active in the rural credit field, in addition to Kincheng and Shanghai, are the Bank of China, the Bank of Communications, the Farmer's Bank of China, the Postal Savings Bank and the Kiangsu Farmers' Bank. The Farmers' Bank of China especially is playing an important role in rural credits. Originally organized in 1933 as the Four Provincial Farmers' Bank for Honan, Hupeh, Anhwei and Kiangsi, this bank changed to its present name in 1935. It is capitalized at $10,000,000 and is intended to serve primarily as a farmer's bank. Towards the end of 1935 it received special permission from the National Government to issue new notes to the extent of $100,000,000 at least half of which is to be employed for rural credits an mortgage loans.

II. GOVERNMENT INSTITUTIONS FOR RURAL RECONSTRUCTION

The governmental institutions that are interested in rural reconstruction may be grouped under three categories, namely:

(a) organizations for a temporary nature that have made important contributions to rural reconstruction;
(b) organizations in the National Government participating in rural reconstruction;
(c) provincial and hsien governments making special contributions to the development of rural reconstruction.

A. Special Governmental Organizations.—Three special governmental organizations—the National Relief Commission, The Rural Rehabilitation Committee of the Executive Yuan, and the Headquarters of the Commander-in-Chief for the Suppression of Bandits of the National Military Council—have had an important influence in promoting government interest in rural reconstruction, although these organizations no longer exist.

National Flood Relief Commission.—The great Yangtze and Huai river flood of 1931 affected 25,000,000 people, including 140,000 drowned in water, in five Yangtze provinces with a total flooded area of 70,000 square miles and an aggregate material loss of two billion dollars. In order to meet this emergency the National Government organized the National Flood Relief Commission, with Mr. T. V. Soong, former Minister of Finance, as chairman. Under Mr Soong's efficient administration, the Commission performed the titanic task of administering relief both tn cash and in kind amounting to $70,000,000. Relief work was extended to 269 hsien, free relief being granted to nearly 5, 000,000 persons and camp relief to 1,000,000 persons. Half a million suits of winter clothing were distributed, medical help was extended to 2,500,000 people, and loans for farm rehabilitation were granted to 360,000 farmers. Some 2,800,000 persons were employed on labor projects, and, including the families of laborers, at least 10,000,000 persons received relief from the commission.

The success of the commission was a vivid demonstration of the value of governmental rural reconstruction on a national scale based upon modern technology and organization. Its influence was far reaching. First, it has shown that the National Government could co-ordinate and integrate scattered private and governmental forces throughout the country for one great national program, provided it were well planned. Secondly, the medical relief and farm relief programs of the commission laid a good foundation for present governmental work in rural health and agricultural co-operation. Thirdly, the technical collaboration between the commission and the League of Nations paved the way for more permanent and extensive technical collaboration between the League and China. This technical collaboration led to the organization of the National Economic Council under the National Government.

Rural Rehabilitation Committee of the Executive Yuan.—This committee was established by order of the Executive Yuan in May, 1933, with President Wang Ching-wei as its chairman. It was not intended to be an executive or administrative organ but its two functions were: first, to conduct special studies and surveys in rural reconstruction, and to make recommendations to the Executive Yuan for possible action; and secondly, to serve as a central co-ordination and promotional agency directly under the national cabinet for all governmental and private forces in rural reconstruction. During its short existence of less than three years, the committee, through its conferences, pronouncements, recommendations and publications, had helped more perhaps than any other national organization to make the whole country, so to speak, "rural reconstruction conscious". Moreover, the committee was instrumental in causing expansion of the National Agricultural Research Bureau, in the creation of the Rice and Wheat Improvement Institute in the Ministry

of Industry, in launching an extensive program of agricultural relief and co-operation in Hopei and Chahar, in sponsoring the national co-operative conference, in establishing a national system of agricultural extension, in the creation of the grain marketing bureau in the Ministry of Finance, and in pushing forward reforms in taxation, resulting in the calling of the second national finance conference.

The Headquarters of the Commander-in-Chief for the Suppression of Bandits of the National Military Council.—The communists rebelled in 1927, but no systematic campaign was launched against them until late in 1930. In 1931 a central soviet government was established by the communists in Juichin (瑞金), Kiangsi. Between 1931 and 1935, the Communists extended their influence to nine provinces and made wide propaganda about agrarian reforms. In connection with his campaigns against the communists, at the peak of which in 1932 more than 700,000 government troops were engaged, General Chiang Kai-shek announced his new policy that the anti-communist campaigns must be based on 70% political, and 30% military methods. As a result, under his energetic guidance, an extensive program of rural reconstruction and better local government was instituted.

The political measures which he took in the areas under the military control included, first of all, the enforcement of the *pao-chia* system (保甲制度), a system of local policing and self-government hased on small units of 10 families (a chia) or of 100 families (a pao). The householders elected leaders with administrative and minor judicial functions. The distinctive feature of the system was the guaranteeing by the whole unit of each of its members and joint responsibility for the misdeeds of an individual. Other measures included the improvement of hsien administration so as to bring about its subordination to the National Government, the adjustment of the agrarian situation through the establishment of farmer's banks and rural co-operatives, the enforcement of economic blackades of the sovietized areas, the construction of roads in the regions adjoining the sovietized areas in order to facilitate troop movement, and, finally, the opening of special citizenship schools and the extension of other means of political propaganda aming at demoralizing the Communist Party and the Red Army. From the standpoint of technical rural reconstruction, one of the permanent contributions made by the Government during the anti-communist campaigns in Central China between 1930 and 1935 was the special training of the magistrates and the incorporation of social and economic projects in hsien administration, as a part of national policy for political unification.

B. Rural Reconstructional Programs in the National Government: *The National Economic Council.*—Since its formal establishment in November, 1933, the National Economic Council has been the most active agency in promoting highway construction and hydraulic engineering, for which the Council has maintained two special technical bureaus. The first undertaking of the council was to create an interprovincial road system in the three provinces of Kiangsu, Anhwei and Chekiang known as the three-province project. Later this program was extended to include Kiangsi, Hupeh, Hunan and Honan, and thus became known as the seven province project. In 1934 Fukien was added to the interprovincial system. In the Northwest the council has undertaken the construction of three main highways through Shensi, namely, the Sian-Lanchow, the Sian-Hanchung, and the Hanchung-Ningchiang lines. In the improvement of hydraulic works, a very significant reform was affected in 1935 by centralizing water conservancy administration under the Council. As a result of this reform the council abolished all rebundant conservancy institutions and merged a number of small organizations into a few large ones. The important activities in the field of water conservancy have been flood prevention by the reinforcement or construction of dykes along the Yellow River, the Yangtze, and the Yungting

River, irrigation systems in the Northwest, dam construction at Chiangpa on the hungtze lake on the Kiangsu-Anhwei border, the reclamation project in Kingshui, near Hankow, the deepening of the Grand Canal, and the building of the three gigantic locks to facilitate navigation in the canal. In the field of agricultural improvement, the council had done extensive work for cotton, silk and production, for tea, animal husbandry in the Northwest, for rural welfare in Kiangsi, and for agricultural co-operation in Kiangsi, Anhwei, Hupeh and Hunan, but all of these projects have been or are being transferred to the Ministry of Industry. The Council has also conducted studies on land tenure and light industries. In the field of health, the council has maintained a central Field Station, and confined its activities to technical research and extension. Finally, the council has served as the chief liaison office for technical co-operation between the League of Nations and China.

The Ministry of Industry.—Six of the nine departments in the Ministry of Industry are related to rural reconstruction, namely, agriculture, animal husbandry, forestry, co-operation, labor and industry. In addition, a large number of special bureaus under the ministry belong to the primary fields of rural reconstruction, these including the National Agricultural Research Bureau, the Rice and Wheat Improvement Institute, the Agricultural Extension Committee, the Committee for Testing of Native Goods, the Rural Credit administration, the Central Industrial Research Bureau, and the various bureaus for testing and inspecting of commodities in Shanghai, Hankow, Tientsin and elsewhere.

While he was Minister of Industry, Mr. Chen Kung-po (陳公博) made two important contributions to rural reconstruction. One was the promotion of government research in technical agriculture by the expansion of the National Agricultural Research Bureau. The other was the adoption of a national co-operative policy. It was largely due to his leadership that the national co-operative conference was called, that a technical co-operative commission was created under the National Economic Council, and that a department of co-operation was established in the Ministry of Industry. Since Mr. Wu Ting-Chang (吳鼎昌) assumed office as Minister of Industry, further development has been made in the field of insect control, animal husbandry, fishery, testing and standardization of agricultural products, and in-service training of provincial and hsien workers in agricultural extension, animal husbandry and co-operative organization. To facilitate agricultural marketing, the $60,000,000 dollar rural credit administration (農本局) has been active in establishing a net-work of co-operative treasuries in the provinces and hsien.

In this connection it may be said that, according to the present policy of the government, heavy industries such as iron and steel, oil, coal, automobile manufacturing, electric industry, etc. will be developed largely under state auspices by the National Resources Commission. Light industries and rural industries will be left largely to private efforts to which the government may extend aid whenever necessary and possible. China expects to give a balanced emphasis to agriculture and industry because agriculture will always remain the basic economy of the country, and the main objective of the industrialization program will be self-sufficiency, not foreign marketing. In te field of agricultural improvement, the emphasis is to be placed first upon improvement of crops and animal breeding, secondly upon standardization of agricultural produce, thridly upon development of agricultural credits, fourthly, upon improvement of rural industries, and fifthly upon nationalization of marketing for agricultural and rural industrial products. While the National Resources Commission takes care of heavy industries, the Ministry of Industry is largely interested in light industries, rural industries, and agricultural improvements.

The Ministry of Finance.—Very few writers on rural reconstruction have emphasized the vital relationship

between currency system and rural welfare. Yet in 1931-21, the appreciation in the value of silver—due largely to changes of currency policy in Great Britain, Japan, and the United States—was the most serious problem for rural China, since it caused a steady decline of agricultural prices, a fall of internal trade, a continuous drain of capital from the rural districts to the cities, and a mass exportation of silver from China. The depression was so serious that a general economic collapse was expected at any time. The monetary reforms initiated since November, 1933 by the Ministry of Finance under the leadership of Dr. H.H.Kung have checked the depression, stabilized the agricultural prices, and laid the financial foundation for national rural reconstruction.

Another major contribution made by the Ministry of Finance to rural reconstruction has been the reduction of rural taxation. In June, 1934, the Ministry called the second national finance conference with a view to devising ways and means of reducing the farm surtax and abolishing exorbitant levies and miscellaneous taxes. Subsequently the National Government issued a mandate enjoining the abolition of exorbitant levies and miscellaneous taxes as from July, 1, 1934. At the same time the Government provided means to compensate the loss of revenue to the provincial and local governments as a result of the reform, for example, the entire revenue from the Tobacco and Wine License Tax was assigned to the local governments. In the ministry a special committee was established to assist and report on the carrying out of the program of tax reform. The reform has fulfilled the expectations of success in spite of many difficulties. Between July, 1934 and August, 1935, for instance, 5000 items of exorbitant levies and miscellaneous taxes amounting to more than $49, 000,000 were abolished.

Along with the tax reforms the ministry effected two other reforms in 1934–35. The first was the institution of a budgetary system in 1,089 hsien, representing 57% of China's 1,941 hsien, including those in the four Northeastern provinces; the second was the registration of land ownership as the first step in land tax reform in many provinces in the Yangtze valley and the northwest. Moreover, the ministry has been active in promoting food control, reclamation of waste areas, opening granaries and in encouraging the commercial banks to take up rural loans, as well as in the enforcement of the Savings Bank Law. It has been estimated that the agricultural loans outstanding at the end of 1936 amounted to more than $100,-000,000.

The Ministry of Interior.—The Ministry of Interior should be the most important co-ordinating agency for rural reconstruction. First, the Ministry is the supreme executive organ on the local administration; the hsien government is the basic political unit through which technological improvements can be extended to the people. Secondly, the ministry has a wide range of specific functions related to rural reconstruction, such as land administration, police administration, ceremonies and customs, colonization an frontier settlement, city and rural planning, census-taking, election, social welfare, famine and poor relief, copyright and public works.

During the last five years the Ministry has made these three special contributions to rural reconstruction: first, the establishment of experimental hsien; secondly, the appointment of special commissioners of administrative inspection; and, thirdly, in-service training for magistrates and administrative commissioners. Since 1933 experimental hsien have been established in the provinces of Kiangsu, Chekiang, Anhwei, Hupeh, Hunan, Szechwan, Kwangsi, Kwangtung, Kueichow, Honan, Hopei, Shantung, Shansi, Chahar and Yunnan. The special Commissioner of administrative inspection was originated by General Chiang During his campaigns against the communists in Kiangsi. As a matter of political and military expediency, General Chiang undertook to divide the province into a number of administrative areas and appointed a commissioner in each area. This officer was required to assume control over all of the political

and military affairs within his jurisdiction, in addition to serving concurrently as the magistrate of the hsien where his office was situated. Later the system was extended to other provinces. In May, 1936, a new law governing the special commissioner of administrative inspection was promulgated; at present the system is adopted in more than 13 provinces. The training institute of magistrates is of recent origin, and is largely a continuation of the work along the same line started also in Kiangsi by General Chiang. In the institute magistrates from all over China are called to Nanking in groups of 70 or more and are required to go through a special course of training including such courses as agricultural economics, rural health rural education, economic planning, and so on.

The Ministry of Education and Other Offices.—In the field of higher and secondary education during the last five years, the Ministry of Education has consistantly placed special emphasis upon natural sciences, especially applied sciences such as agriculture, medicine and engineering. The great improvement in the teaching and the research standards of technical subjects has been extremely beneficial in the training of rural reconstruction personnal. The increase in rural normal schools and vocational schools is also significant. In the field of social education, the mass education schools have been useful in decreasing illiteracy. It is estimated that during 1936-1937, 112,000 mass education schools were conducted throughout the country, with a total enrollment of 16,555,000 students and 10,382,000 sets of texts, were issued, resulting in a decrease of 12,000,000 illiterates.

The National Health Administration of the Executive Yuan has been commented upon as the first technical institution in China to be organized nationally. The administration is giving much emphasis to the organization provincial health centers and rural health services. In 1936 fifteen provincial centers were established in Kiangsi, Chekiang, Hunan, Kansu, Chinghai, Ninghsia, Shensi, Anhwei, Yunnan, Fukien, Suiyuan, Shantung and Hopei with 181 hsien centers and 169 stations and clinics in the provinces.

The National Reconstruction Commission is the oldest reconstructional agency established by the National Government. It is now chiefly interested in power generation, coal mining, irrigation, and manufacturing of electrical supplies. The irrigation of rice fields in Kiangsu by means of electric power is an interesting experiment in rural electrification. Recently the Commission has also become interested in experimenting with the system of collective farming.

Many other organs of the National Government are also extending their services to the rural field in various degrees. For instance the Ministry of Railways has recently put into force a schedule of reduced freight rates for transporting agricultural products. The Ministry of Communications is gradually increasing the number of postal and telegraphic offices in rural towns and villages, many of which have facilities for postal remittances and savings. The Legislative Yuan, under the able leadership of Dr Sun Fo, has passed many important laws relating to rural reconstruction such as the Land Law, the Forest Law, Law governing Agricultural Associations, Law of Fishing, National Granary Law, Law of Co-operative Societies, etc., etc.

C. Rural Reconstructional Programs in Provinces and Districts: *Shansi.*—The program of village reconstruction in Shansi began as early as 1917-1918. Then the provincial government divided each village into *lin* (鄰) of five families, and *lu* (閭) of 25 families, with a chief for each. The program for the village, in addition to the census taking, included six types of activity, namely, animal breeding, tree planting, opening of dykes, prohibition of gambling, prohibition of foot-binding and prohibition of pigtails. In the provincial government a special office was established to examine into the efficiency of these activities. This special office was known at first as the examining bureau for six administrative affairs, and later as the bureau of village administration.

After 1922 more attention was given to local self-government; the program now included a village pact, a village assembly, a village association for the decrease of litigation and a village self-protection corps. Still later more emphasis was given to rural economic reforms such as the promotion of handicrafts and rural industries, the development of irrigation and afforestation, the organization of co-operatives, and popular campaigns for social thrift and the buying of native goods. After 1928 the provincial government turned its attention to regional economic planning. The Northwest Industrial Corporation, with a capital of $16,000,000, operated as many as 21 factories for steel, cement, electric power, alcohol, chemicals, machinery, automobile assembling, paper-making, wool-weaving. printing, leather-tanning, match-making, bricks and tiles, etc. In addition to industrial planning the province has had a progressive program for cotton improvement, animal husbandry, afforestation, irrigation and reclamation, co-operative organization and road construction. In 1935 General Yen Hsi-shan advanced a scheme of village ownership of land as the fundamental solution of the rural problem.

Kiangsi.—Between 1933 and 1935 a number of provincial technical organization were created by the Government, such as the institute of agriculture, the co-operative commission of Kiangsi, and the provincial bureau of health. Then a series of rural welfare centers have been created by private and government bodies. The more prominent ones are the following 11 rural welfare centers originally established by the National Economic Council, but later transferred to the Ministry of Industry. There are also the Lich'uan (黎川) experimental center of the National Christian Council; the Wanchiapu (萬家埠) experimental center in Anyi (安義); the Tsoumahsiang (走馬鄉) experimental center in Hukow (湖口); the Penghsi (鵬溪) experimental area in Lingch'uan (臨川); and the Paichingju (白金圩) experimental center in Nanfeng (南豐). Recently the provincial government has created a rural improvement service commission to serve as a co-ordinating, training and supervisory organ for the various rural centers in the province.

Kwangsi.—Here local administration, military training and social education are integrated and organized provincially. For each *tsun* (村) or *chieh* (街) there is an administrative office known as *tsun kung so* (村公所) or *chu kung so* (區公所). For public safety a system of people's volunteers known as *min t'uan* (民團) is enforced, the volunteers being divided into standing regiments, reserve regiments and officers' corps. Each *tsun* or *chieh* is required to furnish one section for the reserve regiments. For civic training each *tsun* or *chieh* maintains a school known as the peoples' foundation school. The school is divided into two parts: one for children's education and one for adult education. The children's section is further divided into two parts: first, the two-year course for children aged from 8 to 12, and second, the one-year course for children aged from 13 to 16. The adults' section consists of four tpyes of training; first: character reading; secondly, supplementary *min t'uan* training; thirdly, village organization; and fourthly, agricultural co-operation. Since 1934 the *tsun kung so* of *chieh kung so*, the sectional headquarters of the *min t'uan*, and the people's foundation school have been required to keep a joint office, with one man to be the head of all three. In this way the political, the military and the educational functions of a village have been placed under a unified administration.

Kwangsi also has a rural experimental area. It is located in Liucheng (柳城) and is mainly concerned with irrigation and reclamation. There is also a forest station at Yuling (鬱林). In addition there are many smaller agricultural stations, forest stations and fruit stations, all of which are under the administration of the provincial bureau of agriculture and forestry. Other lines of reconstruction in Kwangsi, such as road building, etc., are well known.

Suiyuan.—This province has a unique organization for rural reconstruction. There is a provincial rural reconstruction commission, with the provincial governor as chairman, and members of the provincial government, the president of the provincial court, directors of the provincial commissions for land affairs and hsien affairs, and other invited experts, as members of the commission. The commission maintains a standing committee and an executive organ known as the political bureau. The provincial commissioner of civil affairs is automatically director of the bureau, and is assisted by a deputy-director appointed by the provincial governor. The bureau has five departments for general affairs, political affairs, economic affairs, cultural affairs and self-defense, respectively; it also has four committees for inspection, planning, training and editorial affairs. In addition to these functions the commission conducts periodical conferences attended by the rural workers from the entire province.

In the hsien government there is a hsien committee for rural reconstruction, with four functions: (1) to enforce provincial regulations and orders relating to rural reconstruction; (2) to direct and supervise rural reconstructional programs in the hsien; (3) to supervise and examine rural reconstruction personnel in the hsien; (4) to plan special rural programs in the hsien. The hsien magistrate and the police chief of the hsien are automatically chairman and deputy chairman of the committee. In turn, they are assisted by a secretarial, inspectional and technical staff.

Then each *chu* (區, a subdivision of the hsien) has a rural administration inspector; and, lastly, each village or group of smaller villages has a rural service adviser and a rural service correspondent. The rural service adviser is the primary unit of the entire program and constitutes the motivating force of village reconstruction. In order to co-ordinate reconstruction among different villages in the same *chu*, the rural administration inspector holds periodical conferences, either monthly or fortnightly, with the rural service advisers from the villages. The function of the rural service correspondent is to communicate provincial and hsien regulations, orders and other matters to the village on one hand, and to report to the rural administration inspector village news and information on the other. This information eventually reaches the provincial commission, whose editorial committee compiles village and *chu* news from the entire province and publishes a provincial information bulletin for rural reconstruction.

Since February, 1935, the provincial government has conducted several training institutes for rural workers. After half a year's training these students, in accordance with the "Provincial Regulations Governing Rural Work of the Hsien Offices," have been appointed to the hsien office as rural service advisers for the village. A village rural adviser, in addition to transacting the necessary business as required by the provincial and hsien authorities, acts concurrently as principal of the village short-term school or village general school, secretary or member of the village reconstruction committee, and head of the village section of the anticommunist self-defense corps. Through his connection with the village reconstruction committee he possesses the executive power for village administration. At the same time, being only secretary or member of the committee, he is quite free to initiate new projects relating to education, economy, defense and self-government.

For self-defense each *hsiang* (鄉) or a group of villages is required to furnish a regiment composed of at least 118 able-bodied men for the reserves of the anticommunist self-defense corps. The village volunteers receive ammunition supplies from the Government, and their main duty is to enforce local patrol and defense in time of trouble, and to check the activities of the "irregulars." Then each *lu* (閭) is to supply 10 volunteers as local police. Side by side with this regimentation and policing, the village rural adviser directs such activities as the installation of

military communication, trench digging and other engineering operations for local defense, the supply of rifles from the provincial government, and inspection of ammunition possessed by the people. The cultural program includes free schools, adult education institutes, organization of popular lecture tours by school teachers, and popular educational campaigns for national salvation, well digging, etc. The present emphasis of the economic program is on the construction of community granaries, the enforcement of embargo upon food exports, and the improvement of animal breeding. In the field of political affairs the emphasis is upon efficient, but simplified village administration, and the effective surveillance of enemy spies, irregulars and Chinese traitors.

Other Provinces.—Space does not permit of further detailed discussion of the rural reconstruction programs in other provinces, although there are many interesting developments. In Hunan and Szechwan, provincial planning commissions have been established, and their main aim is to promote rural reconstruction and better hsien administration in the province. In Kiangsu and Chekiang good work is being done along the line of insect control, improvement of agricultural implements, state control of chemical fertilizers, and promotion of rural industries. In Hopei, advancement has been made in locust control, well digging, reclamation of alkala land, and agricultural co-operatives. In Shantung, the system of village peasant schools as an agency for both administration and education under the hsien is unique. Mention should also be made of the fact that in all provincial governments there is a bureau of reconstruction, under which are placed agricultural, co-operative and industrial promotion and administration. In recent years these provincial bureaus have shown a remarkable amount of vitality and initiative.

Tsingtao.—Among the municipal programs of rural reconstruction that of Tsingtao is most outstanding. The rural portion of Tsingtao occupies about 70% of its total area, and more than half of its population. It is divided into five *chu* (區), with a rural reconstruction station in each. There are altogether five stations and one substation. The chief of the station is appointed by the mayor, and he, in turn, is assisted by a staff sent directly from four municipal bureaus of education, construction, social affairs and public safety, as well as the municipal institute of agriculture and forestry. Results are very interesting. The villages have been supplied with nearly 160,000 meters of automobile roads, so that motor transportation can reach every village. Nearly every village has a school. For instance there are 71 elementary schools for 95 villages in Litsun (李村) district, and no school child has to walk more than five *li* or $1\frac{2}{3}$ miles from his home to school. The Farmers' Bank in Tsingtao, a semi-private bank, has a branch office in each station where the farmers may obtain on land security short-term loans, up to six months, for any amount up to $100 at a monthly rate of 1%. Each station maintains a rural hospital or a clinic. For public safety all villages are connected by telephone and other police signals; and all police corps are supplied with motorcars, bicycles and motorboats. As to economic improvement, the immediate objective is to increase the farmers' income by $50 per family per year. The programs include distribution of better seeds, insect control, improved animal breeding, afforestation, fruit growing, improved vegetation, dairy farming, co-operative organization, irrigation and rural industries. There are also three demonstration villages, supplied with electric light and running water.

District Experimentation.—As to rural reconstruction in the hsien, the institution of experimental hsien has been a significant development. Among the experimental hsien, Tinghsien in Hopei, Kiangning in Kiangsu, Lanchi (蘭谿) in Chekiang, Chungshan in Kwangtung, Hengshan (衡山) in Hunan, and Tsouping and Hotseh (荷澤) in Shantung have achieved a considerable degree of success. These hsien have programs of their own, and emphasize different phases of their

work. Some of them like Tinghsien and Kiangning have since ceased to be "experimental hsien" in the strict sense of the word, but their methods are still studied by those interested in rural reconstruction and local administration.

The contribution of Kiangning has been the courageous experiment of reforming the system of tax collection. When the experiment started, as many as 3,000 individuals lived directly or indirectly on the collection of land taxes alone. The Government made a clean sweep of these parasites and substituted in their stead university graduates and other trained personnel. A modern system of hsien government accounting was instituted. A plan of land registration was carried out whereby the acreage of taxable land increased, resulting in an increase of the revenue derived from land taxes from $300,000 to nearly $1,000,000. With this increase in revenue, the hsien government has been albe to carry out a series of developmental projects in education, rural health and road building.

In Lanchi the main objective was to test through actual administration the applicability of national and provincial laws and regulations relating to hsien government. There was no special program to be put forth, the idea being only to confine the administration within the limits of the existing laws to see how far a magistrate could go. In three years the general standard of efficiency of the hsien government was raised. The procedure of business, particularly in the tax and accounting departments, was simplified, modernized and standardized. A hsien budget was strictly enforced. A census was taken of the whole hsien, and registration of births and deaths was initiated. Considerable reforms were made in the fields of education and economic reconstruction.

With Tinghsien, Hengshan, Tsouping and Hochai, hsien administration represents only a part of a comprehensive program of rural reconstruction. They aim at nothing less than the reshaping of the totality of rural life. The ideology of Tinghsien and Hengshan is about the same, namely, that of the Mass Education Movement. In Hochai a notable contribution has been made in the system of self-defense and local policing. In Tsouping the outstanding feature is the peasant school. Thus all of them have certain general principles to start with, and regard the hsien government only as the logical and most effective agency for practical application of principles.

Hsien Administration and Technical Extension.—Looking over the developments in regional experimentation, we find two sets of problems: (1) reforms for the existing system of hsien administration; and (2) community extension of technical services through the instrumentality of the hsien government.

One of the problems arising from the existing system of hsien administration is the lack of clear division of powers between the provincial government and the hsien government. Consequently, the hsien government is often bombarded with a multitude of orders from the provincial government, for which there is practically no limit of interference, and by which there is nothing the hsien can do independently and of its own accord. Another problem of hsien administration is that the hsien has practically no independent sources of revenue of its own. In order to take up new activities arising from new social and economic needs, the hsien is obliged to levy surcharges to existing taxes or special assessments. Hence whenever a new function is assumed a new surcharge is levied. If the hsien gets busy local surcharges and assessments mount up. If these surcharges and assessments should be abolished, as had been hoped would be the case, the hsien government would have difficulty even to maintain itself unless new revenues were earmarked for it.

A third pressing problem in the hsien is the usual lack of real self-government. Except to pay taxes or take part in litigation, the villagers rarely make an appearance in the hsien capital. The so-called village self-government has largely been an informal affair and in no sense

been a popular government. The village council has been more or less a simple device to keep the village going in the absence of an effective popular government. Thus the hsien government of China has largely been a government from without, and it can hardly be said to be a part of the people. Under such circumstances the vivid and creative life which should be the foundation of real rural reconstruction is practically impossible. These three problems are administrative problems of primary importance. Then there are many secondary problems such as the system of tax collection, land registration, business procedure, the changes of bureaus into sections, etc., etc.

Not until these administrative problems find a fair solution, can the hsien government become an effective agency for the social, economic and political reconstruction of China. This is a problem of community extension of technical services; it is a technical, and not an administrative problem. Take public health, for example. With the modern advancement in medical and sociological sciences every man, woman and child in the community should be provided with minimum facilities for medical or health protection. In Tinghsien, under the old unorganized system, each family spent about $152 a year for medical care, or about 30 cents per capita, and $120,000 for the whole of Tinghsien. Yet of 12,000 persons passing away each year, 3,500 never had any medical attention. Out of 472 villages in the hsien, 220 possess no medical facilities whatsoever. Under the new system of rural health in Tinghsien each village has a health worker, each *chu* a health station, and the hsien a regular hospital or hsien health center. The annual cost per health worker is $15, or $6,750 for 450 health workers in the hsien, that of a health station is $1,200 or $14,400 for the 12 stations, and that of the hsien center is $14,400, making a total for the entire hsien of $35,550 a year. This reduces the average annual cost for medical care to 45 cents per family or nine cents per capita. In comparison with the $120,000 a year spent under the old system, the annual saving under the new-planned program amounts to nearly $85,000. Since the planned and socialized program was undertaken, all of the 472 villages and all persons in the hsien are provided with means for medical or health protection.

It is quite clear, then, that in spite of the low economic level and scientific backwardness in China, each individual of her 450,000,000 of population could receive a minimum amount of medical protection if the country were equipped with a proper social organization and a knowledge of the community extension of modern medical service. The answer would apply also to other branches of technical sciences—hydraulic engineering, agriculture, industry, economic and social welfare, education, etc. One of the important functions of rural reconstruction, as a movement for social planning, is to study and discover the means of community extension of modern sciences with reference to China's present economic and social strength, as measured by the quantity of population and annual income per capita. It has taken Tinghsien from five to seven years of experimentation and research to provide an answer in the case of health. It may take even longer for other fields of technical reconstruction. This being the case, although the movement for experimental hsien seems to be less active than before, there is much to be done for a long time to come.

III. ASSOCIATION AND CO-ORDINATING EFFORTS

Associations and Conferences.—Since 1933, a number of societies, associations or committees for the promotion and study of rural reconstruction have come into existence. Some of them are private, and some are governmental. Some are national organizations and some are only local organizations. In the case of private associations may be mentioned here the Rural Reconstruction Association, the Chinese Agricultural

Extension Association, the Chinese Local Self-Government Association, the Chinese Rural Education Society, the Chinese Co-operative Union, the Chinese Land Administration Association, the Shensi Rural Reconstruction Association and the Hunan Rural Reconstruction Association.

Through the Government or semi-government organizations that are interested in the promotion, study and planning of rural reconstruction may be mentioned the National Association for the People's Economic Reconstruction Movement, the Sun Yat-sen Institute for the Advancement of Culture and Education, the National Association of the New Life Movement, the Local Self-Government Planning Commission, the National Economic Planning Commission of the Central Executive Committee of the Kuomintang, the Szechwan Provincial Planning Commission, the Hunan Provincial Planning Commission, the Kwangtung Provincial Planning Commission, the Kiangsi Rural Improvement Service Commission, the Nanking Rural Improvement Committee, the former Rural Reconstruction Committee of the National Economic Council and the former Rural Rehabilitation Committee of the Executive Yuan.

The functions of these associations or committees usually include the study of rural reconstruction problems, the training of rural reconstruction personnel, the promotion of fellowship among rural reconstruction workers, the issuance of publications, and the planning of special projects.

As to rural conferences, the national conference for rural workers meets once a year or every two years, and is attended by workers from the various rural reconstruction institutions throughout China. There are also national conferences for special technical lines such as the national conference for co-operators, the national conference on land administration, the national medical conference, etc. Recently several international conferences have touched upon China's problems of rural reconstruction. For example, the sixth biennial conference of the Institute of Pacific Relations held at Yosemite Park, California in August, 1936, had a special round table conference on Chinese reconstruction; and the Far Eastern Intergovernment Conference on Rural Hygiene held recently in Java had a special section on rural reconstruction.

Attempts at Co-ordination.—The diverse developments in rural reconstruction have long created a need for correlation, co-ordination and rationalization. In this connection the People's Economic Reconstruction Movement may be given special mention because of its potential role in co-ordinating the reconstructional efforts of China. The movement, according to General Chiang, is a kind of co-operative undertaking between the Government and the people, as well as between the National Government and the local governments, for the promotion and co-ordination of economic projects. The movement maintains a national office in Nanking. In the provinces and large cities there are branch offices. In the hsien there are subbranches. Thus the organizational setup of the movement is nation wide and aims at reaching every part of China. The movement is closely related to governmental administration. According to its regulations, the highest executive authority of the National Government is automatically the head of the national office; that of the province is the head of the branch office; and that of the hsien is the head of the subbranch. Each grade of office has a long role of members who are to represent the leaders of the various professions in the community.

Since rural reconstruction is one phase of social and economic planning of China, the People's Economic Reconstruction Movement—being a government effort to co-ordinate national forces for socio-economic planning—has been interested in the rural field ever since its inception in June, 1936. In the first place, in the spring of 1937 the movement organized a national exhibit of handicraft and rural industrial products in Nanking and Shanghai. In connection with this exhibit a special staff of specialists was engaged to study ways of improving the products

with a view to expanding their marketing field. Secondly a syndicate of native goods stores has been formed under the auspices of the movement. The plan is that the syndicate shall help to establish a large native goods store in every big city, a smaller one in every small city or rural town, and consumers' co-operatives in the villages. In this way the movement will help to nationalize the marketing of local products. Thirdly the movement has examined in detail a few local industries or agricultural industries and has followed this up with measures for rehabilitation. Thus a $2,000,000 tea corporation was formed after the study of the tea problem, a national porcelain factory was organized after a survey of the porcelain industry in Kiangsi, and so on. Fourthly, having taken the necessary steps for the rehabilitation of a few key Chinese industries that have a market abroad, steps are being taken to form a national organization for the development of foreign trade. Lastly, the movement has been interested in the investigation and training of technical personnel. A census of specialists on rural industries has been completed. Special short courses are conducted to train extension workers in agriculture, animal husbandry and co-operation.

Thus slowly but steadily the movement is laying a foundation for nationl co-ordination of rural economic reconstruction. At the same time the New Life Movement, also promoted by General Chiang, is taking steps to encourage college students throughout China to go into rural service. It is hoped that the New Life Movement will endeavor to co-ordinate efforts for rural social reconstruction.

State Economy, People's Economy and Rural Reconstruction.—The recent trend of events seem to indicate that China is about to enter into a new political era. With the political unification of the country and the adoption of a permanent Constitution, the first stage of China's revolution—as characterized by a continuous struggle for the establishment of nationalism, or by what Dr. Sun Yat-sen calls "the psychological reconstruction"—may be considered as successfully closed. Thenceforward the second stage—the stage of economic or industrial reconstruction—will begin. It is too early to say yet what will be the exact course of China's future development. General Chiang Kai-shek has pointed out, however, that the nationalist revolution of China will consist of four stages:

(1) psychological reconstruction, including the development of nationalism;
(2) economic reconstruction, including currency reforms and industrial development;
(3) social reconstruction, including civic and community organization;
(4) political reconstruction, including the establishment of local self-government and the realization of a constitutional government based upon the Five-Power Constitution.

As to the program of economic reconstruction, there seems to be a distinction between the state economy and the people's economy. The five-year economic plan of the Government as reported by Dr. H.H.Kung recently in an interview in America, constitutes the central point in state economic reconstruction. The people's economic reconstruction movement represents an approach to the problem of people's economy. The state economic program is one to be controlled, operated and financed by the state, chiefly the National Government. The people's economic movement is a spontaneous, decentralized development in economic reconstruction, to be controlled and financed by the people themselves, although the development may be regulated and co-ordinated by the state.

The state economic program will most likely and logically lay its emphasis upon the unification of the currency system, the balancing of the government budgets, the development of transportation and communication, the extension of water conservancy, the enforcement of land policy, the establishment of certain basic heavy

industries, the stabilization of agricultural economy, and the improvement of foreign trade. The people's economic movement has a dual purpose. One is to encourage greater interest and co-operation from the people in the carrying out of the state plans. The other is to encourage private economic enterprises through government assistance and co-operation. The people's economic program largely centers around rural industries, handicrafts, light industries, agricultural credit, private trading, minor mining enterprises, regional construction through voluntary labor service, animal husbandry, frontier settlement, private banking, improvement of marketing facilities, personnel training and popular campaigns for social thrift and buying native goods aiming at an increase of savings or people's capital.

Rural reconstruction, as the present survey shows, is simultaneously a government program and a popular movement. The relation of rural reconstruction to the state economic program and the people's economic reconstruction movement may be analyzed in three ways:

(1) The economic aspects of rural reconstruction are undoubtedly an important part of the state economic program. Rural reconstruction workers have for many years actually worked on such problems as agricultural extension, co-operative organization, rural banking, land registration, land tenure and local finance. Their collective and accumulated experience from years of field work is undoubtedly valuable to the National Government for the fulfillment of the state economic program.

(2) The village centers, which are the ultimate units of rural reconstruction, should also be the ultimate working units in the people's economic reconstruction movement. According to the present system of organization, the lowest unit of the people's economic movement is the subbranch in the hsien. It is still in the hsien office. The instrumentality below the hsien through which the people's economic reconstruction movement can reach the broad masses of rural China, must be the rural reconstruction movement. In this sense, the two movements must be linked together.

(3) The dominant contribution of rural reconstruction is in the strengthening of the social organization of China. It is *community* reconstruction through the co-ordinated and correlated application of modern technical sciences such as public health, agiculture, hydraulic engineering, education, economics, sociology, etc. In all these fields—like the health experiment in Tinghsien—the rural reconstruction worker is interested, first, in finding out the most efficient methods of scientific extension within China's economic practicality. Secondly, he is interested in training the different kinds of personnel to be able to apply the methods. Lastly, he is interested to promote the setting up of the proper kind of social and political organization to actually undertake the various technical services for community welfare. In this sense rural reconstruction may be described as a pioneering movement for the new program of social reconstruction—the third stage of China's Nationalist Revolution.

THE CO-OPERATIVE MOVEMENT

Y. S. DJANG (章元善)

HISTORICAL[1]

The Chinese co-operative movement has had a history of two decades. Growing out of social efforts, the movement in China is now expected to lay the foundation for a new economic structure to be evolved along lines conceived by the late Dr. Sun Yat-sen and to make important contributions toward the reconstruction of a new democracy defined by the same leader.

Modern co-operation was first given expression as one of the ideals embodied in what is known as the "May 4th Movement" of 1919, though the first co-operative society is said to have been organized a year earlier. Unfortunately, following this early inception, the time was not ripe for continued progress in spite of energetic and devoted pioneering by men like Tai Chi-tao, Hsueh Hsien-chow and others.

Brought into intimate contact with the famished people of the drought devastated regions in the north in 1922 by the China International Famine Relief Commission, the co-operative plan began to show its practical value and to be heartily received as a god-send by the people who needed its benediction both as a remedy and a corrective. A handful of Raiffeisen societies was formed near Peiping, then the capital of China, more for experimental purposes than as an administrative measure.

Encouraged by the results obtained, the C.I.F.R.C. has been persistent in its efforts to develop co-operation among the peasants of Hopei ever since. It was instrumental in bringing into being the first 2,000 credit societies in China and in initiating marketing bodies.

The success of the C.I.F.R.C. attracted public attention and prompted other private bodies to include the co-operative movement as an indispensable item in their programs for rural reconstruction. The flood disaster of the Yangtze River of 1931 and the communistic activities in the central provinces a year later both gave the movement fresh impetus to prove its rehabilitating value and further opportunity to show its practical worth to the people and the government alike.

The rapidly increasing interest taken by the government soon over-shadowed the activities sponsored by private efforts; till in November, 1935, the promotion of the movement became definitely a government task. The first co-operative law was enacted and a specialized department was organized as a part of China's administrative machinery.

STATISTICAL

A. Introduction.—The effect of standardization on better statistics is not yet apparent owing to the fact that unification of administration is still of too recent date to produce more accurate returns. The latest available figures are those published by the National Agricultural Research Bureau of the Ministry of Industry. These figures were based upon reports dated December 31, 1936. Taken as a rough indication of the trend of development, the returns, as here presented, are of interest. It will be noted that not all provinces are represented; from a few outlying provinces where co-operation has not yet begun no reports can be expected for some time to come.

Contrary to expectations, the increase of 10,954 societies during 1936 falls far below that attained in 1935 when 12,198 societies were reported to

[1] For a fuller historical account, see the *Chinese Year Book* for 1936–37 pp. 1272–1276.

have been formed. The slow progress must be considered as a healthy sign if, aside from numerical strength, the real effectiveness of the societies formed as ultimate fibers of an economic system, is taken into consideration as well. The period covered by this account and in the previous issue of the *Chinese Year Book* has witnessed strenuous efforts on the part of those who have the future of the movement at heart toward the pursuance of a conservative policy. This led a number of provinces, notably Kiangsu, to weed out the weak co-operatives that had been hastily formed and erroneously conceived.

As brought out by the tables, 29.4% of the total number of societies was formed during 1936 as compared with 46.2% the year before. Some of the provinces have had more de-registrations than registrations; these include Kiangsu, Chekiang and Anhwei. When this fact is taken into consideration even the growth in the number of societies formed during the period under review must be considered as satisfactory.

Of the outlying provinces, Sinkiang, Ninghsia and Sikang still have no figures to report while the Three Eastern Provinces and Jehol still have to be left out of consideration for political reasons. Chinghai remains inactive.

Co-operative work is being carried forward by the military headquarters in Szechwan and Kweichow. Initial steps have been taken by the provincial governments of Kwangsi, Yunnan, Shansi and Kansu. The latter province has been provided by the Central Government with a substantial capital fund ($1,000,000) as well as a monthly subsidy for administrative expenses for co-operative purposes.

The rest of the country, comprising 14 provinces and 6 municipalities,[1] has reported continued progress. Japanese invasion in northern Chahar and eastern Hopei has seriously handicapped the work of the official commission operating in these areas since 1934. The work of the C.I.F.R.C. in Hopei was little affected by the removal of its head office from Peiping to Shanghai in April, 1937. In view of the fact that an official commission has been appointed for that province, the Famine Commission has chosen to curtail its extension work as far as possible and to revert to the experimental programs in which it has been especially interested.

Due to the formation of mutual aid societies in connection with the drought relief program, Honan is likely to make considerable headway next year as a result of the reorganization of these "mutual aids."[2] Co-operation in Fukien, Kwangtung and Suiyuan is of but recent date.

B. Number and Distribution.—Some 37,189 of the societies in existence in 1936 or 99.45% of the total number, belonged to the farmers. The corresponding figure for 1935 was 26,089[3] or 98.95%. Of the total number of societies 93.6% are concentrated in eleven leading provinces, as may be seen from Table 2.

TABLE 1. NUMBER OF CO-OPERATIVE SOCIETIES

Province or City	*Total up to 1934*	*New Societies*		*Total 1935*	*Total 1936*
		1934	*1935*		
Kiangsu	2,220	557	1,300	4,077	3,305
Chekiang	1,282	216	474	1,972	1,518
Anhwei	2,445	135	932	2,284	4,125
Fukien	5	—	—	312	1,946
Kwangtung	50	125	135	310	225

[1] Total area 2,670,069 square kilometers, or 23% of the country's territory; total population 315,645,800, or 67.6% of the entire population.
[2] For fuller explanation, see the *Chinese Year Book* for 1936–37, p. 1279.
[3] Not including 3 societies n Canton and 76 in Hankow.

Kwangsi	12	—	2	14	6
Hunan	249	170	544	963	1,985
Hupeh	451	88	765	1,304	1,932
Kiangsi	961	181	896	2,038	3,209
Kweichow	4	—	—	4	35
Yunnan	27	—	—	27	3
Szechwan	10	—	—	10	1,322
Hopei ..	1,460	950	3,830	6,240	6,663
Shantung	539	1,473	1,625	3,637	4,965
Honan	55	783	923	1,761	3,221
Shansi ..	20	259	174	453	69
Shensi ..	32	173	466	671	2,066
Kansu ..	3	—	32	33	244
Chahar	3	—	—	3	290
Suiyuan	60	36	18	54	60
Chinghai	1	—	—	1	—
Nanking	6	—	44	50	78
Shanghai	31	54	38	123	15
Peiping	7	—	—	7	19
Tientsin	1	—	—	1	—
Tsingtao	15	—	—	15	17
TOTAL	9,949	5,200	12,198	26,364	37,318

TABLE 2. NUMBER OF SOCIETIES AND MEMBERS IN 11 LEADING PROVINCES

Province	*No. of Societies*	*No. of Members*
Kiangsu ..	3,305	147,563
Chekiang ..	1,518	51,870
Anhwei ..	4,125	206,613
Fukien ..	1,946	67,380
Hunan ..	1,985	67,048
Hupeh ..	1,932	103,456
Kiangsi ..	3,209	312,028
Hopei	6,663	140,202
Shantung ..	4,965	131,133
Honan ..	3,221	202,202
Shensi	2,066	82,455
TOTAL OF 11 LEADING PROVINCES.. ..	34,945	1,511,950
TOTAL OF ALL THE OTHER PROVINCES ..	37,318	1,643,670

C. Classification.—Classification is facilitated by the use of standard terminology explained in the last issue of this Year Book (p. 1289), though not all of the inherent difficulties have been completely removed, as is apparent from Table 3. Credit societies keep their lead. This is understandable when it is remembered that the large number of mutual aid societies organized on various occasions since 1932 have been successively converted into credit co-operatives during 1936, as in other years. The non-credit societies increased from 41.2% of the total in 1935 to 44.7% in 1936.

TABLE 3. CLASSIFICATION OF CO-OPERATIVE SOCIETIES

Kind	*Total 1931*		*Total 1932*		*Total 1933*		*Increase in 1934*		*Increase in 1935*		*Total 1935*		*Total 1936*	
	No.	%	*No.*	%	*No.*	%	*No.*	%	*No.*	%	*No.*	%	*No.*	%
Credit Societies ..	1,379	87.5	2,213	80.1	5,720	82.3	2,435	35.3	7,274	58.1	15,429	58.8	20,620	55.3
Supply Societies	—	—	—	—	—	—	—	—	—	—	—	—	267	0.7
Purchasing Societies	32	2.0	54	2.0	129	1.9	349	5.1	260	2.2	738	2.8	—	—
Producers' Societies ..	86	5.5	204	7.4	304	4.4	1,171	17.1	846	6.7	2,321	8.9	3,199	8.6
Marketing Societies ..	15	0.9	36	1.3	61	0.9	1,153	16.7	1,079	8.6	2,893	8.7	2,366	6.3
Consumers' Societies	54	3.4	122	4.4	125	1.8	—	—	—	—	—	—	296	0.8
Public Utility Societies	—	—	—	—	—	—	—	—	—	—	—	—	56	0.1
Utility Societies	9	0.6	133	4.8	35	0.5	458	6.5	576	4.6	1,069	4.1	—	—
Insurance Societies..	1	0.1	1	—	1	—	—	—	—	—	—	—	—	—
Depositories	—	—	—	—	7	0.1	—	—	—	—	—	—	—	—
Others ..	—	—	—	—	564	8.1	1,328	19.3	2,482	19.8	4,374	16.7	10,514	28.2
TOTAL ..	1,576	100.0	2,763	100.0	6,946	100.0	6,894	100.0	12,517	100.0	25,224	100.0	37,318	100.0

D. Membership.—Up to 1935 the average society had a membership of 39.2 individuals. This figure in 1936 stands at 44, showing a healthy growth. The size of the societies shows a wide range of variation. The largest society appears to be in Kiangsi, where the average is 97.5, and the smallest in Hopei, with a membership of only 21. It is interesting to note that 92.2% of the total membership of all societies are residents of the 11 leading provinces, as shown in Table 2.

TABLE 4. MEMBERSHIP OF SOCIETIES

Province or City	*Total Up to 1934*	*Increase in*		*Total 1935*	*Total 1936*
		1934	*1935*		
Kiangsu	72,404	19,981	45,984	138,369	147,563
Chekiang ..	36,561	16,932	17,173	70,666	51,870
Anhwei	67,215	—	—	73,673	206,613
Fukien	3,160	—	—	11,678	67,380
Kwangtung ..	8,494	10,303	9,318	28,115	21,836
Kwangsi	1,619	—	—	592	611
Hunan	29,940	5,999	20,613	56,486	67,048
Hupeh	20,086	6,361	38,747	65,194	103,456
Kiangsi	29,874	15,126	86,447	131,447	312,028
Kweichow	3,845	—	—	3,845	1,129
Yunnan	2,908	—	—	2,908	74
Szechwan	665	—	—	665	61,496
Hopei	37,786	12,030	85,907	135,723	140,202
Shantung	15,918	44,442	45,783	106,743	131,133
Honan	3,397	41,327	34,245	100,324	202,202
Shansi	1,479	1,207	4,006	6,692	5,672
Shensi	17,965	23,744	21,981	63,690	82,455
Kansu	93	708	2,105	2,906	14,152
Chahar	749	—	—	749	7,985
Suiyuan	1,906	—	—	1,115	1,158
Chinghai	19	—	—	19	—
Nanking	2,102	—	—	3,236	5,374
Shanghai	3,452	7,319	6,426	17,197	2,222
Peiping	612	—	—	1,028	340
Tientsin	120	—	—	120	—
Tsingtao	11,481	—	—	11,481	9,671
TOTAL	373,850	205,479	418,735	1,034,061	1,643,670

E. Capital.—The idea of building up an independent capital belonging to the co-operative was not taken seriously by the people in spite of the energetic propaganda instituted by the C.I.F.R.C. among the credit societies it helped to form. The efforts of this body have lately begun to show some visible result as a result of the encouragement afforded by its system of grading the societies in accordance with the increase of membership and capital fund—an idea put into practice only since 1934. With famines and foreign invasion confronting the population, the accumulation of co-operative capital is likely to be a slow process and for some time to come the societies will be dependent largely upon state aid such as is now being given.

TABLE 5. SHARE CAPITAL AS OF DECEMBER, 1936

Province or City	*1932*	*1933–1934*	*1935*	*1936*
Kiangsu	$ 483,519.00	$ 473,164.00	$ 536,476.00	$ 726,371.17
Chekiang	81,489.00	105,694.00	—	236,105.00
Anhwei	21,825.00	98,679.00	190,341.00	539,912.00
Fukien	—	—	26,273.00	153,046.00
Hunan	9,738.00	70,154.00	141,218.00	163,744.64
Hupeh ..	2,900.00	13,873.00	105,817.00	177,216.70
Kiangsi ..	21,845.00	289,689.00	668,009.00	1,532,853.00
Kweichow ..	—	—	—	7,642.00
Szechwan ..	—	—	746.00	52,719.00
Hopei ..	46,812.00	93,530.00	421,424.00	565,841.00*
Shantung	49,242.00	130,530.00	—	405,801.10
Honan	—	—	150,426.00	500,673.00
Shansi	—	—	8,225.00	—
Shensi	—	—	8,545.00	77,871.00*
Suiyuan	—	5,499.00	—	—
Nanking	—	10,583.00	—	—
Shanghai	—	8,300.00	—	—
Peiping	—	—	4,565.00	—
Tsingtao	—	123,410.00	—	—
TOTAL	$ 708,370.00	$1,423,107.00	$2,262,065.00	$5,139,795.61

* As of June, 1936.

F. Unions.—Since October, 1936, it has been the policy of the government not to encourage the formation of unions till the unit societies have been brought to a state of higher effectiveness. The wisdom of adopting this policy is apparent, as a co-operative union worthy of its name should be able to undertake a definite share of the responsibility and should at least not increase the burden of supervisory agencies. This had not formerly been the case although an increasing number of unions succeeded in securing their registration in the absence of a definite policy proclaimed by the government. Table 6 shows the number of unions formed thus far. Although Anhwei has the largest number of *chu* unions, there is only one hsien union in that province. Hopei has as many as 42 hsien unions without a provincial body, the only one of which is claimed by Kiangsu.

TABLE 6. CO-OPERATIVE UNIONS

Province	*Chu Unions*	*Hsien Unions*	*Prov. Unions*
Kiangsu	39	2	1
Chekiang	4	3	—
Anhwei ..	63	1	—
Fukien ..	12	1	—
Hunan ..	3	—	—
Hupeh ..	30	—	—
Kiangsi	40	—	—
Hopei ..	33	42	—
Shantung	1	25	—
Honan	12	—	—
TOTAL	237	74	1

TABLE 7. DIRECTING AGENCIES (Number of Times Reported)

Provinces	*Prov. Comm.*	*Hsien Gov'ts.*	*Hsien Comm.*	*North China Comm.*	*Cotton Comm.*	*C.I.F.R.C*	*Co-op. Unions*	*Banks*	*Party Organs*	*Educational Inst.,*	*Others*
Kiangsu	2	55	—	—	—	—	—	—	—	—	—
Chekiang	1	56	—	—	—	—	—	1	1	2	2
Anhwei	54	2	—	—	—	1	—	1	—	—	3
Fukien	32	3	—	—	—	—	—	—	—	—	—
Kwangtung ..	7	1	—	—	—	—	—	—	2	—	—
Kwangsi ..	—	1	—	—	—	—	—	—	—	—	3
Hunan ..	40	5	—	—	—	—	—	—	2	—	—
Hupeh ..	25	—	—	—	3	—	—	—	—	—	—
Kiangsi ..	51	5	9	—	—	1	—	—	—	—	—
Kweichow ..	2	—	—	—	—	—	—	—	—	—	—
Yunnan ..	—	—	—	—	—	—	—	—	—	—	—
Szechwan ..	22	16	1	—	—	—	—	—	1	—	2
Hopei	1	86	—	3	9	4	3	—	—	—	3
Shantung ..	1	97	1	—	—	—	—	—	—	1	1
Honan ..	34	17	—	—	—	—	—	—	—	—	—
Shansi	—	6	—	—	2	—	—	—	—	—	2
Shensi	37	2	—	—	2	—	—	5	—	—	1
Kansu ..	7	2	1	—	—	—	—	—	—	—	—
Chahar ..	—	—	—	6	—	—	—	—	—	—	—
Suiyuan ..	6	—	—	—	—	—	—	—	—	—	—
Nanking ..	—	1	—	—	—	—	—	—	—	—	1
Shanghai ..	1	1	—	—	—	—	—	—	—	—	—
Peiping ..	—	1	—	—	—	—	—	—	—	—	—
Tsingtao ..	—	1	1	—	—	—	—	—	—	—	—
TOTAL ..	323	358	13	9	16	6	3	7	6	4	18
%	42.4	42.0	1.7	1.2	2.1	0.8	0.4	0.9	0.8	0.5	2·2

TABLE 8. FINANCING AGENCIES (Number of Time Reported)

Provinces	*China Farmers' Banks*	*Prov. Farmers' Banks*	*Others Banks*	*Prov. Comm.*	*Harth China Comm.*	*Cotton Comm.*	*CIFRC*	*Co-op. Banks*	*Hsien Gort.*	*Farm Loan Agencies*	*Bank of China*	*Co-op. Unions*	*Others*
Kiangsu	1	49	6	—	—	—	—	—	—	—	7	—	1
Chekiang	4	19	6	—	—	—	—	—	—	20	2	—	2
Anhwei	31	1	—	15	—	—	—	—	—	—	4	—	2
Fukien	26	—	—	9	—	—	—	—	—	—	—	—	—
Kwangtung	2	—	—	—	—	—	—	—	—	—	—	—	—
Kwangsi	—	—	—	—	—	—	—	—	—	—	—	—	—
Hunan	14	—	—	22	—	—	—	—	—	17	4	—	—
Hupeh	23	—	—	3	—	2	1	—	—	—	2	—	—
Kiangsi	11	4	1	31	—	—	—	10	—	—	10	—	1
Kweichow	2	—	—	—	—	—	—	—	—	—	—	—	—
Yunnan	—	—	—	—	—	—	—	—	—	—	—	—	—
Szechwan	13	—	—	—	—	—	—	7	—	—	2	—	2
Hopei	—	12	10	3	7	9	14	—	3	—	17	3	1
Shantung	—	8	1	9	—	—	—	1	50	6	20	2	2
Honan	31	1	1	—	—	—	—	1	1	—	9	—	—
Shansi	—	—	1	—	—	—	—	—	—	—	1	—	4
Shensi	—	1	6	22	—	—	—	—	—	—	5	—	1
Kansu	4	—	—	—	—	—	—	—	—	—	—	—	—
Chahar	—	—	—	—	6	—	—	—	—	—	—	—	—
Suiyuan	—	6	—	6	—	—	—	—	—	—	—	—	—
Nanking	1	—	1	—	—	—	—	—	—	—	—	—	—
Shanghai	—	—	—	—	—	—	—	—	—	—	—	—	—
Peiping	—	—	1	—	—	—	—	—	—	—	—	—	—
Tsingtao	—	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL	163	101	34	120	13	11	15	19	54	43	83	5	16
%	24.1	14.1	5.0	17.0	1.9	1.6	2.2	2.8	8.0	6.4	12.3	0.7	2.4

LEGISLATIVE AND EXECUTIVE

The law governing the establishment of rural co-operatives proved itself generally workable during the first 20 months of application. Its effect as a unifying influence has been unmistakable. The various regional regulations, a partial list of which was given in the last issue of the *Chinese Year Book* (p. 1283), were superseded by a single stroke, thereby removing a vast amount of confusion and inconsistency. As could be expected, a number of interpretations were necessary on technical counts, both in connection with the law itself and the regulations. On the whole, the law fully justifies the claim that China's co-operative law compares very favorably with similar measures in other countries.

Taking advantage of the expert advice and experience gained thus far, the Ministry of Industry, on instruction from the Executive Yuan, proposed a revision of the law early in 1937. That revision is now before the legislature.

The more important administrative regulations promulgated recently include:

Those governing the Co-operative Banks, (Dec. 18, 1936)
Those concerning Mutual Aid Societies, (Nov. 5, 1936)
Those concerning registration of above, (Feb. 27, 1937)
Those concerning registration personnel, (Dec. 28, 1935)
Those concerning the organization of provincial co-operative commissions in certain provinces, (Nov. 11, 1935)
Those concerning the working of co-operative offices in certain provinces, (Feb. 2, 1937)
Those concerning grading of co-operative societies, (Apr. 8, 1937)

However, of special interest to both observers and workers are the following 15 principles adopted by the Ministry of Industry on October 30, 1936:

1. Co-operative societies shall be organized voluntarily by the people. The government shall endeavor only to expedite the action of the people and to strengthen their efforts in that direction.

2. In promoting the movement, the government should resort to such measures as will stimulate local initiative. Under no circumstance should government agents attempt to manage the affairs of the societies for the people and to interfere with their freedom of action. Encouraging rather than discouraging the people in the management of their own affairs, should be the line of procedure.

3. The object of a society should be determined by the need most acutely felt by the people and the society should begin with simple and easily managed undertakings. The nature of a society to be formed should never follow the natural inclination of the organizer. Co-operation aims at the increasing of production and the restoration of a secure economic status to the people. Illicit and irrelevant designs and purposes should never be allowed to become entangled with the object of the movement.

4. Directing work should consist of one or more of these five functions: (1) study of principles, (2) technical experimentation, (3) training of personnel, (4) promotion and (5) administration.

5. Included under "promotion" are propaganda, organization, direction and assistance. Provision of capital is considered as a form of assistance.

6. For the present the government will direct available forces to form primary societies and to maintain them at a high level of efficiency. The formation of unions must be left to natural growth and must be placed on a good foundation built up by strong primary societies. Undue haste in the formation of unions should be avoided. When necessary, pending the formation of unions, state-operated bodies may be formed to attend to the undertakings which normally should be the business of the unions.

7. Promotional plans in each province should be drawn up by the local government in accordance with the co-operative law and within the limits prescribed by the regulations and these principles.

8. These plans should be so drawn up as to make the co-operative movement serve as an effective means for the realization of the Principle of People's Livelihood on the one hand, and for the carrying out of extra-

ordinary measures in time of emergency on the other.

9. When the plan is drawn up, the government is at liberty to allocate suitable areas for suitable periods to such public and private bodies, including schools, banks, social service agencies, etc. as are interested in the movement and have requisite resources, thus enabling all to participate in the actual application of the program. At the same time the government should endeavor to supplement their resources and to give timely directions.

10. Co-operation being recognized as an item of local reconstruction programs, the responsibility for its promotion must fall upon the local government concerned.

11. The Ministry of Industry should endeavor to unify co-operative administration by prescribing laws and regulations, setting up standards and outlining the co-operative structure to be built up. Also, it should endeavor to assist local governments in perfecting their technique, training their personnel and providing them with capital funds.

12. Both administrative and promotional work shall be attended to by provincial bureaus of reconstruction which are recognized as the office in charge. Temporary measures deviating from this ruling may be arranged when necessary upon consulation between the Ministry of Industry and the provincial government concerned.

13. While it is perfectly legitimate for a financing body to reject loan applications from a society deemed unfit, or to inspect the societies to which loans have been granted, no financing body shall be allowed to interfere with co-operative matters and co-operative administration with a view to finding outlet for its funds available for investment.

14. Training for the members of co-operative societies shall be confined to subjects that will lead them to understand the general principles of co-operation and the management of the simple affairs of their societies.

15. Co-operative promotional plan should seek close co-ordination with other lines of rural rehabilitation work, such as agricultural extension, education, health work, local self-government, etc. Duplication of efforts should be avoided.

As can be seen, diligent adherence to these principles by all interested parties, the government itself included, will not only have salutary effect on unification of work but will direct the country's resources into effective channels, thereby bringing the movement to serve a purposeful mission. To our readers Dr. Sun's Three People's Principles are well known. Of these, that of People's Livelihood must be carried out without delay. This is accentuated by the serious state of affairs created by the constant threat of a foreign invasion. To cope with this extraordinary situation, emergency measures must be devised whereby the country may be better prepared. These measures should not interefere, however, with the ultimate realization of the economic principle on which the nation's constitution is to be based.

Co-operation has its part assigned to it in the recently formed People's Economic Construction Movement, an economic emergency measure that fulfils the conditions just mentioned. Though it was initiated only recently (June, 1936), this new movement has created a number of special enterprises of special type. One such is the Bureau of Farm Credit. Another is the Joint Sales Corporation of Native Goods. A third one is the China Tea Corporation. All of these new bodies have two common characteristics. They are all formed on the basis of joint investment by state and private capital on terms favorable to the latter. The other common point is that they deal with the people, both for production and consumption, through the co-operatives. In other words, in this new order of things each unit society is to function like an individual air sac in the pulmonary organ of the living animal. For the purpose of this emergency set-up, it is desirable to form as many units as possible without sacrificing their effectiveness as ultimate cells of the body as a whole. The reason why the

country cannot afford to wait for the natural growth of co-operative unions, as previously alluded to, is here apparent. Also the jusitication for Principle No. 6, just given, can here be found. It should not be assumed, however, that the government is in any way unfavorable to the formation of unions. On the contrary, these are to be encouraged as soon as the unit societies are ready for them. In fact the details of China's future co-operative structure have been kept constantly before the minds of the officials concerned. A brochure describing the system of co-operative unions is in process of promulgation for the guidance of all those interested in this vital question.

To give the reader an idea of the general plan on which the brochure is written, the following summary is quoted from the unpublished draft:

"Recognizing that the mission of the co-operative movement is to bring the consumer and producer more closely together and to create an independent co-operative capital, the system prescribed in this brochure aims to encourage co-operative bodies of various grades to undertake more than one line of business to suit their local requirements. The only exception is in the case of credit societies of the unlimited type. They should specialize in their own line, namely, credit and should not attempt at multiple function under given conditions. This is to induce them to capitalize fully the implications of unlimited liability and to fulfil their mission as the builders of the co-operative capital. While a general system is outlined, unionization is to be effected in harmony with the needs of the time, the structures differing from each other according to line of business undertaken and nature of commodities handled. As to capital provision, the co-operative banks to be formed are to serve the entire structure, although credit societies are to assume special responsibilities in that direction."

Of purely routine nature but nevertheless of fundamental importance has been the publication by the Ministry of Industry of the following handbooks of instruction and information:

Standard Procedure for Registration with prescribed application and reporting forms.
Information Bulletin for Prospective Societies.
Stardard Terminology and Classification Scheme.
Scheme for Grading of Societies.
Model constitutions for six most common types of societies and unions.

In addition the drafting of the following documents has been completed but their publication is being withheld till more technical opinion has been secured:

Standard accounting regulations for co-operative societies.
Standard forms of account books, business forms, etc.
Procedure for auditing of accounts.
Procedure for registration of administrative personnel.
Handbook for organizers.

The degree of success achieved in the unification of administrative functions, as distinguished from promotional activities,[1] can be seen from the following table:

TABLE 9. PROVINCIAL AND MUNICIPAL REGISTRATION OFFICES

Offices	*Province or Municipality*	*Total*
Bureau of Construction	Kiangsu, Chekiang, Fukien, Kwangsi, Hunan, Yunnan, Hopei, Shantung, Shansi, Chahar*	10

* Promotional work in Chahar is being directed by a special commission.
[1] For fuller explanation, see the *Chinese Year Book* for 1936–37, pp. 1288–89.

Co-operative Commission ..	Anhwei, Kwangtung, Hupeh, Kiangsi, Kweichow, Szechwan, Honan, Shensi, Kansu, Suiyuan	10
Bureau of Social Affairs..	Nanking, Shanghai, Peiping, Tientsin, Tsingtao	5
Administrative Bureau	Weihaiwei	1
Movement not developed ..	Sikang, Chinghai, Ninghsia, Sinkiang	4
Under foreign occupation ..	Liaoning, Kirin, Keilungkiang, Jehol	4
		34

Much has been said about the unsatisfactory state of affairs in some of the provinces where quality is sacrificed in favor of quantity. Though the justification of this criticism is easily recognized, it would be futile to try to right things without first defining what would be considered as a passable standard. In March, 1936, the Ministry of Industry issued instructions requiring registration officials to make as searching an investigation as possible before the registration certificate is issued. For this purpose a standard consisting of 18 factors was prescribed. These 18 factors are:

1. Motive of the proposers.
2. Their private conduct.
3. Change of membership after formation of society.
4. Do members join on their free will?
5. Do the officers seem to dominate?
6. Understanding of co-operative principle on the part of the members.
7. Payment of membership shares.
8. How were the officers elected?
9. Do they enjoy the confidence of the members?
10. Do the members understand the nature of the liability their membership entails?
11. Is the constitution of the society within legal bounds?
12. Constituency of membership.
13. Personal conduct of the officers.
14. Their business capacity and ability.
15. Does the society have a definite plan for its activities?
16. Are the employees, if any, competent and faithful?
17. Is the society adequately equipped?
18. Is its ocation suitable?

To grade the societies that received their registration before the above described plan was put into effect the Ministry of Industry issued on April 8, 1937, a circular instruction to all of the provinces and municipalities requiring them to group the old societies into three groups, namely:

A. Those attaining an average of 60 marks.
B. Those attaining an average of 40 to 59 marks.
C. Those attaining an average of 39 marks or less.

The "A" societies were to be allowed to proceed and to be given a free opportunity to develop their program under normal supervision. Special attention should be directed to the "B" class, which should be regarded before the end of 1938 and be disbanded if they then failed to qualify by making 60 marks. The "C" class should be carefully "tutored" and should advance to the "B" class by June, 1938, and to the "A" class by the end of that year. Failure to thus qualify in either case would mean deregistration. It can thus be seen that by the end of 1938 all old societies, those that were re-registered without being first investigated, must either measure up to 60% of the standard or lose their registration. The standard prescribed for this purpose contains 13 factors grouped under five headings and is as follows:—

I. Co-operative spirit:
   1. Understanding of the principles
   2. Loyalty to the group
II. As to organization:
   3. Legality
   4. Execution of resolutions adopted
   5. Equipment
III. Economic Effects:
   6. Actual benefits received by members
   7. Improvement in production

IV. Social Effects:
  8. Open membership
  9. Ready to join the union if formed
  10. Public welfare
V. Vitality:
  11. Suitability of activities undertaken
  12. Training of members
  13. Eagerness to improve

PROMOTIONAL

A. Investigational.—Thus far, attention has been focused on the farmers, who undoubtedly constitute by far the majority of the entire population. The time has, however, arrived for widening of the horizon to include other groups of people—more particularly, for instance, the urban population, those of fishing villages, mining towns, etc. Experience is being gained by a few city societies, notably in Nanking and Shanghai, in connection with consumers' organization and credit bodies. A special party was sent to coastal Chekiang and Kiangsu in the spring of 1937 to study the needs of the fishing communities. This party has recently completed its mission and upon the resultant report suitable types of co-operatives will be worked out. A start is about to be made to study the needs of the miners in a few selected mining districts.

Thus far, also, co-operative work has been planned largely on the basis of agriculture. Little, if any, attention has been given to the possibilities of rural industry. Processing of agricultural products of course is a legitimate undertaking of the producers' societies. Handicrafts should likewise be encouraged. This is now made more hopeful by the formation of the Joint Sales Corporation of Native Goods. An ambitious program has been conceived whereby the purchasing power of the farmer may be increased through development of the home industry. Manufactured goods may be exchanged through the co-operatives for art goods and articles which the farmer's wife makes at home. To make this a success it was thought that standardization of quality and design would be necessary, as well as improvement of color combination of wares produced in the country, so as to make the finished products appeal to the taste of the city dwellers.

In short, the realm for co-operation should be all enveloping, benefiting not only the farmer but also the fisherman, miner, city artisan, salary earner, etc. Co-operative societies should not confine themselves to the handling of agricultural products but should act as distributors of manufactured wares produced by hand and by the machine alike.

B. Educational.—Nanking, Chekiang, Yenching and Nankai universities continue to offer high grade co-operative courses for their students, as in the past. Nankai is the only private institution that offers a post-graduate course in co-operation. The Co-operative College of the Central Political Institute turned out its first class of students in 1937. Through the efforts of the China Co-operators' Union an institute for training of junior officials started its first class in the same year.

Realizing the absolute need for the introduction of scientific knowledge alongside of co-operative principles and methods, an institute for the training of workers was opened in Nanking on February 1, 1937 to train the first class of co-operative officials drawn from the provincial staffs. They were to undergo a course of six months' training under the direct supervision of the Ministry. Besides instruction in co-operative administration, courses in agriculture, animal husbandry and preventive medicine will be offered to the three groups into which the students will be divided. The plan to offer these seemingly irrelevant subjects in a co-operative training program grows out of a conviction that rural workers in China must serve as handy-men to be welcomed by the farmers, and that if co-operation is to be really instrumental in the rehabilitation of Chinese agriculture it should be staffed with men who appreciate, and can give intelligent assistance to, allied programs to be carried out by other departments of the Government. These programs should be made to supplement one another in the field in order that they may produce fuller and earlier results.

Each province was allowed to send six of its co-operative staff to this class, these being evenly distributed among the three branches just mentioned. The first class completed the prescribed course in July, 1937, and a second class was to meet the following September.

All these efforts will eventually reach the multitude that forms the membership of the ever increasing number of groups called co-operative societies. Training of these members constitutes one of the main tasks of the promotional work. During the winter months, when the farmers as a class are not busy, training courses are to be organized for them so that the members of co-operative societies may receive their training by rotation. Those who have had the benefit of training or fellowships constitute the bulk of the instructing staff. In this way co-operative and allied subjects may reach the rural groups, which will rapidly lay the foundation for a new economic commonwealth in rural China.

A second form of education is through personal visits to be made by representatives from the Ministry of Industry to all provincial headquarters throughout the year. This visitation program will be instituted from September, 1937, as a matter of routine and is expected to keep all provincial headquarters staffs up to date—particularly with respect to legislation, policy, procedures, etc., as conformity to the general plan and keeping up to a minimum standard is of utmost importance if the co-operative structure is to be built on a nation-wide basis.

Still a third plan is to develop the idea of selecting the outdoor staff from among the co-operators themselves, as explained in the last issue of this Year Book (p. 1290) and, in various other ways, inducing the people to assume an increasing amount of supervisory responsibility as soon as their experience and understanding qualifies them.

In addition, almost invariably in all programs of training conducted by the central government co-operative subjects are included in the curricula and members of the Ministry of Industry are given opportunities to lecture before the various groups of civil and military officials called together from the different provinces to receive direct instructions from the central officials concerned. These groups include *hsien* magistrates, police officers, health officers, agricultural extension workers, etc. It is plain that a clear understanding by these officials of the fundamental aspects of the co-operative movement, and their responsibility for its promotion and for the technique to be adopted, is conducive to smooth working in the interior and higher administrative efficiency, not to mention the avoidance of mistakes hitherto made unconsciously by them.

The Co-operative Administration, a monthly published since January, 1936, continues its good work as a connecting link among the central and regional directions. An English bulletin was started in June, 1937, to keep the world informed of important co-operative events in China.

C. Financial.—The participation of commercial investment in co-operative development was put on a more satisfactory basis upon the founding of the Bureau of Farm Credit. Interested banks were invited to subscribe to the shares of this bureau, which is capitalized at $60,000,000. The government undertakes to make up any loss that may be sustained by the banks, thus eliminating the necessity of their having to do co-operative promoting with unsatisfactory results to themselves, the official directing bodies and the farmers whom they sought to help.

This bureau is charged with the responsibility for sponsoring co-operative banks. The minimum capital of the central bank is to be not less than $10,000,000 while that of each provincial bank is to be not less than $1,000,000 and that of each *hsien* bank not less than $100,000. At this stage when the co-operatives are yet unable to provide any appreciable amount of capital, the central bank is not to be organized; provincial banks are to be considered only in provinces where available funds designated for co-operative investment can be

employed. The bureau devotes itself for the time being to the formation of *hsien* banks, providing practically the entire minimum capital itself. In accordance with the regulations, this share capital may be taken up by instalments by the co-operatives, the nominal value of each share being $10.00. As the shares change hands the management of the bank changes hands till all of the shares are owned by the co-operatives, when the bank in question becomes a part of the co-operative system. At the time of writing, only a few banks of the *hsien* rank have been organized. Besides serving as a stabilizing factor between commercial and co-operative interests, these banks will form ideal objectives for the accumulation of savings by the "small men" in the country districts.

The Farmers' Bank continues to function as an important source of co-operative borrowing. Pending the full development of credit bureaux, the Bank of China, and the Bank of Communications, as well as several provincial farmers' banks, are keeping up their interest in rural investments.

TABLE 10. DEVELOPMENT OF CO-OPERATION SINCE 1918

Year	*No. of Societies*	*Year*	*No. of Societies*
1918	1	1928	722
1919	2	1929	1,612
1920	3	1930	2,463
1921	5	1931	3,618
1922	9	1932	3,978
1923	19	1933	6,632
1924	25	1934	14,977
1925	116	1935	26,318
1926	337	1936	37,318
1927	584		

ANIMAL HUSBANDRY

NEW TSUNYOONG (虞振鏞)

Before the animal industry in China is discussed the agricultural conditions of the country must first be understood. Like many other races, the Chinese people began their civilization with animal husbandry. Despite centuries of high civilization, their architectural designs still maintain the general outline of a tent. Several millenniums ago the race migrated from the northwest along the Yellow River and settled down in the loess region. The deep rich soil encouraged them to grow crops. Later on they passed Tung Kuan and reached the Great Plain of China, where the climatic and soil conditions were more favorable for cultivation. The plentiful crops from year to year led to a rapid growth of population. As the population became thicker and thicker, farms were reduced to small lots. With only from three to five acres of land to supply all the needs of the family, an intensive system of farming became the only solution. Thus every inch of soil was cultivated and even hillsides were terraced for rice fields so that there was practically no land left for grazing animals.

However, because of insufficient amount of rainfall and the short growing season due to the high altitude, the regions in northern and western China were not profitable for cultivation. These factors account for the fact that Mongols and Tibetans are good herdsmen even to this day, but do not know how to cultivate the land. Their only income is derived from animals. Thus we may divide China into an agricultural section in the east and south and a grazing section in the north and west.

The people in the east and south have always depended upon those in the north and west for animal supplies, and the latter have relied upon the former for agricultural products. This mutual exchange of needs seemed to benefit both parties. For generations farmers in the south and east considered animal raising a losing proposition, while the Mongols and Tibetans regarded the cultivation of land as a tedious job. This state of affairs lasted for tens of centuries.

Prior to the establishment of the Republican Government in China no attention was ever paid to the important subject of animal industry. Since inauguration of the new regime, however, students from foreign countries have begun to return, and, having realized the value of improved breeds of animals, they have tried their best to make people understand the importance of animal breeding. Unfortunately, their first efforts were of no avail. Several shipments of horses, cattle, sheep and hogs were later imported from Japan, France and America. With the establishment of educational institutions and breeding stations by the Government as well as by the introduction of pure breed animals and the holding of exhibitions, though necessarily on a small scale at first, the general public began to show an interest in animal husbandry. Furthermore, some valuable crossing experiments were made at various stations.

It was not until 1936 that a fresh start was made. The development of education in recent years has effected radical changes among the people; the recognition of public health has called for milk supply for the youngsters; the adoption of short coats for convenience and efficiency at work and the sudden popular use of knitted wear in modern

families have increased the demand for better wool; and the improved farm implements for sale on the market have required stronger labor animals in rural districts. Recent activities in the woolen, tanning, canning and dairy industries seem to have caused a general dissatisfaction with the existing breeds of animals and a desire for foreign pure breed animals has begun to register on the Chinese mind. Both the Government authorities and the people at large are now taking a keen interest in animal industry.

I. A GENERAL SURVEY

Exclusive of the border territories, China is estimated to have the following livestock:

Horses	4,080,000
Cattle	22,647,000
Water Buffaloes	11,603,000
Mules	4,666,000
Asses and Donkeys	10,547,000
Goats	21,933,000
Sheep	20,957,000
Hogs	62,639,000
Chickens	246,688,000
Ducks	56,724,000
Geese	10,538,000

Chiefly used for drafting and riding, horses are raised largely in prairies in the northern and western sections of China. Chinese consider horses as having faithfulness, one of the four cardinal virtues.

Chinese horses, better known as Mongolian ponies, are hardworking animals. Although small in size, they are strong. Their speed may not be equal to that of their cousins of larger size, but their tenacity is wonderful. On ranches horses and mares are usually kept together in the same group, the former having their own associates and each taking care of from 12 to 20 of the latter, which usually seem to be quite obedient to their master. There may be from 200 to 500 animals in a herd but mares are always seen by the side of their horses while grazing. Should any be left behind hills or separated during a heavy storm they will immediately come together as soon as the horse calls, for, a horse will never allow another, even in the same herd, to mate his mare. In the event of any mating being noticed, he will not only fight with the intruder but also punish the mare. So the horsemen's work is greatly facilitated—the writer once handled a herd of more than 2,000 horses and mares without losing track of any. Foreign horses do not have this habit but allow their mares to wander. This makes it much more difficult for horsemen to keep their animals together and often results in an inaccurate record for the pedigree of their colts.

Individual mares may be found on farms along the Yellow River. Mules are usually bred with asses and Shansi, Honan and Shantung provinces are noted for such hybrids. On the whole, horses are not so popular on farms as mules. They are excellent for riding but not for hard work.

Chinese mules are wonderful beasts of burden. They are not only strong and patient but are also tame and obedient. They are seldom stubborn, even under ill treatment. They can stand much more hardship than horses, and their size and strength are not inferior to those of any foreign breed. Some of them have a fairly good turn of speed and good pacers can easily cover 100 miles in a day. One of the most noted mules, belonging to Mr. Wong Tung-chuing, the father of irrigation projects in Suiyuan province, was known to travel 180 miles in 10 hours and it saved its master's life in an emergency. The special characteristic of mules is that once they start moving they will keep up the speed without rest. The most prevailing color is dark brown, though black and white coating—dark skin with white hair—may also be found. They are usually about three hands higher than Chinese horses. As they are kept largely in agricultural regions, the general impression is that there are more mules in China than horses.

Asses and donkeys are the most useful labor animals in China and are

economical to keep. They pull carts, carry loads, plow land and breed with horses. Their surefootedness makes for travel in difficult mountain regions. They will team with horses, mules and oxen in field work and do not suffer much from hunger and cold. Some sections of Shansi, Honan and Shantung are known to produce asses of good size but the majority of them are small. These little animals render a great service to the Chinese farmstead. In certain sections they are the only animals that can be substituted for human labor.

Cattle in China are always considered as labor animals; oxen and agriculture are often linked together. Indeed the term "plow oxen" has already become a common name. Except amongst the Mohammedans, Mongols and Tibetans, beef has never been considered as a common food among the people in China, and many families never allow it to enter their doors. The term "beef cattle" is, therefore, new to Chinese ears. However, Shantung and Kwangsi provinces are known for tender beef cattle in the export trade and large numbers are exported annually through Tsingtao and Canton.

Chinese cattle without foreign blood usually do not have patchy colors. In general, they are of reddish brown with or without light grey belly and legs. Should the red tint be reduced somewhat, they would look very much like the Jersey or Guernsey. Black cattle can also be found but are by no means common. In Mongolia one may find another type which has a drab coating with dark stripes. These animals seem to be coarser than the brown ones. In the south of the Yangtze Valley the cattle are much finer in quality but smaller in size. In Mongolia the best breeds are found in northern Chahar and western Suiyuan. The former seem to give the largest amount of milk while the latter, stand highest in field work. Shantung oxen, really a product of the region at the junction of Anhwei, Kiangsu and Shantung provinces, are known for their good size and fine quality.

Oxen are patient workers. When a cart gets into a mud hole, horses and mules may refuse to pull after failing two or three times but the oxen will never give up. In Mongolia one may see from 20 to 40 carts transporting wool and skins with only one driver at the lead. This is impossible with horses and mules. All cattle in China have humped backs and Chinese cows do not produce much milk, the best ones averaging ten pounds a day, when they are crossed with any foreign dairy breed bull a marked increase of milk production is noticed in the first generation. After the third generation, seven-eighths blood, they may produce from 30 to 40 pounds a day. The acceptance of the new genetic quality is very remarkable.

Water buffaloes have all of the good qualities of the oxen plus heavier weight. Chinese water buffaloes are good-natured and usually they are placed under the care of boys of from 12 to 15 years of age. Their skin is of dark grey color. Their large hooves, which keep them from sinking into soft mud, make them particularly suited for work in rice fields. The high percentage of fat in buffalo milk, sometimes as high as 12%, gives an indication of their possibility as dairy animals. Trials have been made to improve their milk production by selection, apparently without much success so far. Buffalo meat is considered as a delicacy by foreigners in China and buffalo hides command a good price, due to their size and quality. Water buffaloes have very thin hair and they like to take water baths. Even in the cold weather they enjoy bathing in icy water, which gives them a soothing feeling as expressed through their eyes and faces.

Sheep are popular animals in northern and western China and almost all farmers own a few among their possessions. Often a shepherd is jointly engaged to look after several flocks. The wool and manure are sufficient to take care of the wages of the shepherd, while lambs belong to the owners. Very few sheep are found in southern China however.

Among the various breeds the Suiyuan "black head" is best known for its mutton, and Peiping mutton, known all over China for tenderness and fine flavor, is largely slaughtered from this breed. In the winter season large quantities of mutton are sent to Manchuria and the Yangtze Valley as New Year presents to friends. The Peiping "leg of mutton" has long become a necessary item at the New Year feast in Manchuria. Hence Peiping has been for a considerable period the largest mutton consuming city in China and butchers there are usually of the Mohammedan faith. They buy sheep in the late fall when the animals have just come from ranches in the best condition, and keep them in stalls and feed them with sweet potato vines, peanut hay, oil meals of different kinds, and sometimes also with sorghum seeds. When they have been fattened to prime condition, they are killed for meat. A good specimen will be a 50% carcass and the writer once had a 62% carcass from a wether.

In conformations Chinese sheep are inferior to downbreeds in England. Their legs and necks are slightly too long, but they have broad backs and thick legs of mutton. Their fat tail, sometimes weighing several pounds, is a special delicacy to some persons. To the sheep themselves the tails are useful instruments in times of emergency. The distinct mark for the "black head" breed is the black wool on the head and the best specimen should be clean cut between white and black wool just at the back of the head. Usually, this is not so distinct, though the body is always white. It is rather unfortunate that the wool is not always uniform and is classed as carpet wool unless it is of superior grade.

Another breed is the "Han Yang" in central China, which supplies the best wool in the country. It is fine and uniform, and commands the highest price on the Chinese market. This breed supplies mutton for Honan, Shantung Anhwei, Hunan and Hupeh provinces. In spite of government prohibition, a large number of ewes are killed for their unborn lambs, thus actually reducing the sheep population of China. While we may all realize that it is cruel to kill two at one time, it is very hard for the farmers to resist the temptingly high prices offered by foreign traders for unborn lamb skins. The mutton supply for the Shanghai market comes largely from the Kiahsing and Wuhsing districts, in Chekiang province. This breed is smaller in size and inferior in quality, but it is very productive, twins being common. The writer has been told of a ewe which produced four lambs at one time. Both "Hai Yang" and Chekiang sheep have less prominent noses and are white all over, and the wool is usually thinner but finer in quality.

Goats are distributed throughout the country. They are generally small in size but those in the North are a little larger. They are mostly of white color, though grey—white mixed with dark hair—are also common. In each flock of sheep in the North one may find a few goats—about 10 per cent or less—and these are considered as better leaders. In southern China very few sheep are raised. While the character "yang (羊)" means sheep in North China, it signifies goat in the South. The southern artists draw goats but the northerners take sheep to represent "yang." Goats are very popular animals in the South and are kept by individual farmers, few being raised in flocks as in northern China. They are very productive and it would be a rare case for a goat to give birth only to a single kid.

In North China the season for mutton lasts from August to April, November, December and January being the most important months. In southern China mutton is sold with the skin but in the North it is sold without skin or bones. Sheep fur is exceedingly popular for winter wear. In the Yangtze Valley and the South each family has at least one sheepskin coat. Such a coat is also given by parents to their daughters as dowry at the time of their marriage. North of the Yellow River, sheepskin coats have become a necessity to every person and consequently the

fur trade has developed in large cities. Among the various breeds the "tan yang" of Ninghsia is best known for its light skin and long, wavy and lustrous fur. This breed is raised on sandy soil and its fur is the best among white wool lambskins. It is excellent for ladies' coat collars, mufflers and short coats. The "peikuo" lamb skin, produced in Chahar and Suiyuan provinces, is of inferior quality. Its fur is not so long and lustrous, having only one complete curl. However, its great durability and low price enable it to be widely used in southern China. Another breed which is produced in Chinghai (Koko Nor) shows a black top with purplish reflection near the skin. Its fur is very thick and strong. Because of its dark color it stands rough use and since the adoption of the Western costume in China, it has been used considerably for overcoat lining. This is the most expensive of all sheep skins and the great demand has encouraged the breeding of these animals.

Pork is the most popular meat in China and more hogs than is the case with any other animal are killed for meat. When one orders meat in a Chinese restaurant he will invariably be given pork. Chinese pigs have large drooping ears and strong, long bristles. They are extremely good mothers and a litter of 12 pigs is common. Even in the first delivery a sow may expect from 8 to 10 pigs. The writer has seen a sow with 18 teats, 14 of which produced good milk to feed the youngsters. Chinese farmers prefer black pigs and it is only in Kwangtung and Szechwan provinces that one may find piebald specimens of black and white. It is said that in eastern Szechwan white hogs are now becoming very popular because of their valuable white bristles, which commands a higher price on the market for the brush industry. Young pigs mature early and young sows have their first heat when only three months old. For this reason pigs of both sexes are usually castrated and spayed within about two months of their birth. The raising of pigs is not necessarily a paying business. They are raised usually for two purposes. In the first place, there is always a market for pork throughout the year and farmers may dispose of their hogs whenever they need money. In the second place, they are kept to produce manure. Hog pens are usually well bedded. Hogs are able to make rotten trashes which otherwise are not decomposable—a very useful process for the manufacture of the manure which is essential for intensive farming. In South China pigs are kept in lots, while in the North they are allowed to pasture. Pork is sold in South China with bones and the most valuable cuts are those along the sides. The best specimen should have five layers of muscles and fat as it is most suitable for Chinese cooking. Ham is of secondary importance. It is also sold with the femur bone and a cooked ham with a piece of bone sticking out of the center is always highly esteemed as a present from the mother-in-law to her son-in-law. Hogs are quite evenly distributed in this country. Sha Chu on the north bank of the lower Yangtze produces the best breed in eastern China. It supplies pork to large cities within radius of 250 miles. The Tai Hsing district produces over a million hogs a year.

Among poultry animals, chickens are the most popular birds with farm wives. They are raised not so much for profit as for pleasure. Farm wives do not care very much about other animals in the household but they delight in feeding chickens with their own hands. The red brown eggs are the most popular; the white leghorn eggs are less welcome. In North China the Peiping "yu chi" is the most noted breed. They are nicknamed the "nine catty king", meaning that with proper care they may weigh at maturity 12 pounds. In Shaohsing, Chekiang province, the cocks of a certain breed often fight with children for food. Longshan at Nantung, in Kiangsu, and Fuchow, in south Manchuria, are known for large eggs, while Shaoshan, in Chekiang, and Tsaichi, in Hopei, are noted for high production of eggs.

Unfortunately, very few records have been taken and it is very difficult to get an accurate account of the average size and annual production. As egg products have become an important item of the export market, egg drying and collecting centers are now established in different localities. Originally eggs were purchased by number, but they are now bought by weight. The more advanced egg plants also distribute breeding birds and eggs to the rural districts and it is hoped that after a few years there may be an improvement in both size and productivity. Although chickens are found all over the country there are very few specialized chicken farms. However, there are places where chickens have never been raised. Once a friend of the writer paid a visit to Inner Mongolia and presented two eggs to a Mongol woman, who refused to accept the rare present. When she was asked to keep them, the reply was: "I am afraid that they would bite me."

Duck raising is a special trade in China. In large commercial cities ducks are always in good demand and they are raised in flocks of several hundred in South China. The attendants accompany them to water ponds, rice fields and canals either for exercise or for food and feed them twice a day. The main purpose of raising them is for their eggs. Duck eggs are generally served, though in small restaurants in North China this is not the case. Ducks usually have a patent color of a mixture of gray with dark feathers, with or without dark green heads. The Soochow duck is the best known breed in South China where they cost from 30 cents to one dollar apiece. Their egg are hatched in large native hatcheries in different centers and are bought and sold in lots. Nanking is famous for salted ducks, the daily consumption of which is enormous. Peiping duck, known all over the world as "Peking ducks", is the best breed in China. Covered with pure, clean, white feathers and decorated with a reddish brown beak, they make an attractive adornment to private water ponds. Their smooth outline and graceful movements always attract the attention of passers-by. They produce very large eggs, often weighing four ounces each, but these are usually hatched by hens. In the first week, ducklings are fed with millet seeds and egg yoke; when they are a little older water weeds mixed with fish products are gradually introduced into their ration, and still later they are given beans. When they reach the age of about two months, forced feeding begins with sorghum seed, middlings and bran. The total feeding period from the day eggs are hatched to the time "finished ducks" are sold should not last longer than 85 days. Upon completion of this period they should weigh from four to six pounds and the price ranges from $1.50 to $2.50 each. In Peiping a dinner is not considered as complete without the duck, though such is not the case in South China.

Geese are not so popular in China and their meat is served only on special occasions when large varieties of meat are needed. There are two distinct breeds in China: the white and more popular breed, which is found in different parts of the country, and those having the patent color of wild goose, which are found only in South China. As it is expensive to keep them, their price is rather high.

Because of their imperfect organization and the nomadic habits of their inhabitants, it is extremely difficult to give even an approximate estimate of the animal population in bordering provinces. The above data, collected and compiled by the National Agricultural Research Bureau, is considered to be the most reliable in China.

Since the soil and climatic conditions are more favorable for cultivation in southern and eastern China, the population there has naturally become more concentrated. As intensive farming requires more human power than animal labor, the animal population has diminished in the south. The demand for meat is much greater, however, so there are more

TABLE 1. DISTRIBUTION OF LIVE STOCK IN CHINA

(Estimates of Labor Animals in 1935)

Unit 1,000

Provinces	*Water Buffaloes*	*Cattle*	*Horses*	*Mules*	*Donkeys*	*Goats*	*Sheep*	*Hogs*	*Chickens*	*Ducks*	*Geese*
Chahar	—	146	35	56	137	155	1,075	224	761	74	2
Suiyuan	—	381	212	42	137	647	3,150	369	1,399	6	3
Ninghsia	—	35	7	8	53	482	1,946	27	226	—	—
Chinghai	—	57	40	28	62	260	354	71	379	—	—
Kansu	8	619	123	291	543	2,510	6,408	1,059	4,910	985	99
Shensi	6	980	113	194	379	1,153	697	1,155	3,355	133	10
Shansi	11	635	180	396	790	2,572	2,285	741	4,726	93	4
Hopei	14	1,312	432	828	1,377	1,080	735	3,911	13,461	702	81
Shantung	40	2,664	485	760	2,220	960	935	4,327	21,790	2,125	432
Kiangsu	798	1,235	190	265	887	1,415	641	5,654	19,394	8,289	1,104
Anhwei	1,011	1,056	269	151	760	605	86	2,863	13,620	2,235	1,115
Hupeh	773	2,071	233	110	383	345	139	3,888	24,404	2,060	202
Szechwan	2,767	986	158	98	40	3,427	234	11,738	22,355	7,995	1,279
Honan	199	3,604	832	1,077	2,679	2,965	1,604	3,387	22,071	2,581	444
Yunnan	714	805	471	314	50	501	111	2,696	5,315	1,478	129
Kweichow	694	546	200	23	6	415	120	1,652	5,201	1,146	215
Hunan	1,565	1,750	28	4	3	816	16	5,854	22,400	9,169	768
Kiangsi	1,071	1,614	32	10	13	362	6	3,849	20,009	4,389	1,369
Chekiang	340	693	12	4	2	481	415	2,478	13,126	2,636	911
Fukien	260	401	8	4	23	438	—	2,069	10,709	4,467	308
Kwangtung	1,332	1,057	20	3	2	334	—	4,627	17,073	6,161	2,063
TOTAL	11,603	22,647	4,080	4,666	10,547	21,933	20,957	62,639	246,688	56,724	10,538

TABLE 2. ESTIMATE OF LIVE STOCK PER 100 FARMS

Unit 1,000 Heads

Provinces	*Water Buffaloes*	*Cattle*	*Horses*	*Mules*	*Donkeys*	*Goats*	*Sheep*	*Hogs*	*Chickens*	*Ducks*	*Geese*
Chahar	—	47.1	11.2	18.0	44.2	50.0	347.7	72.4	246.3	23.8	0.5
Suiyuan	—	152.4	84.9	16.6	54.8	259.3	1,261.4	147.8	560.2	2.6	1.2
Ninghsia	—	64.5	12.3	13.8	96.3	901.3	3,564.0	49.3	414.5	—	—
Chinghai	—	82.3	58.1	41.0	88.7	374.3	509.9	101.5	545.5	—	—
Kansu	1.0	78.1	15.5	36.7	68.5	316.4	807.7	133.4	618.8	124.1	12.5
Shensi	0.4	70.6	8.1	14.0	27.3	83.1	50.2	83.2	241.7	9.6	0.7
Shansi	0.6	33.9	9.6	21.1	42.2	137.2	121.9	39.5	252.2	4.9	0.2
Hopei	0.3	31.1	10.3	19.6	32.6	24.6	17.4	92.6	318.7	16.6	1.9
Shantung	0.7	45.0	8.2	12.8	37.5	16.2	15.8	73.1	368.0	35.9	7.3
Kiangsu	15.8	24.4	3.8	5.2	17.5	28.0	12.7	111.8	383.5	136.9	21.8
Anhwei	38.4	40.1	10.2	5.7	28.9	23.0	3.3	104.3	517.2	84.9	42.3
Honan	3.9	71.2	16.4	21.3	52.9	28.6	31.7	66.9	436.0	51.0	8.8
Hupeh	19.5	52.3	5.9	2.8	9.7	8.7	3.5	98.2	616.3	52.0	5.1
Szechwan	55.6	19.8	3.2	2.0	0.8	68.9	4.7	235.9	449.3	160.7	25.7
Yunnan	51.6	58.2	34.0	27.7	3.6	36.2	8.0	194.8	384.1	106.8	9.3
Kweichow	58.1	45.7	16.8	1.9	0.5	34.8	10.0	138.4	435.7	96.0	18.0
Hunan	40.1	44.9	0.7	0.1	0.1	20.9	0.4	150.1	574.4	235.1	19.7
Kiangsi	32.5	49.0	1.0	0.3	0.4	11.0	0.2	116.9	607.7	133.3	41.6
Chekiang	10.7	21.9	0.4	0.1	0.1	15.2	13.1	78.3	414.7	83.3	28.8
Fukien	16.2	25.0	0.5	0.3	1.4	27.3	—	129.0	667.6	278.5	19.2
Kwangtung	38.3	30.4	0.6	0.1	0.1	9.6	—	133.0	490.7	177.1	59.3
Average	21.2	41.4	7.5	8.5	19.3	40.1	38.3	114.6	451.4	103.8	19.3

producing animals. Table 2 on page 829 shows the approximate position.

The average shown in Table 2 is the number of animals possessed on 100 farms in the 21 provinces. In order to clarify the above figures, the provincial distribution of the different animals is represented by the following charts:

CHART 1. A COMPARATIVE STUDY OF FARM AMIMALS IN CHINA BY PROVINCES

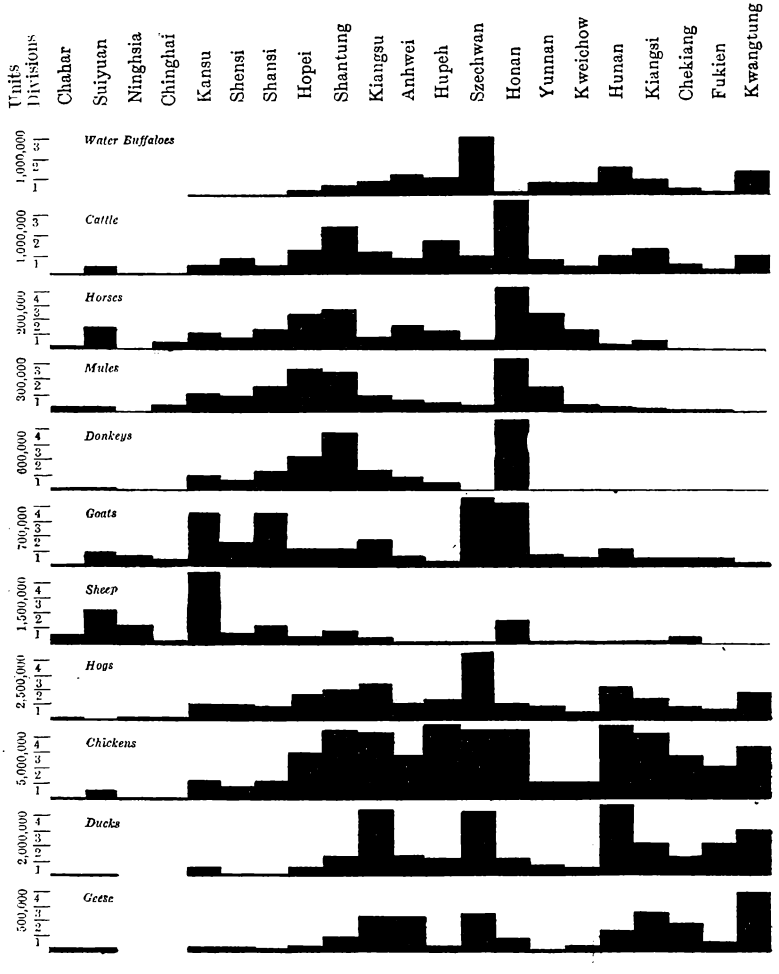
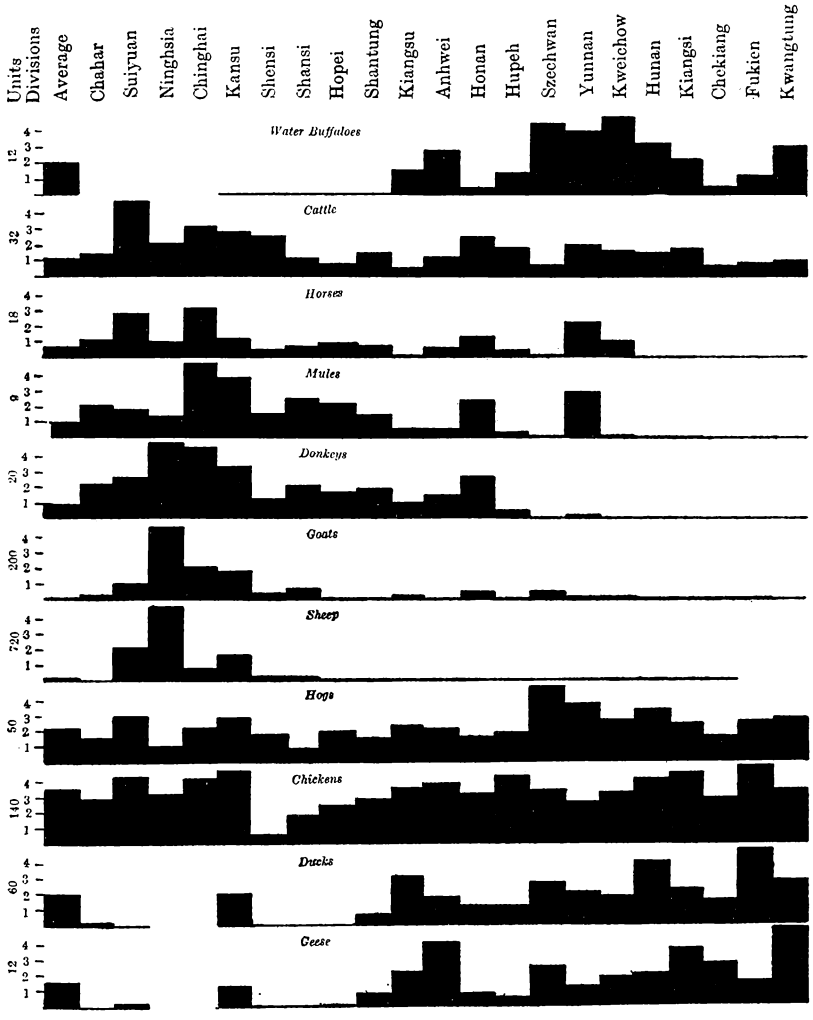


CHART 2. A COMPARATIVE STUDY OF LIVE STOCK IN 100 CHINESE FARMS BY PROVINCES



The above estimates have been compiled from reports of more than 6,000 agents in various sections throughout the country. Each deals with a limited area, so the figures may be taken as reliable.

TABLE 3. CONSUMPTION OF MEAT ANIMALS IN CHINA

Provinces & Cities	No. of Hsien			Number of Animals Actually Reported				
	Total	Reported	Percentage	Cattle	Buffaloes	Sheep	Goats	Hogs
Chekiang ..	75	38	50.66	30,363	11,046	72,234	54,043	596,727
Anhwei ..	61	3	4.92	993	—	—	3,447	49,129
Hopei ..	130	77	59.23	51,400	201	88,810	95,159	451,543
Shantung ..	108	60	55.55	206,132	50	169,077	183,330	1,476,596
Shensi ..	92	35	38.04	2,783	120	44,897	54,101	183,429
Kiangsi ..	83	5	6.02	390	140	880	1,620	19,020
Hunan ..	75	2	3.50	—	—	—	200	32,406
Honan ..	111	75	67.56	55,139	2,348	65,686	228,665	729,857
Other 15 Provinces	1,451	—	—	—	—	—	—	—
Shanghai ..	—	—	—	621	22,157	132	21,579	359,255
Tsingtao ..	—	—	—	4,569	—	738	—	40,654
Nanking ..	—	—	—	—	17,035	—	6,037	172,988
Peiping ..	—	—	—	10,519	—	272,919	—	402,190
Tientsin ..	—	—	—	117,476	—	114,656	—	250,173
Canton ..	—	—	—	6,609	41,613	2,191	3,247	475,538
TOTAL ...	1,752	301	17.18	532,606	94,710	832,219	651,426	5,249,505

The above figures are actual returns from the hsien authorities of different provinces. The original purpose was to find out the meat consumption in different parts of China and the proportion among different animals. Unfortunately, time does not allow us to wait for more returns. The above data represent only 17.19% of the total number of hsien. Since there are many provinces which have either sent no returns at all or sent returns from only a few districts, it is not justified to make estimates with such meager data.

II. PROSPECTS OF ANIMAL INDUSTRY IN CHINA

Due to the special agricultural conditions of the country, animal industry has not been for centuries given due attention. Recently, under the leadership of General Chiang Kai-shek, a general stimulus has been given to this matter. It has now been realized that animal production is one of the important sources of raw material in many industries.

Labor Animals. — From Table 2 one may notice that in the most important agricultural provinces, namely, Hunan, Kiangsi, Kwangtung, Kiangsu and Chekiang, 15%, 17%, 31%, 33%, and 67% of the farmers respectively do not possess a single labor animal. Industrial employment in cities with higher wages has already drawn a large number of the rural population and the keen competition for farm hands has dealt a severe blow at the farmers. Furthermore, the standard of living in rural districts, due to the rapid development of highways and railways, has also been raised and all of these factors tend to raise the cost of production. The farmers have thus become conscious that cultivation without animal labor or mechanical help can no longer be a paying business and the value of farm animals has consequently gone up about 30% as compared with several years ago.

Demand for Improved Animals. —Fifteen years ago when the writer personally brought over a herd of dairy cattle from America after

having paid $850.00 per head (about $250.00 U. S. Currency at that time), including transportation, he was seriously criticized for such a folly. Of course, they cost about fifteen times more than an ordinary cow. To the people at that time, a cow was simply a cow and it was incredible that it could be worth that much. At present more and more animals are being imported each year and the general public has realized the value of an improved animal which is able to produce 50 to 60 pounds of milk a day, while native cows are able to produce only from six to eight pounds. Moreover, the wool from an improved breed of sheep can be made into fine clothing while that from native sheep can be used only for carpets and coarse cloth. These facts have brought a new conception to the Chinese mind and raised the demand for improved animals. Unfortunately, the breeding stock is insufficient to supply the needs of the public and many are willing to pay a few hundred dollars for a sheep or hog, and several thousand dollars for a good bull. This could never have been possible a few years ago, and in the near future we may expect the breeding of live stock to become a new industry in China.

Dairy Animals.—The following data have been recently compiled by the Ministry of Industry regarding dairy animals and their production from different cities in China:

TABLE 4. DAIRY ANIMALS AND THEIR PRODUCTS IN CHINA

Cities	*No. of Dairies*	*Dairy Animals*						*Annual Production in Pounds*
		Dutch	*Jersey*	*Guernsey*	*Ayrshire*	*Native*	*Others*	
Nanking	24	183	11	2	—	23	363	1,181,200
Shanghai	89	1,331	79	130	132	198	238	14,824,660
Peiping	28	160	—	5	35	273	27	1,415,846
Tsingtao	49	478	—	—	—	30	80	1,583,060
Tientsin	35	72	—	—	—	354	93	978,524
Hangchow ..	49	161	12	—	2	438	466	1,495,780
Wusih	91	35	—	—	—	125	7	363,780
Soochow	6	73	—	—	—	30	—	96,840
Wuhu	2	—	—	—	—	18	—	23,868
Nanchang	13	33	—	—	2	182	3	148,046
Kiukiang	12	10	—	—	—	407	—	1,834,696
Hankow	12	—	—	—	—	340	—	79,330
Wuchang	2	3	—	—	—	18	—	50,400
Foochow	6	—	—	—	—	40	—	65,200
Canton	39	—	—	—	—	353	—	219,120
Swatow	15	—	—	—	—	80	—	81,460
Taiyuan	7	68	—	—	—	93	128	128,099
Wenchow	1	—	—	—	—	2,000	—	100,000
TOTAL	480	2,607	102	137	171	5,002	1,405	24,669,909

It may seem strange that with so large a population China should have so few dairy animals and such a limited quantity of dairy products. It must be understood, however, that apart from the Mongols and the Tibetans, animal milk has never been widely used by the people at large. The dairy industry has only just begun and at present it is limited to large cities only. When the writer first started a modern dairy in Peiping in 1923, people considered milk as a "tonic" for winter use only. He had great difficulty in disposing of his surplus in summer. Peiping, at that time known as Peking and the capital of China, had a population of 3,500,000 and the total dairy production of milk was only a few hundred pounds. At present, with the addition of several new dairies

and a daily production of 5,000 pounds, the supply is still inadequate. The use of milk was first started in commercial cities among the foreign population and it was not until about 10 years ago that the dairy industry began to assume any degree of importance. Credit must be given to the new educational movement and to the propoganda for public health. Fresh milk supply constitutes at present only a small fraction of the total national consumption; the annual importation of canned and dry milk products has occupied quite an important position in commercial markets. With the development of the new educational system and western medical science in China, the dairy industry and the breeding of dairy animals are bound both to have a bright future.

III. INTERNATIONAL TRADE AND ANIMAL INDUSTRY

The total returns of exports in 1936 amounted to $705,741,403, of which live stock and their products accounted for $185,782,798, or 26.-23%. With the increase in number and the improvement in quality, the export trade is sure to increase. The following is an abstract from the Maritime Customs Report for 1936:

TABLE 5. EXPORT OF LIVE STOCK AND ANIMAL PRODUCTS IN 1936

Names of Articles	*Custom Nos.*	*Value in Dollars (Chinese Currency)*
Living Animals	1–5	$ 7,706,753.00
Bristles, Hogs	6	25,303,746.00
Eggs and Egg Products	7–14	41,802,013.00
Animal Products	15–33	25,833,902.00
Hides and Skins	34–64	33,936,782.00
Hair and Wool	211–227	21,199,701.00
TOTAL	—	$185,782,798.00

TABLE 6. IMPORT OF LIVE STOCK AND ANIMAL PRODUCTS IN 1936

Names of Articles	*Custom Nos.*	*Value in Dollars (Chinese Currency)*
Sheep, Camel and Goat Wool	69	$ 16,179,927.00
Woollen Goods	70–88	29,310,711.00
Birds Nests	222	496,243.00
Dairy Products	223–226	3,736,075.00
Meat Products	228–237	465,392.00
Hides, Fur, Leather Articles	375–385	3,175,812.00
Other Animal Products	386–390	822,605.00
TOTAL	—	$54,177,725.00

In 1936 China's international trade deficit amounted to about $235,-803,335.00. From the above tables it will be noted, however, that live stock and animal products yielded a net income of $131,605,073.00 in

the same year. Judging from the fact that the Western costume is now very popular and that the value of dairy products is well appreciated, we believe that imports of finished animal products will advance by leaps and bounds. With the increase in the area of cultivation, the reduction in the price of pure breed animals and the continued rise of wages, animal industry in the world as a whole has met with reverses. China has an unlimited market for animal products, and the development of animal industry is indeed a matter of national wealth.

IV. THE NEW EPOCH IN CHINESE ANIMAL INDUSTRY

Live stock raising has its shortcomings, the most serious problem being the epizootic disease. Since most of the animals are raised in the interior where the herdsmen are unacquainted with modern veterinary knowledge, it is very hard to keep them under control. When an epizootic outbreak takes place, it is often not noticed until it has already spread over an extensive area. The following is an estimate of the loss of animals due to epizootic diseases in 1933:

TABLE 7. ESTIMATE OF THE LOSS OF ANIMALS DUE TO EPIZOOTIC DISEASES IN 1933

Diseases	*Animals*	*Number of Deaths*	*Value in C. C.*	*Total Loss*
Hog Cholera	Hogs	9,244,900	$152,377,000	$152,377,000
Anthrax	Cattle	1,002,000	$34,262,000	—
	Buffaloes	834,000	$48,263,000	—
	Goats	716,000	$2,153,000	—
	Sheep	925,000	$5,279,000	—
	Horses	46,000	$2,208,000	—
	Mules	29,000	$1,923,000	—
	Donkeys	151,753	$4,138,000	—
	Hogs	1,942,000	$27,658,000	$125,883,000
Rinderpest	Cattle	1,855,000	$64,285,000	—
	Buffaloes	988,000	$54,022,000	$118,307,000
Pneumonia	Hogs	7,904,000	$116,315,000	$116,315,000
Cholera	Chickens	88,350,000	$37,642,000	$37,642,000
Pox and Diphtheria	Chickens	47,968,000	$34,438,000	$34,438,000
Foot and Mouth	Cattle	474,000	$12,989,000	—
	Hogs	6,000	$56,000	—
	Chickens	12,234,000	$6,852,000	$19,897,000
Glanders	Horses	15,000	$1,848,000	—
	Donkeys	59,000	$1,649,000	—
	Mules	30,000	$2,733,000	$6,230,000
Chicken Pest	Chickens	9,051,000	$3,317,000	$3,317,000
TOTAL	—	—	—	$614,406,000

The total value of live stock in China is estimated at about $3,293,433,000.00. The losses due to epizootic diseases amount to $614,406,000.00, which is almost 20% of the total. In order to develop the industry, it is absolutely necessary to put the epizootic diseases under control and it is gratifying to note that the Central Government has already mapped out the following programs for 1937 and 1938.

Formulation of Regulations for the Control of Epizootic Diseases.—A set of regulations, formulated by experts in veterinary science under the auspices of the Ministries of Industry and War, and the National Health Administration, has been submitted for approval to the Executive Yuan, whence it will be presented to the Legislative Yuan

for action. After these regulations are enforced a central committee composed of representatives from the Ministries of Industry and War and the National Health Administration will supervise and direct the preventive work of epizootic diseases in all provinces; under this committee the provincial and hsien organizations will carry out the actual work. Anthrax, tuberculosis, pleuro-pneumonia, contagious abortion, glanders, hog cholera, etc.—a total of 17 diseases—will be tackled immediately in the first part of the program, with special emphasis upon quarantining of diseased animals and the disposal of their products, as well as the examination of imported animals from foreign countries. Such is the first attempt made by the Chinese Government to control of animal diseases.

Training of Rural Workers.—Quick action is necessary for the control of epizootic diseases. As the common people have little knowledge, a plan for the training of rural workers is now under way. The object is to train at least one man in each hsien so that in five years there will be 1,900 trained men. These men must be, first of all, senior middle school graduates with experience in rural work for more than two years and connected with the local government or engaged in educational work. Class discussion of fundamental sanitary and veterinary principles and the study of specimens in laboratories constitute the course of study, which is designed to enable the young men to differentiate between contagious and non-contagious diseases, to diagnose various contagious diseases and to administer serums and vaccines for prevention. The first training course was given from January to April, 1937 and the men thus trained are now serving in their respective localities. Originally it was intended to train only 60 students but, after careful selection, the enrolment totaled 229. The provincial distribution of students was as follows:

TABLE 8. PROVINCIAL DISTRIBUTION OF THE FIRST VETERINARY SCIENCE TRAINING COURSE

Provinces	*Students*
Chahar	2
Shensi	2
Hopei	1
Kiangsu	9
Honan	20
Szechwan	10
Kweichow	1
Kiangsi	7
Fukien	3
Kwangtung	18
Suiyuan	4
Shansi	8
Shantung	12
Anhwei	10
Hupeh	3
Yunnan	20
Hunan	37
Chekiang	14
Kwangsi	46
(Shanghai)	(2)
TOTAL	229

The first trainng course was a gre success. The students are now ser ing their respective hsien districts rural agents between the governme and the farmers and through the the latter are taught how to opera the machines for the prevention contagious diseases.

Veterinary Training.—Efforts provide more advanced courses veterinary science have already be under way. At present there are China only two institutions offeri veterinary courses, the Military Ve erinary College and the Central Ur versity, both situated in Nankin The former trains students for arm service and the latter for priva practice. When the program f the prevention of epizootic diseas is carried out, there will be a gre need for trained veterinarians. T Ministry of Education has alrea sent orders to different agricultu

institutions to provide a combined course in animal husbandry and veterinary science and the Central University will become the center for the training of young veterinarians.

Training for Specialists.—Specialists to study the nature of different diseases and provide means of control also are badly needed in China. This requires not only a more advanced knowledge of veterinary science but also thorough experience. At least for the time being, the National Agricultural Research Bureau will carry on research in diseases, and with a view to encouraging students to study abroad educational organizations have been asked to provide scholarships in veterinary science. It is hoped that within five years there will be at least 50 veterinary surgeons with advanced training available for service in government bureaus and educational institutions.

Manufacture of Preventive Serums and Vaccines.—With regard to the control of epizootic diseases the policy of the Chinese Government is fixed primarily upon prevention. The curative method is used only when diseases have already got hold of the valuable breeding stocks. The Tsingtao and Shanghai epizootic prevention services were the fore-runners in the mass production of preventive serums and vaccines, and Kwangsi and Kiangsi provinces have their own organizations. The National Health Administration has started two epizootic prevention services in the Northwest —one in Suiyuan and the other in Kansu—and is planning to establish a new office in Chinghai in co-operation with the local provincial government. The following table shows the amount of serums and vaccines manufactured in different stations.

TABLE 9. PREVENTIVE SERUMS AND VACCINES PRODUCED IN 1936

Serums and Vaccines	*Amount Manufactured cc*	*Amount Used cc*	*Reports Received from*
Hog Cholera serum	75,970	22,887	N. A. R. B.
,, ,, virus	18,338	18,338	N. A. R. B.
Serum, Hog pneumonia	3,970	1,100	N. A. R. B. & SY.
Rinder Pest Serum	107,550	119,650	TT. & KS.
,, ,, Vaccine	168,495	52,130	TT. & KS.
Hog Cholera Vaccine	26,950	700	TT. & KS.
Vaccine, Hog pneumonia	1,000		TT. & KS.
Vaccine, Chicken Cholera	900		KS. & SY.
Serum, Anthrax	105,920	52,100	TT. & KS.
Vaccine, Hydrophobia	15,580	12,860	TT.
Vaccine, Anthrax	300	290	TT.
Vaccine, Cow Pox	2,050	2,025	TT.
Glander, Test Culture	500	80	TT. & SY.

N. A. R. B. for National Agricultural Research Bureau.
SY. for Suiyuan Epizootic Prevention Service.
TT. for Tsingtao Epizootic Prevention Service.
KS. for Kiangsi Epizootic Prevention Service.
No report has been received from Shanghai, Kwangsi and Kansu Epizootic Prevention Service. The total amount should be much greater than that presented in the above table.

The use of vaccines and serums for animals is a new movement in China. A few years ago people would have refused to have their animals injected, even free of charge, but now they will pay high prices for serums and vaccines. Much has been done by the Shanghai and Tsingtao epizootic prevention services and credit must be given them for the extermination of rinderpest in Shanghai and hydrophobia in Tsingtao. The National Agricultural Research Bureau is co-operating with all epizootic prevention offices in the country and for more efficient service a division

of labor is under consideration. In the near future it is hoped that these offices will supply all of the needs of the country at reduced prices so that all animal owners may avail themselves of the service.

By the prevention of epizootic diseases the lives of animals are protected and in this way the total animal population may increase. Furthermore, for the improvement of the local breeds, as pointed out above animal owners in China have now fully realized the value of improved animals, such as the wool type of sheep, dairy cows and chickens for high egg production. The following is a list of breeding stations in different parts of China.

TABLE 10. ANIMAL BREEDING STATIONS IN CHINA

Provinces	*Government*	*Private*	*Total*
Kiangsu	3	—	3
Chekiang	2	10	12
Anhwei	1	—	1
Hopei	1	—	1
Shensi	1	2	3
Kiangsi	1	4	5
Szechwan	1	—	1
Honan	6	—	6
Shansi	2	1	3
Suiyuan	3	1	4
Peiping	1	—	1
Tsingtao	1	—	1
Nanking	5	7	12
Tientsin	—	14	14
Ministry of Industry	3	—	3
TOTAL	31	39	70

The above data have been collected by the central animal breeding station of the Ministry of Industry. They are by no means complete, as quite a number of provinces have not sent in their returns up to the time of writing this article.

Most of the breeding stations had a humble start. Their preliminary work consists of studying the adaptability of foreign breeds in their respective localities and making crossing tests with native animals. Among hogs, the Poland-China breed seems to have left a good impression upon farmers; Rambuillet has gained a strong hold among sheep; Holstein-Friesland bulls are most widely used to cross with native cow; and Arabian horses are the most favored animals in stadiums. The policy of all government breeding stations now is to distribute their breeding stock to farmers.

The Central Animal-Breeding Station.—This station is under the direct control of the Ministry of Industry and serve as the center of animal improvement in the country. At present it has about 30 pure-breed Herefords, 40 Holstein-Friesland, Jersey and Guernsey dairy cattle, more than 200 breed Rambuillet and Coridales, about 20 pure-breed Karakuls, and a number of Poland-China, Berkshire and Chester-white pigs. In the interests of animal breeding it is also making plans to introduce some mutton stock which is still lacking in China at present. The objects of this station are to furnish breeding stock, to make crossing tests of different types of foreign breeds with native animals and to produce new breeds to suit Chinese conditions. It also makes studies of native grass with the aim of developing a seed industry to supply

the need of pastures. It has an experimental ground near Nanking and a ranch in northern Anhwei. The practical training given to young men who serve as apprentices has been a success, as many of them are already in service in various breeding stations.

Registration of Private Stock Farms.—Stock farms are usually organized by people with sufficient knowledge of animal husbandry but with a limited capital at their disposal. It is the policy of the Ministry of Industry to encourage private enterprises in animal industry, and regulations for the protection of such farms were drawn up and put into force on March 6, 1937. Under these regulations stock farms were placed under the protection of local governments, and animals were to be entitled to free service from the government veterinary surgeons. When an epizootic outbreak takes place, the animals will first be protected with blood serums and vaccines at specially reduced prices. Breeding stock can be purchased at a special discount or loaned without charge. This is being done with the hope that more private stock farms may be started in the near future.

Use of Public Land.—The use of land in China has always been confined to cultivation. Some time ago afforestation was listed among the use of land, but animal grazing has never been so considered. The price, taxes and allotment of public land were all based upon cultivation and even the literature distributed by different reclamation offices lays special emphasis on cultivation. It is impossible to expect private individuals to plant forest trees, as they have neither the patience nor the capital, and the result has been that either that much rich soil land has been left untouched or many slopes have become eroded. The Bureau of Forestry and Reclamation recently has listed animal husbandry as one of the uses of public land and this is a great advance for the development of animal industry.

Co-operation among Animal-Breeding Stations in Technical Problems.—The Ministry of Industry, in seeking for a unified policy, has provided regulations for co-operation among the animal breeding stations and stock farms in technical problems. According to regulations issued on March 6, 1937, the government animal breeding stations are to co-operate with private stock farms and breeding stations in the study of animal improvement, in experiments on the use of animal products, in the distribution and raising of breeding stock, in the prevention of epizootic diseases, in the division of labor and in the exchange of experimental resuts. A plan for the exchange of breeding stock has also been provided for, much to the advantage of those animal breeding stations which have limited means.

Registration of Breeding Stock.—In recent years foreign animals have been imported into China in large numbers, some of them being of excellent stock from widely known breeders. Unfortunately, many of the records have not been kept up consistently, with the result that it has not been possible to keep track of some of these valuable stock. In order to encourage the production of breeding stock, which is essential for the improvement of native animals, the Ministry of Industry, with the co-operation of the China Animal Husbandry Society, is contemplating the registration of breeding stock in China. A standard record of pedigree is under preparation and herdbooks of different breeds will be published from time to time. Those who are interested in animal breeding look forward to the success of the undertaking.

V. CONCLUSION

In conclusion it may be added that, due to the intensive system of farming, animal husbandry has been neglected in China for centuries. With the presence of imported animals for comparison and the keen competition in international trade, the importance of animal industry has at

last been realized by the people at large. The government's policy consists of the protection of animals already in existence, to be followed by the improvement of native stock. The wholesale adoption of foreign stock in China does not seem to suit conditions in the country. Of course, it will take time to develop new breeds of animals and it is difficult at present to say anything of the ultimate results. It is certain, however, that the industry has good prospects. With vast areas of land available for grazing, this industry will provide means of livelihood for thousands and thousands of hardworking citizens. The development of woollen, canning, dairy and other industries will create new needs at home, and the changed conditions in foreign lands will offer goods markets for Chinese animal products. With the co-operation of experts of the China Animal Husbandry Society and the China Veterinary Science Society, and various government organizations, a steady advance of the animal industry in China may be looked for.

FISHERIES

GENERAL INTRODUCTION

With China's eastern and southern borders terminating at the sea, its coastline beginning, on the north, from the mouth of the Yalu River and extending, to the south, down to the southwest of Kwangtung, at the mouth of the Peilun River, stretching as a semicircle along the borders of seven provinces, is 8,630.67 kilometers in length. Along the coast there are 88 harbors and 81 islands of comparatively greater size for fishing grounds. In view of the importance of physical location for the development of fisheries, Dr. Sun Yat-sen, when working out his industrial development projects, besides the construction of 16 seaports which would serve concurrently for fishing harbors, planned to construct 15 fishing harbors to be so arranged that for an average distance of 100 sea miles along the coast there would be at least one fishing harbor.

The freshwater area of this country is estimated, in addition to the valleys of the Yangtze, Yellow and Pearl Rivers, to be 1,030,000 square miles, that of Tungting Lake 200 square miles and that of Poyang Lake 1,800 square miles, while other rivers and lakes combined to make up an extensive area available for fisheries.

Besides the steam and motor boat fishing, the principal varieties of old-type fishing industries are the *hsiao hwang yu chang won* of Kiangsu, the couple seines fishing of Chekiang, the shark fishing of Fukien, the wind seine and *ta won* of Shantung, the drawing seine ship of Hopei and the drawing seine of Kwangtung. The latest estimates show that along the seacoast the total number of fishermen exceeds 1,000,000.

The sea products of commercial importance are: *hwang hwa yu* (Collichthys lucida, Richardson), *hwang yu* (Corvula argentata, Houttyn), hair-tail, cuttlefish, porgy, *lu yu* (Ilisha elongata, Bonnett), tassard, shark, *mi yu* (Sciaena albiflora, Richardson), ray, *chang yu* (Stromateus cinencis, Euphrasin), flounder, flatfish, conger eel, cod, mackerel, prawn, oceanic swimming crab, razor-fish (Sinovacula constricta, L.), arca, abalone, clam, oyster, sea-mussel, trepang and seaweed. Those produced in the rivers are the carp, *lien yu* (Hypophthalmichthysmolitrix, C. & V.), *pien yu* (Parabramis Pekinensiso), *wan yu* (Ctenopharyngodon idellus, C. & V.), *ching yu*, snapping turtle, eel, *shan yu* (Fluta alba, Zueiuw) and *Shih Yu* (Hilsa reevesii, Richardson), there being a total of not less than 3,000 kinds.

CONDITION OF CHINESE FISHERMEN

The general run of Chinese fishermen are engaged in fishing as a subsidiary occupation, and only a small section of them are engaged in it entirely as an avocation. They are generally classified into the following groups:

(*a*) those who possess fishing boats and fishing implements;
(*b*) those who form a partnership and hire a fishing vessel and fishing implements;
(*c*) those who are employed on fishing vessels on a wage basis.

The fishermen of group (*c*) are usually employed for a wage payment by those belonging to group (*a*), and are not held responsible for either profit or loss incurred by the undertaking. This arrangement, with slight variations from one locality to another, is the one most commonly

found throughout China. Fishermen belonging to group (*b*) divide their profits and bear their losses in equal shares among themselves. Those belonging to this group are few in number.

The chief problem confronting the fishermen before they set out to sea is to secure a loan. The possibility of their making a loan direct from "native" banks is entirely out of the question for reasons which are quite obvious. Yet loans they must secure, for, under present conditions, the fishermen with private savings are few and far between. There are then only three possible channels open to them: (*a*) the fish *hong;* (*b*) private money-lenders; and (*c*) what is known among the Cantonese as the "hui" (糾會).

The "*hui*" is a kind of mutual aid society with a limited membership extended only to friends and relatives —people already well acquainted one with another. In consequence of this limited membership the aggregate contribution from members of a "*hui*" is very small, and loans are advanced to whichever member makes the highest bid in the form of interest-payment. The "*hui*" is held periodically, the promoter being solely responsible for any of the members absconding or for any default. However, even the organization of a "*hui*" has become rather difficult under present conditions, for this is possible only among fishermen who are comparatively prosperous. The present-day fishermen are poor.

The fish *hong* serve as middle-men between fishermen and the general public (consumers). They are established in the principal fishing districts and villages, and along the waterfronts, in the case of large cities. On the one hand they dispose of the fishermen's catch, and on the other they supply them with loans. In return, the credit fish *hong* acquires the sole right to sell the fishermen's catch, which, as a condition, must not be delivered to any other fish *hong* or agent.

Space here does not allow a detailed account of the relation of the Chinese fishermen to the credit fish *hong*. Suffice it to say that the rules governing the disposal of the catch are so strict that Chinese fishermen in general have been often deprived of the just reward of their labor. Since conditions in China during the past decades have not been conducive to a peaceful development of the economic resources of the country, Chinese fisheries have not been given the close attention that they deserve.

FISHERY ADMINISTRATION

In spite of its being one of the most important branches of the national economy, it is only in recent years that the Chinese fishing industry has begun to receive from the Government and the general public the close attention it deserves. At the beginning of the establishment of the National Government in 1927, fishery matters were placed under the control of the Department of Agricultural Administration of the Ministry of Agriculture and Mining. In November, 1929, the Fishery Law and Fishing Union Law were promulgated by the National Government; while rules governing its detailed enforcement were promulgated in June, 1930, by the ministry. With the promulgation of the Regulations Governing Registration of Fishing Industries in July, and of enforcement rules in September, the ministry began to fieep records of registration. In 1931, with the amalgamation of the Ministries of Commerce, Industry and Labor and of Agriculture and Mining, into the Ministry of Industry, the latter organized the Department of Fishery and Animal Husbandry. Taking over from the Ministry of Finance the Kiangsu and Chekiang Fishery Office at Shanghai in May, the Ministry reorganized it to form the Kiangsu-Chekiang Fishery Office for the sake of protection and improvement. The fishery project, one of the four-year projects of the ministry, was then drawn up. In June the Regulations Governing Fishery Police were promulgated under joint signatures of the Ministry of Interior and the Ministry of Industry. In February, 1932, the Regulations Governing Provisional Registration of both Captains

and Technicians for Fishing Boats, as well as the Regulations Concerning Reward for Methods of Can-Preserved *Hwang Hwa Yu* were advertized by the ministry. After the promulgation of the Regulations for Organization of Pelagic Fishing Office, in which four districts along the seacoast were specified, namely, the Liaoning, Chi-Lu, Kiang-Che and Min-Yueh Districts, the offices subsequently established were the Kiang-Che, Chi-Lu and Min-Yueh. In November, 1932, the Fishery Improvement Project was drafted, and it was planned to organize the Kiangsu-Chekiang Fishery Improvement Committee at Shanghai. In February, 1933, the Regulations for Organization of the Kiangsu-Chekiang Fishery Improvement Committee were promulgated, and the Office for Collecting Fishery Rehabilitation Fees was established immediately after its provisional regulations had been promulgated by the ministry. As the collection of such fees would hamper the progress of fisheries, it was decided by the Executive Yuan in November to stop further collections, and also to abolish the Kiangsu-Chekiang Fishery Improvement Committee and the Pelagic Fishing Offices as well. In order to direct the Fishing Protection Fleet, an Office for Protection of Fishery was established.

In accordance with the terms of the Four-Years' Project, a Preliminary Committee for Organization of the Shanghai Fish Market was organized in February, 1934. After a period of preparation the market was formally opened to business on May 12, 1936. Equipped with up-to-date installations, it bas been capitalized at $1,200,000, of which $300,000 is in commercial shares. During the period from the opening of the market to the end of December, 1936, the business transacted amounted to a total value of $706,001.98.

On March 1, 1937 the Fishery Syndicate was formally inaugurated. It has been capitalized at $1,000,000, to which the Ministry of Industry contributed $200,000 in a lump sum. Of this amount, some $800,000 subscribed by 12 Chinese banking houses has been set aside for circulation as loans amongst fishermen and fishing co-operatives which have business relations with the Fish Market. Up to the present more than $100,000 has been distributed in loans.

Meanwhile, the Ministry of Industry is conducting an investigation into the general conditions of Chinese fishermen in other fishing districts, as it is intended that such loans, in order to serve their real purpose, should be distributed more evenly to fishermen and fishing co-operatives spread over a wide area.

The purpose of establishing the Shanghai Fish Market was to enable the fishermen to find a ready market for their catch, and to ensure, through the broadcasting of a day-to-day official price, that they should receive the just reward of their labor. The Fish Market officially fixes a low maximum rate of interest for all of the loans which fishermen secure from it; this will now make it unnecessary for the fishermen in Shanghai and adjacent villages to have recourse to fish *hong* or private money lenders and be tied down to the heavy terms which the latter usually demand. One of the most important aims in the establishment of the Fish Market undoubtedly is to help maintain an equilibrium between demand and supply. This benefits not only the fishermen but also the general public, as consumers are thereby enabled to make their daily purchases at a fairly stable price. The average fish *hong* has tyrannized over the poverty-stricken fishermen who are heavily indebted to it. For this reason the importance of the Fish Market cannot be too strongly emphasized. When the ex-

periment that is now being carried on in the prescribed area of Shanghai which serves the fishermen of Kiangsu and Chekiang has proved to be successful it can then be extended over a wider area in other parts of the country.

There are other governmental measures which are more or less fundamental to the promotion of fisheries. These include the organization of local militia for mutual protection, the manufacture of improved fishing implements, the improvement of fishing technique, the education of fishermen, the promotion of pisciculture, and the provision of more cruisers and coastguards to patrol Chinese fishing grounds. There was a time when there were no cruisers to patrol the seas and the fishermen had to provide for their own safety. All of these measures are being elaborated by the different provincial Bureaus of Reconstruction however, and are designed to administer directly or indirectly to the welfare and protection of fishermen, and to foster the healthful growth of fisheries.

EDUCATIONAL AND INVESTIGATION INSTITUTIONS

1. Education.—Fishery education is the fundamental requisite for the development of fishing industries. Whether the fishing industries of a country can be developed or not will be judged more or less by the educational institutions established. The fishery education of this country was initiated in the years of 1908–1910, by Mr. Sun Tze-wen, who opened a class in Tientsin, and it was reorganized into the Chihli Marine Products Schools. In 1912 Mr. Chang Kung-chiu founded the Marine Products School at Woosung, and some others were gradually established in the provinces of Chekiang, Fukien, Liaoning and others. To date, with the exception of the Chihli Marine Products School which has been reorganized as a college, there are four senior marine products schools in Liaoning, Kiangsu, Chekiang and Fukien respectively, one junior marine products school in Kiangsu, and one junior normal marine products school in Shantung.

2. Investigation and Directorate Institutions of Fisheries.—The improvement of fisheries depends very much on experiment and investigation, and its development upon appropriate means of direction. At present there are two experimental stations, four investigation institutions, and five directorate organizations. Some other organizations, such as the Research Institutes of Zoology and Botany of Academia Sinica, the Peiping Ching Sun Biological Research Institute, the Biological Research Department of the Science Society of China, and biological courses in various universities have made extensive investigation and research regarding either biology or fisheries.

3. Fishery Association.—The fishery associations are not well developed in this country. The Fisheries Society of China, organized by some fishery experts, has its office in Shanghai with a membership numbering 145 in all. In the Natural Science College of Amoy University, there is the Marine Products Research Association, organized by the biologists, with a total of 42 members.

LIAONING PROVINCE

Outside the Great Wall, Liaoning Province has convenient means of communication with both Kirin and Heilungkiang Provinces. Joining Mongolia on the northern border and Korea on the southern shore, this province is notable for its superiority in both land and water transportation.

TABLE 1. MARINE PRODUCTS SCHOOL OF CHINA

Names	*Location*	*Date of Commencement*	*Curriculum*	*Supervisory Office*	*President*	*No. of Staff Members*	*No. of Students*	*Yearly Expenditures*		*Remarks*
								Current	*Incidental*	
Hopei Provincial Marine Products College	Tientsin	Jan. 1929	2 courses: Special and Senior. Special Course has 2 classes: Fishing and Manufacture, and graduation upon 2 years' terms, while for Senior, on 3 years' terms	Bureau of Education, Hopei Provincial Government	Y. T. Chang	48	74	64,888	3,500	Founded in 1910 as Senior Marine Products School, and reorganized as College in Jan., 1929
Kiangsu Provincial Marine Products School.. ..	Woosung Forts	Nov. 1912	3 Courses: Fishing, Manufacture, and Pisciculture. Graduation on 3 years' terms	Bureau of Education, Kiangsu Provincial Government	Y. L. Chang	31	114	40,000	25,000	
Kiangsu Provincial Lienyung Junior Fisheries Vocational School.. ..	Eastern Portion, Shu-kou-pei Shan	Aug. 1934	Junior Course on 3 years' terms; Normal Course, 1 year term. Graduation on 4 years' terms	Bureau of Education, Kiangsu Provincial Government	K. Wang	18	99	29,945	1,700	Formerly Tunghai Middle School. The Normal Marine Products house founded in Aug., 1931 and reorganized as Country Normal School in Aug., 1932, and as the present one, in Aug., 1934
Chekiang Provincial Senior Marine Products School..	Tinghai-hsien	1916	3 Courses: Fishing, Manufacture, and Pisciculture	Reconstruction Bureau, Chekiang Provincial Government	C. King	30	119	39,948	4,498	
Chip-Bee Fishery and Navigation Academy	Amoy	Jan. 1920		Tan Kai Kee (Private School)	Y. C. Chang	15	96	15,329		

NOTE: Records regarding the Liaoning Marine Products School are not available.

TABLE 2. INVESTIGATION AND DIRECTORATE INSTITUTIONS ON FISHERIES

Namee	*Location*	*Date of Commencement*	*Organizations*	*Supervisory Office*	*Leading Office*	*No. of Staff*	*Operating Conditions*	*Expenditure*	
								Current	*Incidental*
The Shantung Provincial Fisheries Experimental Station	Chefoo	1917	2 Departments: Technical and General Affairs	Reconstruction Bureau, Shantung Provincial Government	T. C. Wang	10	Making Improvements on existing fisheries	$13,000	
The Kiangsu Provincial Fisheries Experimental Station	Chenshan, Office at Shanghai	Oct., 1930	3 Departments: Technical, General Affairs, and Guidance	Reconstruction Bureau, Kiangsu Provincial Government	T. P. Yao	13	Experiments made on: cuttle fisheries, V.D. trawlnet, and ray liver oil. Studies on island fisheries.. ..	57,000	30,000
The Fisheries Department of Kwangtung Forestry Bureau ..	Tungshan, Canton	1930		Reconstruction Bureau, Kwangtung Provincial Government	T. P. Chen	8	Experiment on propagation of fry. Comparison of various kinds of food stuff..	—	
The Tsingtao Ocean Research Institute	Tsingtao	1931		Academia Sinica			Study on the relation of distribution of marine products with the sea currents	—	
The Tsingtao Aquarium ..	Tsingtao	May, 1932	2 Departments: Sample and Pisciculture	Tsingtao Observatory	P.T. Tsiang		Exhibition of marine products..	2,400	
The Experimental Station of Marine Products of Amoy University ..	Amoy	1931		Amoy University	T. Y. Chen	5	Study on marine products and seashore fisheries	—	
The Seashore Marine Products Course of Tsingtao University	Tsingtao	1930		Tsingtao University	S. C. Chen	4	Study on marine products of Chiaochowwei and of the district around its vicinity	—	

The Office of Fisheries Directorate of Shanghai Municipal Government	Nantao, Shanghai	Apr., 1931	4 Departments: Investigation, Information, Coöperative, and Direction	Social Affairs Bureau of Shanghai Municipal Government	W. T. Wu	9	Study on fishery economics. Direction and improvement on fisheries..	$9,708	
The Fisheries Directorate Office of Hsienchen		June, 1933		Agricultural Imporvements Bureau of *Hsien*, Kiangsu Province	Y. Y. Shih	2	Matters regarding improvements, statistics, and direction..	3,175	
The Fisheries Directorate Office of Ju-kao.. ..		Aug., 1933		Agricultural Improvements Bureau of Jukao, Kiangsu Province	Y.S. Chang	2	Matters regarding improvements, statistics, and direction..	5,136	
The Fisheries Directorate Office of Nantung ..	Leesheh Nantung	June, 1933		Agricultural Improvements Bureau of Nantung, Kiangsu Province	T. H. Chu	2	Matters regarding improvements, statistics, and direction..	1,980	
The Fisheries Directorate Office of Changshu ..	Hupu Changshu	Sept., 1933		Agricultural Improvements Bureau of Changshu, Kiangsu Province	Y. Shu	2	Matters regarding improvements, statistics, and direction..	2,176	

Its seacoast from the mouth of Yalu River to the Great Wall at Shanhaikwan is 1,090 kilometers in length. The coast of the Liaotung Peninsula, being mostly of a sandy nature, is rather straight with the exception of the vicinity of the Hulu Island, where there are found excellent harbors known as the Lienshanwei Harbors. The southern shore and the part around the Yellow Sea are mountainous with high cliffs standing over the fathomless sea, and on account of the numerous islands around there are well-known harbors in Port Authur and Dairen. It is estimated that there are 33,935 fishermen along the coast, 3,091 fishing vessels, and 282,750 piculs of fishery products annually, valued at $3,393,000. The commonest varieties of fishing industries can be classified as follows: wind seine, hanging seine, *liu* seine, pulling seine, etc. The fish catches consist mostly of *hwang hwa yu*, cod, hairtail, tassard, plaice and porgy. (See Table 3.)

TABLE 3. FISHERY CONDITIONS OF LIAONING PROVINCE

Names	*No. of Hu*	*No. of Fishermen*	*No. of Vessels*	*Amount of Products in Piculs*	*Estimated Worth in Dollars*
Chwangho	1,100	5,000	100	57,000	684,000
Suihsien	342	3,400	97	5,000	60,000
Chinghsien	411	6,500	87	25,000	300,000
Antung	212	952	429	16,820	201,840
Chingsi	98	1,200	30	7,000	84,000
Hsingchen		5,600	200	20,000	240,000
Suichung	250	2,500	120	18,000	216,000
Panshan	560	1,685	760	2,230	26,760
Haichen	64	116	63	700	8,400
Yingkou	1,326	3,916	1,045	130,200	1,562,400
Kaiping	2,200	3,066	560	800	9,600
TOTAL	6,563	33,935	3,091	282,750	3,393,000

NOTE: 1. In Port Arthur and Dairen it is estimated that there are 8,262 *Hu* of fishermen, 17,823 fishermen, 6,160 fishing vessels. 135,713.25 piculs of fish catches, being valued at $4,104,259, and 99,079.19 piculs of canned goods being valued at $1,161,436.
2. Records of freshwater products are not included.

HOPEI PROVINCE

With its east shore along the Gulf of Chihli, the coast line of Hopei Province, beginning at Laolungtou of Shanhaikwan and extending to the mouth of the old Yellow River course on the border of Shantung, is 352 kilometers in length. Along the seashore numerous shoals and bars are found and in the interior are many rivers. Of the noted rivers, the Pehho, Yungtingho, Tachingho, Huho, and the Grand Canal meeting at Tientsin, forms a river known as the Kuho. Along the seashore are the cities of Tientsin, Ningho, Changhsien, Yenshan, Fengjun, Luanhsien, Lohting,

Changlee, Funing, Linyu, etc. In the above districts, it is estimated, there are 203,000 fishermen, 6,250 fishing vessels, and 374,000 piculs of marine fishery products. Along the Tingho are the cities of Wenan, Tacheng, Pahsien, Ansin, Jenchiu, Yunghsien, etc. In the above cities estimates show 29,000 fishermen, 2,500 fishing vessels and 74,200 piculs of fishery products from fresh water. The total of the 8,750 fishing vessels and 448,800 piculs of fishery products, mentioned above is valued at $5,250-000. The commonest varieties of fishing industries are classified as follows: big seine, hanging seine, *liu* seine, and hook hanging seine. The Hopei Provincial Marine Products College has two boats equipped with hand reeling seine. The fish catches consist mostly of *hwang hwa yu*, hair-tail, *lu yu* (Ilisha elongata), flounder, grey-mullet, lobster, etc.

TABLE 4. FISHERY CONDITIONS OF HOPEI PROVINCE

Names of Hsien	*No. of Fishermen*	*No. of Vessels*	*Amount of Products in Piculs*	*Estimated Worth in Dollars*
Tientsin	25,000	1,500	34,000	400,000
Ningho	22,000	1,200	41,800	500,000
Changhsien	15,000	800	16,600	200,000
Yenshan	11,000	500	6,600	80,000
Fengjun	28,000	700	16,600	200,000
Luanhsien	30,000	500	183,400	2,200,000
Loting	25,000	300	25,000	300,000
Changlee	20,000	300	16,800	200,000
Funing	15,000	250	17,000	200,000
Linyu	12,000	200	16,800	200,000
Wenan	6,000	600	8,400	100,000
Tacheng	5,000	500	6,600	80,000
Pahsien	3,000	200	4,200	50,000
Ansing	6,000	400	28,400	250,000
Jenchiu	7,000	500	20,000	240,000
Yunghsien	2,000	300	6,600	50,000
TOTAL	232,000	8,750	448,800	5,250,000

NOTE: Records of other hsien are not obtainable.

SHANTUNG PROVINCE

Shantung province has its eastern peninsula extending into the Gulf of Chihli and the Yellow Sea. Its coast-line, extending from the mouth of the old Yellow River in the north to Luanshantou in the south, is, 1,013 kilometers in length, and the total area of fishing grounds is estimated at about 6,000 sq. nautical miles. It is estimated that there are 29,205 fishermen, 12,717 fishing vessels, 40 motor boats, and 1,591,450 piculs of fishery products, being valued at $14,390,350. The commonest varieties of fishing industries are classified as follows: big seine, hanging seine, circular seine, pulling seine, wind seine, hook hanging seine, *liu* seine and hand reeling seine. The fish catches consist mostly of *hwang hwa yu*, *lu yu* (Ilisha elongata), mackerel, hair-tail, porgy and lobster.

TABLE 5. FISHERY CONDITIONS OF SHANTUNG PROVINCE

Hsien	*No. of Hu*	*No. of Fishermen*	*No. of Vessels*	*Amount of Products in Piculs*	*Estimated Worth in Dollars*
Jihchao	854	1,487	224	17,654	104,850
Chuchen	320	1,888	500	16,500	185,000
Chiaohsien	1,500	—	300	205,000	1,980,000
Chiehmei	480	2,190	625	35,700	305,980
Haiyang	3,000	—	2,000	64,000	230,000
Muping	1,500	1,900	380	2,950	23,800
Wenteng	620	1,740	410	55,000	243,000
Yungchen	5,000	—	1,000	510,000	4,280,000
Fushan	—	1,600	1,600	236,000	1,167,500
Penglai	600	—	300	1,580	17,600
Hwanghsien	1,200	18,400	140	6,760	105,600
Chaoyuan	150	—	60	4,830	38,700
Yihsien	5,000	—	900	236,750	2,767,500
Changyi	200	—	500	900	9,600
Shoukwan	750	—	205	60,185	725,870
Chanhwa	400	—	400	48,000	1,360,000
Wuti	180	—	300	23,195	248,470
Tseyang	32	—	12	105	140,000
Pohsin	30	—	15	75	1,920
Tungping	520	—	500	16,000	24,000
Shouchang	80	—	80	1,200	16,500
Tsiyang..	300	—	50	3,600	59,200
Putai	400	—	70	12,000	191,500
Waimin..	60	—	7	250	4,920
Pinhsien	9	—	9	270	5,400
Tsining	1,500	—	1,500	850	8,250
Chaohsien	130	—	130	496	4,490
Yutai	500	—	500	30,000	130,000
Tenghsien	—	—	—	1,600	10,700
TOTAL	25,315	29,205	12,717	1,591,450	14,390,350

NOTE: Records of Tsingtao, Weihaiwei and Changshanpatao are shown below. Records of other hsien are not available.

THE PORT OF TSINGTAO

With the Gulf of Kiaochow on the inside and the Yellow Sea on the outside, Tsingtao is a favorable fishing ground. It is estimated that there are 7,123 fishermen, 1,594 fishing vessels, 83 motor boats amounting to an aggregate of 2,061 tons, (amount of small scale vessels not included), and 852 mariners. The total yield of fish catches runs to 71,574 piculs annually, valued at $651,086. The fish catches consist mostly of *hwang hwa yu*, hair-tail, *lu yu*, porgy, and tassard. The commonest varieties of fishing industries are classified as circular seine, hanging seine, pulling seine, *liu* seine, hook hanging seine, hand reeling seine and trawling.

TABLE 6. FISHERY CONDITIONS OF TSINGTAO

Names of Village	*No. of Hu*	*No. of Fishermen*	*No. of Vessels*	*Amount of Products in Piculs*	*Estimated Worth in Dollars*
Yingtao ..	1,618	2,768	734	37,727.26	385,235
Changkou ..	176	392	106	3,400.00	65,200
Leetsen	47	153	47	1,426.60	20,587
Chiushui ..	223	1,023	223	13,260.10	77,295
Hsiehchiatao ..	2,091	2,476	438	13,501.00	84,689
Shuilinshantao	46	311	46	2,260.00	18,080
TOTAL ..	4,201	7,123	1,594	71,574.96	651,086

NOTE: Records of fresh-water products are not included.
Records of Japanese fishermen, fishing boats and fish catches are not included.

THE PORT OF WEIHAIWEI

Located on the coast of the Yellow Sea, the Port of Weihaiwei lies at the point of confluence of both warm and cold currents. Numerous marine products are produced there. Its sea-coast is 76 nautical miles in length. The tide there is quite strong, and the bottom contains largely silt and partly pebbles. The water is rather deep all around except at the Songtan Kiang, which is comparatively shallow and muddy at the bottom. There are 34 villages where fishermen live, 2,494 fishermen, of whom 282 persons are specialists, 1,962 persons with irregular employment and 250, as avocations, 608 vessels, 26 motor boats with an aggregate of 552 tons, 282 mariners, and 2,000 vessels coming from other quarters. The total yield of fish catches amounts to about 40,000 piculs, valued at $393,120. The fish catches consist mostly of *hwang hwa yu, hwang yu,* porgy, *lu yu,* plaice, ray and shark. With the exception of a part of products for local sales the majority is exported to ports such as Canton, Hongkong, Shanghai, Foochow, Tientsin, Yingkow, Tsingtao, and Antung.

SPECIAL DISTRICT—CHANGSHANPATAO

Changshanpatao is a district located in the strait of the Gulf of Chihli, formerly under the jurisdiction of Penglaihsien of Shantung province. As it has a certain importance in connection with part of national defense, it was transferred in 1928 to the jurisdiction of the Ministry of Navy through the organization of a special bureau known as the Bureau of Changshanpatao to care for it. Though this bureau is for general administration, its affairs are concerned

mostly with fisheries. The total number of inhabitants is not over 47,000, of whom more than half live by fishing. This group of islands is divided according to its physical nature into eight sections, namely, (1) Nan Shan Island, (2) Peichang Shan Island, (3) Miao Island, (4) Tahei Shan Island, (5) Hsiaohei Shan Island, (6) Tochi Island, (7) Taching Island, and (8) Nanchengwang Island and Peichengwang Island. More than 2,100 fishermen live there, with various sizes of vessels about 1,700 in number. The fish catches consist mostly of *hwang hwa yu*, hair-tail, mackerel and lobster. The total yield of fishery products is about 332,100 piculs, valued at $1,525,600. Of these products, except a part for local sales, the majority is exported to ports such as Chefoo, Lungkow, Dairen, Yingkow, Port Arthur and Antung.

KIANGSU PROVINCE

Traversed in the middle portion by the lower Yangtze River, the earth of Kiangsu province is mostly of an alluvial nature. The seashore of this province, north of the Yangtze Estuary, is washed by the Yellow Sea. The part between the Yangtze Estuary and Kai Shan is quite shallow, and plentiful shoals such as Wutiaosha, Tehszekaosha, Kounansha, are formed by the emission and precipitation of silt from both the old channels of the Yellow and Hwai Rivers. Farther north from Kai Shan to the border of Shantung province at Luanshantou, the water is comparatively deep. Southward from the Yangtze Esturay down to the shore of the East Sea, the coast is straight and abundant in shoals. Those islands such as Napier Island, North Saddle Island and East Saddle Island, are the important grounds for fisheries. The coast-line from Luanshantou to Kinshanwei is 740.14 kilometers in length. The commonest varieties of fishing industries are classified as, trawling, hand reeling seine, *ta tai* seine, *chang* seine, *liu* seine, hook hanging seine, etc. It is estimated, there are 5,253 vessels, 33,797 fishermen, and 2,956,709 piculs of fishery products, being valued at $39,846,200. The fish catches consist mostly of *hwang hwa yu*, hair-tail, cuttlefish, *lu yu*, *hwang yu*, tassard, *shih yu*, and *tsi yu* (coilia mystus Linne).

The fish culture of this province is most prosperous around such cities and towns as Hsiennukou to Tahsuankou of Wusih, Tungting East Hill, Wenchi, Hsiangchen, Nanpeichiao, Hwangtai of Soochow, Hoshihsiang, Chitanghsiang, and Hsiehchia of Changshu, and the vicinity around Choushih of Kunshan. The places of fry culture are at Shiangsinho of Nanking, Chienpi and Kaotze of Chinkiang, while the district of Wuyungwei is most prosperous.

Among the manufactured products for these places may be mentioned *Tashanhwangyuhsian*, of Napier Island, dried shrimp of Nantungchow, purple seaweed of Side Saddle Island, dried mussel of East Saddle Island and South Saddle Island, and dried fish-skin and maws of northern Kiangsu.

TABLE 7. FISHERY CONDITIONS OF KIANGSU PROVINCE

Names of Hsien	*No. of Fishermen*	*No. of Vessels*	*Amount of Products in Piculs*	*Estimated Worth in Dollars*
Yencheng	4,000	660	199,900	2,526,000
Jukao	3,000	800	94,350	1,137,000
Nantung	7,320	600	115,450	1,420,000
Changshu	1,147	289	86,420	989,000
Kanyu	1,440	240	113,600	1,854,000
Tunghai	1,500	250	108,750	1,735,000
Chitung	900	100	15,000	892,000
Haimen	700	100	98,560	864,000
Kuanyung	1,500	150	127,940	1,936,000
Lienshui	990	90	11,300	118,000
Founing	1,000	240	94,160	868,000
Tungtai	2,400	480	20,000	200,000
Tsungmin	2,000	400	20,030	200,000
Paoshan	300	50	92,829	989,200
Taichang	540	60	43,420	423,000
Sungkiang	590	33	115,200	1,898,000
Nanwei	694	74	128,490	3,125,000
Fengyen	144	16	15,500	155,000
Chuensha	267	54	16,860	167,000
Taihsing	460	59	37,430	386,000
Chingkiang	1,260	224	36,000	984,000
Kiangyin	600	100	37,000	440,000
Yangchung	571	98	2,200	30,000
Yangchow	60	10	21,200	745,000
Wuchin	414	76	45,620	449,000
Shanghai	—	—	132,200	2,656,000
Wukiang	—	—	94,520	966,000
Shuyang	—	—	103,600	1,047,000
Nanking	—	—	60,500	910,000
Taihsien	—	—	14,380	809,000
Soochow	—	—	88,500	892,000
Hsinghwa	—	—	14,000	882,000
Peihsien	—	—	87,460	733,000
Wusih	—	—	50,520	620,000
Kaoyu	—	—	32,000	600,000
Kaochun	—	—	59,900	500,000
Chinkiang	—	—	50,000	500,000
Lishui	—	—	32,800	477,000
Szeyang	—	—	56,800	390,000
Jhsing	—	—	38,200	376,000
Chingpu	—	—	15,280	358,000
Paoying	—	—	30,210	277,000
Tsining	—	—	15,280	265,000
Hwaiying	—	—	70,670	250,000
Ichen	—	—	81,860	223,000
Tanyang	—	—	9,860	197,000
Kiangpu	—	—	9,640	185,000
Kouyung	—	—	20,800	172,000
Chinshan	—	—	16,730	155,000
Liuho	—	—	30,420	234,000
Hwaian	—	—	10,160	103,000
Liyang	—	—	7,230	95,000
Tungshan	—	—	1,460	74,000
Kunshan	—	—	2,300	65,000
Chintan	—	—	4,500	48,000
Suchien	—	—	3,220	40,000
Peihsien	—	—	4,530	37,000
Tanshan	—	—	6,550	35,000
Chiating	—	—	1,720	33,000
Fenghsien	—	—	1,200	12,000
Hsiaohsien	—	—	500	10,000
TOTAL	33,797	5,253	2,956,709	39,846,200

NOTE: Records of Shanghai are shown separately.
Numbers of fishermen and vessels of some *hsien* are left blank, not being obtainable.

GREATER SHANGHAI

With its favorable situation in the center of the seacoast and being on the estuary of the Yangtze River, Shanghai is a market of international importance in the Far East. The majority of fishery products obtained along the shore of the provinces of Kiangsu, Chekiang, Fukien and Shantung, as well as those from the Yangtze Valley, are brought to Shanghai for sale. Inasmuch as its dense population creates a corresponding demand for the means of subsistence, marine products, such as sea-fish, river-fish, salt-dried fish, sea products and canned goods, are placed as one of the main commodities in the Shanghai market—the central market for fishery products of this country.

The fishing enterprises in Shanghai comprise 17 corporations, of which 10 are concerned with trawling and seven with hand reeling seine. Due to lack of sufficient capital, these trawling corporations have only one set of trawls each, while the hand reeling seine corporations have only one pair of hand reeling seines.

The enterprise of frozen ship corporations has its peculiar features. Such corporations are more abundant in Shanghai than in any other places. There are six groups along the coast of Kiangsu and Chekiang provinces, namely, at Hupang, Changtupang, Taichowpang, Fenghwapang, Shengchiamenpang and Chinglung.

There are four kinds of fish stores, namely, the frozen fish store, the salt-dried fish store, the fresh-water store and the sea products store. The frozen fish store is the most prosperous one, the sea products and salt-dried fish stores coming next, and the fresh-water fish store last.

There are 15 artificial ice factories, two belonging to British owners, another two belonging to Japansee owners, and the rest being owned by the Chinese, with a total production of 331 tons per day; there are also 155 natural ice factories with a total capacity of approximately 2,000,000 piculs.

CHEKIANG PROVINCE

With its eastern shore washed by the East Sea, the coast of Chekiang province is rather crooked, with groups of islands winding around. From Chinshanwei to Shachen the coast-line is 1,155,262 kilometers in length. On account of the wide range of watersheds throughout this province, such as the Chientang River in the north, the Tsiao and Ou Rivers in the center, and the Feeyung River and Ao River in the south, plentiful marine products are found in the rivers and lakes. The important fishing grounds are around the Choushan and Yukuan Islands. Cities such as Ningpo, Changtu, Shihpu, Wenchow, etc., are the important harbors for fishing industries. It is estimated that there are 328,884 fishermen, 23,211 vessels, two hand reeling seine boats and one drawing seine boat. The fish catches consist mostly of *hwang yu*, *hwang hwa yu*, hair-tail, cuttlefish, *mi yu* (Sciaena albiflora Richardson) conger eel, *lu*, ray and pomfret. The total yield of fishery products amounts to 4,884,101 piculs, being valued at $56,890,008. The commonest varieties of fishing industries are classified as, couple boats, *ta fu* seine, *liu* seine, *chang* seine, cuttlefish catches, hook boat, etc.

The pisciculture industries are prosperous in the cities of Chiahsing, Chaoshing, Siaoshan, and Wuhsing. For the culture of fish fry there are more than 13,000 ponds in the city of Wuhsing. Nearly the greater part of fish fry required by those provinces along the sea-coast from Hopei to Fukien is obtained from Wuhsing, and it is estimated that its annual production is valued at $6,000,000. Some others like arca from Fenghwa and Chengtse (Sinovacula constricta, Lammark) and laver from Chinghai are likewise of commercial importance. The noted canned goods are of two kinds, salt-dried *hwang yu* and dried cuttlefish. At East Shachiao of Taishan and Taotouao of Chushan there are 200 factories for manufacturing salt-dried *hwang yu*, while for dried cuttlefish the factories are in Tinghai.

TABLE 8. FISHERY CONDITIONS OF CHEKIANG PROVINCE

Names of Hsien	*No. of Fishermen*	*No. of Vessels*	*Amount of Products in Piculs*	*Estimated Worth in Dollars*
Hanghsien	28,700	3,000	50,000	1,000,000
Fuyang	600	135	1,139	22,780
Chiashan	700	240	630	12,600
Chiahsing	—	—	1,530	18,360
Pinghu	—	—	6,000	120,000
Changhsing	—	—	100,000	2,000,000
Wuhsing..	—	—	1,270	83,500
Tehching	2,800	700	5,000	100,000
Wukang	—	—	5,000	100,000
Chinhsien	6,700	2,310	406,000	5,050,000
Fenghwa	—	—	1,250	20,000
Chinhai	—	—	60,000	1,200,000
Tinghai	75,920	3,980	3,000,000	30,000,000
Zianshan	—	—	41,400	1,004,000
Nantien	4,000	220	233,484	973,000
Chaohsing	100,000	10,000	140,000	2,800,000
Hsiaoshan	—	—	5,000	100,000
Chuchi	—	1,600	3,000	30,000
Chenhsien	—	—	247	5,086
Linhai	—	—	316,000	6,320,000
Hwangnien	10,800	240	9,380	106,000
Ninghai	1,200	200	5,000	100,000
Wenlin	—	—	270,000	1,860,000
Yunkang	2,700	—	125	2,772
Tunglu	—	—	15	300
Fenshui	—	—	36	720
Yunchia	90,000	—	50,000	1,000,000
Juian	—	—	97,250	1,945,000
Pingyang	—	—	10,000	200,000
Yukuan	3,000	170	50,000	400,000
Leeshui	50	10	450	9,000
Haiyen	1,000	400	14,150	288,000
Wui..	521	—	600	15,000
Changshan	12	—	13	465
Chienteh..	160	—	85	2,250
Chinhwa..	21	6	47	1,175
TOTAL ..	328,884	23,211	4,884,101	56,890,008

NOTE: Records of other *hsien* are not available.
Numbers of fishermen and vessels of some *hsien* are not obtainable.

FUKIEN PROVINCE

Located on the east side above the Valley of Chu Kiang, the seashore of Fukien province is washed by the East and South Seas, and is opposite to, and separated by the Strait of Formosa. Around its shore wind mountains and islands. Its coast-line from Shaying down to Chaoan is 1,703.931 kilometers in length. Siyang Island, Nanlin, Peilin, Hushan, Yahpu, Sanshe, Meihwa, Kuanton, Hsinghwa, Nanjih Island, Haitai Island, Meichow, Tsungwu, Amoy, Chingmen, Tungshan, etc., are important grounds for fishing industries It is estimated that there ar 99,703 fishermen, 10,864 vessels one trawler, and six hand reelin seine boats. The fish catches con sist mostly of hair-tail, *hwang hw yu*, oyster, pilchard, tassard, shark *mi yu*, and pomfret. The tota yield of fish catches amounts t 5,792,624 piculs, valued at $19,733, 086. The commonest varieties o fishing industries are classified a tied mesh seine, fishhook boat, coupl boats with drawing seine, *wang chao* oyster catches, *cheng tse* catches, etc

TABLE 9. FISHERY CONDITIONS OF FUKIEN PROVINCE

Names of Hsien	*No. of Hu*	*No. of Fishermen*	*No. of Vessels*	*Amount of Products in Piculs*	*Estimated Worth in Dollars*
Szumin	830	4,025	404	70,310	1,273,800
Minhou	124	1,158	89	26,000	226,000
Chinmen	58	1,510	54	9,885	90,750
Weian	601	5,478	506	77,345	1,549,650
Pingtan..	1,085	7,386	1,296	165,660	1,108,960
Changloh	561	3,045	535	82,270	786,700
Tungan	2,462	4,253	563	46,966	823,795
Tungshan	13,241	16,482	939	3,132,505	2,904,050
Haichen	1,571	2,307	440	39,725	472,740
Pukiang	1,161	2,495	140	89,525	962,000
Hsinhwa	3,687	22,414	1,018	1,334,705	3,004,710
Futsin	1,355	1,490	317	28,650	528,000
Lienkiang	12,182	15,700	2,191	434,918	3,488,511
Ningteh..	4,600	4,962	1,031	93,200	739,200
Fuan	32	195	46	840	6,720
Hsiapu	845	3,592	897	72,720	795,000
Futin	2,297	3,229	398	86,900	972,500
TOTAL	46,692	99,703	10,864	5,792,624	19,733,086

KWANGTUNG PROVINCE

The Kwangtung province, situated in the lower basin of the West River is also facing the South Sea. The coast-line, from Jaoping to the mouth of Pailen Ho, is 2,574.4 kilometers in length (not including Chiungyai Island). In the central basin, there enter in the Yueh Kiang the East, West and North Rivers, thus forming a network of tributaries. Along the seashore there are numerous harbors and islands. It is estimated that there are about 14,514 vessels, 134,738 fishermen and 1,086,600 piculs of sea products being valued at $21,758,000. The important fishing grounds are in the districts of Nanao, Tolin, Swatow Tahao, Haimen, Shuivee, Hongkong Macao, etc. The majority of the fish catches consist of *hwang hwa yu* porgy, cuttlefish, sagittated calamary shark, and minority of abalone, octopo and oyster.

The pisciculture industries are very prosperous in this province. The tota area of fresh-water culture is 1,573,20 mow, annual production of 4,719,60 piculs, being valued at $70,794,000 in which the fish fry alone amount to 254,500,000 pieces, at $700,350

The total area of oyster culture is 5,700 mow, the annual production of 62,450 piculs being valued at $1,524,-600.

In Hainan Island also the fishing industries are prosperous. There are four kinds of fishing industries, namely, inland fishing, coast fishing, sea fishing and pelagic fishing. The grounds for inland fishing are in the rivers of Nantu Kiang, Tungtsichi, Linshuichi, and Chang Kiang, and the varieties of fishing industries are classified as *sze shou* seine, *to* seine, *tse* seine, etc. Hook fishing is prosperous in the harbors of Sanya Kiang, Paoping Kiang, and Sintsen Kiang; *chien* seine fishing and floating seine fishing, in Yinkuhai; *tzu* seine fishing, in Sichow, Sanya Kiang, Sintsen Kiang, Yinkuhai; *fu* seine fishing, in Haitongtou; trawling in Sintsen Kiang and Peihai. The important harbors for sea fishing are at Linshui, Sintsen, Sanya and Paoping, in the south; Peilee, Haitou, Yangpu, Paimachin, etc., in the west; Sinyin and Haikou in the north; and Chinglai Kiang in the east. Subject to the warm currents on the southern shore, there are plenty of pelagic fish. The noted places where fishing industries flourish are as follows: drawing seine in Sanya, Paimaching, Sinyin Kiang, Haitoushih and Paao Kiang, red fish fishing in Paoping and Sinying, hook fishing and *chi* seine fishing in Yinkuhai. The grounds for pelagic fishing are in those harbors such as Sintsen, Yulin, Sanya and Chinglai.

The fish catches consist mostly of carp, crussian carp, octopod, tassard, gray mullet, *shih yu*, nilotic-top and trepang.

TABLE 10. FISHERY CONDITIONS OF KWANGTUNG PROVINCE

Names of Hsien	*No. of Fishermen*	*No. of Vessels*	*Amount of Products in Piculs*	*Estimated Worth in Dollars*
Jaoping	2,000	798	60,000	1,200,000
Chaoyang	12,610	714	70,000	1,400,000
Haifeng	6,460	844	50,000	1,000,000
Chungshan	15,811	1,042	250,000	5,000,000
Sinwai	7,320	915	2,100	53,000
Chechi	300	32	3,000	75,000
Taishan	6,644	690	65,000	1,300,000
Yangkiang	6,049	878	100,100	2,002,000
Tienpai	2,000	500	75,000	1,500,000
Moumin	8,800	1,100	48,000	960,000
Wuchuan	2,544	326	16,000	320,000
Fangcheng	20,000	1,200	50,000	1,000,000
Lienkiang	800	125	400	8,000
Hopu	10,200	1,700	74,000	1,480,000
Chinghsien	20,000	2,000	96,000	1,920,000
Weiyang..	6,800	850	67,000	1,340,000
Lohfeng	6,400	800	60,000	1,200,000
TOTAL	134,738	14,514	1,086,600	21,758,000

NOTE: Records of Hainan Island and pisciculture statistics are not included.

KWANGSI PROVINCE

Flowing through the whole of Kwangsi Province, the West River is the main river on which depends the entire water system of this province. The fish fry is grown in the streams. The amount of production depends more or less on the velocity of the current. During the spring season, when the weather is warm enough to raise the capacity of water in the river, the fish fry, being grown up, can be caught therefrom. The fry of *wan yu* appears first, that of scaly anteater and pilchard, next, and

lien yu (a species of bream) and others, last, but the fry of the scaly anteater is still alive, even after autumn.

In the Kwei and Liu Rivers, the fish fry is likewise produced, but in such limited amounts that the fishermen do not care for it. Along the Hsun River, from Changchow of Changwuhsien, Taichu, Paima, Pingnan, Kweiping, Shihtsun, Kuankiang, Hsiawei, Tungtsin, Kweihsien, Hunghsien, Yungchen, Yungning to Shenpu and Chohsien, many fishing stations are established for fry catches. Among those places, Changchow has the most abundant production, because of the moderate flow in that portion of the river. It has therefore become an unrivaled fishing center in Kwangsi Province.

For handling the transportation of fish fry from the river to the interior, many fishing stores at Changchow, Yungchen, Yungning, etc., have been opened up those at Changchow alone being 108 in number. Shipments are made to the cities of Kwangtung Province, largely to Shunteh, Chukiang, Kaochow, Lienchow, etc., and only in smaller part to Laichow, Chiungchow, Tungwan, Pannu, Chaochow. The annual exports from Changchow to Canton are estimated at about 20,000,000 to 30,000,000 pieces. To the province of Hunan shipments are also made. Inside the province, sales to the cities of Kweilin, Pingloh, Yangso, Chungshan, Leepu, Liukiang, etc., are dealt with. Fish produced in Yunchun, Yungning, Shehpu, Chuhsien are shipped to the northwestern and central parts of the province, and to Kaochow, Lienchow and Annan outside of the province. The merchants handling such business are natives of Shanszehsien.

TABLE 11. FRY FISH STATIONS AND STORES OF KWANGSI PROVINCE

(A)

Names of Hsien	*Fishing Stores*						
	No. of Stores	*Average No. of Persons in Each Store*	*Amount in $*	*No. of Stores*	*Amount in $*	*No. of Stores*	*Average Area of Ponds Owned by Each Store*
Yungning ..	16	2	1,000	2	400	14	3
Yungchun ..	60	3	1,500	9	500	57	4
Kweiping ..	16	3	2,000	3	1,000	13	4
Changchow ..	108	5	5,000	8	1,000	100	10

(B)

Names of Hsien	*Fishing Stations*			
	No. of Stations	*No. of Baskets*	*No. of Persons in Each Station*	*Total Number of Persons*
Yungning	84	1,200	2	168
Yungchun	60	600	2	120
Kweiping	57	456	2	114
Changchow	472	11,800	2	944

KIANGSI PROVINCE

Kiangsi Province is located in the middle valley of the Yangtze River. Besides the Poyang Lake, many rivers such as the Kan, Fu, Sin, Shiu, Yuen, etc., flow to form a network of tributaries. Plentiful marine products are produced everywhere. Cities such as Hukow, Kiukiang, Sintze, Juchang, Poyang, Yukan, Sinchien, Fengchen, etc., are the important districts for fishing industries, and the Poyang Lake serves as the biggest resource for fish catches. Nearly all the cities and towns along the lake and rivers are fishing stations. The fish catches consist of carp, *wan yu* (ctenopharyngodon idellus C. & V.), *lien yu*, eel, *shih yu*, fluta alba (Zuieuw), *yin yu* (Salanx chinensis Obsbeck), *tsi yu* and many others making a total of about 30. Among those 30 varieties, carp, *mi yu*, and *wan yu* are most abundant.

The fish fry is produced at Kuanpeicha of Kiukiang and Weifengchi, 15 *li* from Hukow. At certain season the maximum amount of production is more than 1,000 piculs, being valued at from $7.00 to $8.00 or more per picul. The supply of fish fry for this province is almost all taken from there, and sometimes the people of Anhwei and Chekiang come to make purchases at Kiukiang.

It is estimated that the total yield from the lake is more than 200,000 piculs, while that from the rivers is nearly the same. In addition a considerable amount is produced in the interior ponds, for nearly every village has had, for at least several decades, ponds for fish culture. In view of the vast population and favorable natural environment, there must be a total of not less than 300,000 piculs taken out of these ponds. The yearly production is estimated about 1,000,000 piculs in all.

TABLE 12. FISHERY CONDITIONS OF IMPORTANT TOWNS AND CITIES ALONG THE LAKE AND RIVERS OF KIANGSI PROVINCE

Hsien or Town	*No. of Hu*	*No. of Fishermen*	*No. of Vessels*	*Amount of Products in Piculs*	*Estimated Worth in Dollars*
Tuchang	400	1,200	300	15,000	100,000
Poyang	300	1,000	250	20,000	300,000
Sintze	—	—	—	20,000	100,000
Hukou	2,600	6,000	2,600	22,000	200,000
Kiukiang	700	1,300	700	25,000	200,000
Linchuan	900	2,000	500	6,300	126,000
Yukan and Juihungchen	1,300	3,500	1,300	70,000	500,000
Sinchien and Wuchengchen	300	1,000	300	16,000	100,000
Chingkiang and Changshihchen	100	200	100	1,100	22,000
TOTAL	6,600	16,200	6,050	195,400	1,648,000

NOTE: Records of some other places are not available.

TABLE 13. IMPORTANT FISHERY PRODUCTS OF CHINA

Province	*Liaoning Province*		*Hopei Province*		*Shantung Province*	
Amount and Worth	*Amount*	*Worth*	*Amonnt*	*Worth*	*Amount*	*Worth*
Kinds	*in Pic.*	*in $*	*in Pic.*	*in $*	*in Pic.*	*in $*
Hwang Hwa Yu	1,742,535	7,361,523	86,640	433,072	2,893,000	28,930,000
Hwang Yu	—	—	—	—	—	—
Porgy	102,001	1,020,000	8,000	80,000	200,000	2,000,000
Hair-Tail	90,344	451,721	30,470	243,584	650,000	3,250,000
Mi Yu	14,650	146,000	6,000	60,000	10,050	100,500
Lu Yu	—	—	—	—	101,525	667,850
Shark	—	—	—	—	31,725	233,000
Conger Eel	—	—	—	—	5,393	200,902
Ray	157	7,833	—	—	40,000	230,000
Pomfret	—	—	—	—	100	20,000
Mackerel	119,475	477,500	6,000	60,000	140,000	1,400,000
Cod	277,709	1,388,543	30,000	150,000	500,000	3,000,000
Flounder	20,000	12,000	1,000	6,000	400,000	2,400,000
Tassard	296,000	2,960,000	2,000	20,000	290,000	2,900,000
Gray Mullet	10,000	300,000	13,000	130,000	23,420	579,500
Cuttlefish	3,692	39,534	—	—	2,250	21,500
Sagittated Calamary	467	23,418	—	—	—	—
Oyster	669	46,679	157	11,700	17,084	85,420
Razor Fish	2,838	69,649	3,741	2,657	20,786	127,716
Area	2,838	69,649	7,481	44,889	10,854	108,530
Abalone	—	—	—	—	53	14,014
Mussel	—	—	—	—	740	1,800
Compoy	—	—	—	—	—	—
Prawn	4,590	113,918	11,500	230,000	195,000	195,000
Oceanic Swimming Crab ..	1,467	14,667	9,800	98,000	—	—
Sea Blubber	2,518	16,472	3,000	18,000	—	—
Trepang	250	5,000	—	—	440	8,860
Seaweed	3,075	68,432	1,000	1,800	—	—
Sea Algae	2,076	51,372	120	1,100	—	—
Agar-agar	2,005	50,373	—	—	2,000	16,000
Carp	7,025	210,746	79,312	570,635	23,060	252,880
Crussian Carp	—	—	17,158	120,466	20,420	155,890
Wan Yu	—	—	—	—	—	—
Lien Yu	185	3,325	882	6,103	525	1,049
Pien Yu	—	—	60,724	1,607,236	3,469	34,686
Ching Yu	285	5,684	3,263	23,850	130	1,038
Kuei Yu	634	19,028	223	896	149	1,188
Shih Yu	—	—	—	—	—	—
Luo Yu	—	—	—	—	—	—
Scaly Anteater	—	—	—	—	—	—
TOTAL ..	2,707,485	14,633,066	381,471	3,919,988	5,582,173	46,987,328

(*Continued*)

Kiangsu Province		*Chekiang Province*		*Fukien Province*		*Kwangtung Province*		*Heilungkiang Province*	
Amount	*Worth*	*Amount*	*Worth*	*Amount*	*Worth*	*Amount*	*Worth*	*Amount*	*Worth*
in Pic.	*in $*	*in Pic.*	*in $*	*in Pic.*	*in $*	*in Pic.*	*in $*	*in Pic.*	*in $*
362,215	2,330,299	413,274	2,151,180	43,605	370,642	—	—	—	—
251,464	2,046,164	4,400,000	44,000,000	192,901	2,199,071	22,910	222,999	—	—
1,235	26,681	5,501	54,346	26,770	508,630	8,825	88,480	—	—
51,721	316,857	520,000	2,600,000	136,813	2,009,782	33,259	332,899	—	—
24,140	318,845	63,500	825,500	69,940	839,280	—	—	—	—
33,910	427,295	81,554	946,002	47,333	466,230	19,589	119,588	—	—
15,341	127,409	54,443	305,209	80,272	925,536	1,799	17,990	—	—
23,857	192,404	504,030	2,024,180	58,122	886,360	—	—	—	—
42,405	187,202	175,800	1,050,000	37,105	354,352	—	—	—	—
15,581	211,092	150,400	1,050,000	59,722	818,191	—	—	—	—
—	—	7,720	77,200	28,415	217,090	—	—	—	—
—	—	—	—	—	—	—	—	—	—
7,960	31,648	1,800	72,000	2,443	29,211	2,900	28,998	—	—
25,239	269,164	4,000	40,000	69,639	919,234	—	—	—	—
17,826	523,500	—	—	3,938	54,344	—	—	—	—
70,430	370,712	1,000,377	3,001,000	13,820	184,635	—	—	—	—
8	223	28,600	579,000	1,854	203,940	—	—	—	—
84	326	—	—	107,173	1,239,991	62,450	1,524,600	—	—
6,370	42,003	56,000	336,000	137,320	576,744	—	—	—	—
22,400	44,800	15,720	558,000	2,500	37,500	286	3,670	—	—
—	—	—	—	200	6,000	—	—	—	—
—	—	14,479	447,374	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
4,710	48,150	10,000	55,000	7,166	77,464	—	—	—	—
56,893	173,668	180,000	1,900,000	50,875	434,472	—	—	—	—
21,733	320,659	386,000	1,058,000	1,400	11,200	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	1,204	10,116	1,384	11,166	—	—
49	8,600	609	29,176	2,037	66,820	3,558	88,902	—	—
—	—	—	—	—	—	43,304	64,956	—	—
137,738	956,669	27,833	286,272	7,344	115,447	654,560	9,700,000	15,726	186,300
—	—	4,651	92,600	6,483	77,407	168,740	3,370,000	—	—
—	—	6,399	383,200	5,280	84,585	800,000	12,000,000	—	—
46,989	349,852	132,868	1,315,951	10,780	171,695	100,000	1,485,000	9,154	27,465
4,405	37,220	1,352	24,811	205	3,645	11,379	216,000	935	7,360
140,785	1,141,279	2,562	208,568	2,501	20,510	150,000	2,250,000	4,076	65,352
34,808	56,544	4,808	207,385	13,720	210,322	883	88,300	2,627	10,452
5,377	105,904	3,528	37,437	440	12,501	15,398	308,000	—	—
—	—	—	—	—	—	4,545	273,000	—	—
—	—	—	—	—	—	800,000	12,000,000	—	—
1,425,673	10,665,169	8,257,808	65,715,391	1,229,320	14,142,947	3,905,769	44,161,548	32,518	296,875

(*Continued*)

Kirin Province		*Honan Province*		*Anhwei Province*		*Hupeh Province*		*Kiangsi Province*	
Amount	*Worth*	*Amount*	*Worth*	*Amount*	*Worth*	*Amount*	*Worth*	*Amount*	*Worth*
in Pic.	*in $*	*in Pic.*	*in $*	*in Pic.*	*in $*	*in Pic.*	*in $*	*in Pic.*	*in $*
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17,142	191,995	231,483	4,629,678	30,248	272,237	250,262	2,268,558	358,208	3,580,079
11,432	17,148	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
3,917	2,621	—	—	10,424	70,121	32,256	290,301	180,001	1,800,010
785	1,177	5,183	259,150	9,876	79,010	—	—	5,104	51,040
126	1,007	2,102	21,022	30,123	271,104	131,207	1,312,072	20,005	180,049
5,238	27,523	157	2,279	9,424	160,004	20,729	331,656	16,000	9,289
—	—	—	—	5,239	78,887	191	6,675	253	5,316
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
38,694	241,471	238,925	4,912,129	95,334	931,363	434,645	4,209,262	579,571	5,625,783

TABLE 14. THE IMPORTS AND EXPORTS OF FISHERY PRODUCTS (Unit: $1,000)

Year	*Imports*	*Exports*	*Excess of Imports*
1912	20,698	2,495	18,203
1913	24,344	2,926	21,418
1914	23,940	2,775	21,165
1915	26,096	2,740	23,356
1916	26,830	2,771	24,059
1917	29,125	2,767	26,358
1918	26,812	1,758	25,054
1919 ..	25,848	1,871	23,977
1920 ..	27,263	2,575	24,688
1921 ..	27,707	3,359	24,348
1922	32,461	3,381	29,080
1923 ..	38,177	3,623	34,554
1924	45,986	3,810	42,176
1925	39,831	2,786	37,045
1926	44,442	1,831	42,611
1927	46,126	3,664	42,462
1928	47,016	4,532	42,484
1929	46,295	4,165	42,130
1930	45,242	4,364	40,878
1931	41,577	4,461	37,116
1932	31,595	3,169	28,426
1933	22,775	3,063	19,712
1934 ..	18,471	3,831	14,640
1935	18,828	3,943	14,885
1936	17,793	3,179	14,614
TOTAL	795,278	79,839	715,439

TABLE 15. IMPORT OF FISHERY AND SEA PRODUCTS, BY COUNTRIES

(in 1,000 Dollars)

Countries	1931		1932		1933		1934		1935		1936		1937 (1st qter.)	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Hongkong ..	14,326	39	9,408	29	6,793	30	3,349	18	2,592	14	1,668	9	371	7
Macao	2,459	7	2,673	8	1,320	6	284	1	503	3	436	3	63	1
French Indo-China	214	—	1,864	6	1,464	7	700	4	725	4	576	3	191	3
Siam	244	1	868	2	744	3	501	3	561	3	573	3	127	2
Straits Settlements and F. M. S. ..	1,924	5	1,139	7	1,677	7	1,266	7	1,092	6	1,010	6	366	7
U. S. S. R.	2,303	6	1,786	5	1,512	7	470	3	297	2	5	—	1	—
Japanese (including Korea & Formosa)	11,560	31	8,240	25	5,716	25	9,046	50	10,809	58	11,747	66	3,169	57
U. S. of America ..	1,313	4	3,546	11	1,513	7	740	4	623	3	457	3	276	5
Canada	1,742	5	1,201	4	645	3	781	4	639	3	553	3	657	12
Other Countries ..	753	2	1,096	3	1,097	5	1,106	6	820	4	713	4	346	6
Total of Gross Import	36,838	100	32,821	100	22,481	100	18,240	100	18,661	100	17,738	100	5,567	100
Less Re-export ..	129		371		16		7		6		4		—	
Net Import	36,709		32,450		22,465		18,233		18,655		17,734		5,567	

NOTE: Canned goods are not included in the above. After 1932, the value is the conversion rate from Customs Gold Unit to Chinese national dollars, based on the average annual dollar exchange rate.

FORESTRY

D. Y. LIN (凌道揚)

INTRODUCTION

It was not until the establishment of the Republic in 1911, that the scope of the government was widened to include forestry. A Ministry of Agriculture and Forestry (農林部) was created in Peiping, and in the two years of its existence it did a great deal to popularize *sen lin* (森林), or forestry subjects, and to awaken people to the seriousness of continued neglect of the forests in the various provinces. After two years of existence, this ministry was replaced by the Ministry of Agriculture and Commerce (農商部).

FOREST POLICY AND ADMINISTRATION

After the establishment of the National Government at Nanking in 1927 many attempts were made to put forestry on a proper administrative basis. At various stages of its development forestry administration had been put under different departments of the government, until finally a Department of Forestry and Reclamation Service (林墾署) was established in 1930 as a part of the new Ministry of Industry (實業部). This service, in addition to the work of reclaiming and colonizing waste lands both in China Proper and in the border provinces of the northeast and the northwest, also has charge of the general forestry administration of the country, including registration and supervision of reforestation areas, selection and experimentation with tree seeds and seedlings, encouragement and direction of private forestry projects, forest utilization, and the drafting and publication of forestry laws and regulations.

Perhaps the most important development in forestry policy and administration was the national Forestry Conference held during the autumn of 1929, and the promulgation of the Revised Forest Law by the Legislative Yuan in 1932. This conference, the first of its kind to be held in China, was attended by representatives from all parts of the country. It was an important historical event in the development of forest policy in China for its findings and recommendations are taken as a guide for all forestry work in progress to-day in the various provinces.

The Revised Forest Law is composed of 10 chapters and 77 articles. It divides the forest land into three classes—nationally owned, publicly owned, and privately owned—and each category of forest land is subject to special rules and regulations for its management and protection. There is a special chapter dealing with "Rewards and Inducements" for the encouragement of private planting on barren land in the different hsien. Specific penalties are stipulated for the better control of forest fires, theft and various forms of trespass. Chapter IV of the Forest Law is of great significance, for it provides for the organization of forest co-operative societies (林業合作社), which would go far towards solving the forestry problem if enough of them were organized throughout the country.

Although the Revised Forest Law was promulgated in 1932, owing to the pre-occupation of the Government in more pressing problems it was not put into operation until the spring of 1935. A Game Law was promulgated in 1936.

GENERAL AFFORESTATION WORK

Central Afforestation Work.—Besides the establishment of forestry departments for administrative purposes the Central Government, in 1929 organized the Central Forestry or Afforestation Bureau (中央林區管理局). This bureau carries out in a practical way some of the afforestation projects of the Central Government, and is attempting to set up a model forestry area in and around Nanking. The establishment of the bureau marks the beginning of a policy which aims at the creation of national "forest reserves" similar to those in the West, as it is absolutely necessary to provide for the future economic needs of the people and to protect the country from floods and droughts. Since the establishment of this Central Afforestation Bureau the government has been making plans for similar bureaus to be established in different parts of the country. The plan for the establishment of a forestry bureau for the north-western provinces was drawn up in 1936 by the Central Government in co-operation with those border regions, but, owing to the political disturbances in that part of the country during the autumn of 1936 and the spring of 1937, it was not put into operation.

Although the Central Afforestation Bureau has been in existence for only eight years, much practical work has already been done. According to published reports, it has planted more than 36,000,000 seedlings in the vicinity of Nanking, organized six forest nurseries with a total annual capacity of about 5,000,000 seedlings, and established six forest stations in six hsien. The bureau is engaged not only in establishing government nurseries and in planting extensive areas, but also in promoting and encouraging private forestry. Private individuals who own barren hills and mountains, and are unable to undertake forestry work themselves, can petition the bureau and obtain free of charge the necessary seeds and/or seedlings for planting. According to its recent report, the bureau has distributed over 9,000,000 seedlings to private persons during the past eight years (Table I).

To promote planting along the Yellow River watersheds, the Central Government has, since 1935, set aside a sum of $20,000 as a special subsidy for forestry work in Kansu, Suiyuan and Shensi.

Railway Forestry Work.—Railway forestry work, started by the Ministry of Railways for the purpose of producing railway ties for local consumption, has been in operation for many years, but owing to the lack of a definite national plan to guide the managing directors of the various railway administrations, efforts along this line have not been very successful.

The demand for railway sleepers, both for the construction of new lines and for annual renewals, is increasing yearly. At present China depends upon foreign countries for supplies. In the autumn of 1936, however, the ministry appointed a commission to study the possibility of utilizing the existing forests in Chekiang, Hunan and Kwangtung provinces and of developing at the same time certain suitable areas along the Hankow-Canton trunk line for the production of crossties. It is reported that plans for such project have already been completed and that the ministry has secured the services of Mr. Kang Han (康瀚) and other trained men to carry out the scheme.

Provincial Forestry Work.—While the Central Government has been working hard to put forestry on a proper basis, all of the provincial governments have also done much to promote forestry within their respective territories. In nearly every provincial industrial or reconstruction bureau there is a department organized to look after the forestry administration of the province, with forest stations located in the mountainous areas to carry out the actual planting work. Kwangtung province, for instance, has a forestry department in its Bureau of Agriculture and Forestry, with a staff of 23 trained foresters. The Department operates four stations and five nurseries scattered all over the province, having a total budget of $106,188 for planting

work and for protection purposes. Chekiang province is divided into four districts, each having a main station to carry on the work as directed by the Bureau of Reconstruction. The total budget for the entire province is $249,151. In Anhwei the province is divided into five districts, each having a technical staff to look after the nursery, planting and extension work in the district. Roughly, there are more than 120 trained men engaged in forestry work to-day in the different provinces, while as many as 80 forest-planting stations with a total budget of $1,338,179 have been established.

Private and Corporation Activities.—In recent years much forestry work has been carried on by private persons and corporations, but it is not possible to ascertain exactly how much is being done. However it is private forestry along the Min River (閩江) in Fukien, Southern Anhwei and Hunan which has been responsible for the continuous *Cunninghamia* timber (Foochow pole) trade throughout the country, while planting in and near villages and hamlets has ensured a supply of fuel for the farmers.

Perhaps the most conspicuous piece of forestry work due to corporate effort is the Kiangsu Educational Forestry Enterprise located near Pucheng (浦鎮), Kiangsu. This enterprise has been progressing steadily since its inception in the fifth year of the Republic of China. According to its 1936 report 84,663,974 trees have been planted; and hills and mountains, which used to be bare, are now covered with forests of pine, oak, pistaria, cedar, poplar, sophora, wutung, bamboo and many other valuable species of trees.

FORESTRY ACTIVITIES AND EDUCATION

Popular Interest in Forestry.—Public interest in forestry in China has been increasing rapidly, largely on account of (1) the work of the Chinese Forestry Association (中華林學會), (2) Dr. Sun's forestry teaching as found in the *San Min Chu I* and (3) the establishment of the so called Forest Memorial Week (造林運動宣傳週).

The Chinese Forestry Association, whose membership at present is limited to foresters and forestry students was founded in 1917 with the object of educating the public with regard to the importance of forestry. By cooperating with agricultural colleges, by publishing a periodical called the *Forestry Journal* and by occasionally issuing pamphlets relating to planting and developing non-agricultural land, etc., the association is laying the foundation of a public sentiment favorable to the development of forestry.

Dr. Sun's teaching on forestry is found in the third lecture of the chapter on "The People's Livelihood" in the *San Min Chu I* and also in his "Program of Industrial Reconstruction." In the *San Min Chu I* Dr. Sun pointed out the relation between forests and floods, droughts, the flow of streams and soil erosion, and emphasized how important forests are to the life and happiness of the Chinese people; in his "Program of Industrial Reconstruction" he urged that reafforestation work on a large scale be carried out in Central and North China simultaneously with other constructive measures. It is on account of these teachings and injunctions of Dr. Sun and the desire of all of his followers to perpetuate them and to translate them into action, that the Central Kuomintang Headquarters has designated forestry as one of the seven fundamental tasks (七項運動) for all party men to perform throughout the country during the political tutelage period. Needless to say, during the last seven or eight years party men throughout the country have done splendid work in stirring up general interest in forestry, especially among the common people in the different hsien.

Perhaps the one thing that has been responsible more than anything else for the present intense nation-wide interest in forestry was the creation in 1930 of the Memorial Forest Week (March 11 to 18) in commemoration of the death of Dr. Sun Yat-sen.

Although it is a memorial week, yet during this period the whole nation is reminded of the importance of *tsao lin* (forest planting) through organized intensive campaigns conducted by means of illustrated lectures, pamphlets, handbills, and actual demonstration planting on the hills and mountains. It is generally more than an "Arbour Day" affair, and one can imagine the amount of attention and enthusiasm that is stirred up by such organized campaigns, lasting as they do for a period of seven days.

Education in Forestry.—Although education in forestry is almost as old as the Chinese Republic itself, it was not until 1915, when the Ministry of Agriculture and Commerce established the Sen Lin Chuan Shi So (森林傳習所), or Forestry Training School in Peiping and enrolled students from Anhwei, Shantung, Kiangsu, Chihli, Yunnan and other provinces, that a definite and substantial start was made with forestry education in China. This Sen Lin Chuan Shi So was not long lived, for shortly after it was founded all of its students were sent to Nanking University, where a department of forestry of college standard had been established under the joint leadership of the late Mr. Joseph Bailie and the writer, using Purple Mountain (紫金山) as a laboratory for field work for the students.

The growing interest in forestry at the time prompted other universities and colleges to copy Nanking University. Even the *chia chung* (甲種) agricultural schools in the different provinces took an interest in this education in forestry, for many of them introduced elementary courses into their curriculum. Unfortunately this rapid growth did not last long, as, owing to the lack of funds, equipment and textbooks, and to the scarcity of teachers, most of these schools and colleges were forced to discontinue their forestry courses. So to this day, with the exception of Nanking University, the Agricultural College of the National Peiping University, which maintains regular courses in forestry and a few provincial agricultural colleges (such as Chekiang, Honan, Kwangtung (Chungshan), and Anhwei Agricultural Colleges), which offer some special courses either as required or elective, all other colleges and schools have either temporarily or permanently dropped their forestry work.

Publications on Forestry.—Besides the many translations, largely from Japanese magazines and books, the following are some of the principal books on forestry published in recent years.

Three Planting (造林學名論)	by Li Yung. (李榕)
Afforestation (造林學概要)	by Chen Yung. (陳嶸)
Principles of Seeding and Planting (造林學概論)	by Kao Ping-fang. (高秉坊)
Elements of Forestry (造林學大意)	by D. Y. Lin. (凌道揚)
Manual of Forestry (中國森林要覽)	by D. Y. Lin. (凌道揚)
Chinese Dendrology	by Lee Shun-ching. (李順卿)
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Chinese Wood Oil (中國桐油)	by Ling Kan. (林剛)

FOREST RESOURCES

Under this heading the following topics will be discussed briefly:

1. The forest area.
2. The extent of *yi lin ti* (宜林地) or bare land suitable for forest production.
3. Some of the more important timber trees.

The Forest Area.—No systematic attempt has yet been made to calculate the exact forest area in China, for such an attempt would require resources at the disposal only of the government. According to a very rough estimate made recently by the writer, there are approximately 229,800,000 acres or 91,000,000 hectares of forest areas in the country. This vast area also includes the *chu lin* (竹 林) or bamboo forests in all of the central and southern provinces, as well as the larger *tsun lin* (村 林) or farm wood lots all over the country. Most of the hardwood and coniferous forests are now located in places which are rather inaccessible owing to lack of adequate communications.

The northeastern and southwestern border provinces comprise by far the best timbered regions remaining in the country to-day, and in view of her present shortage of wood and her increasing demand for forest products of all kinds for reconstruction purposes, such forests should, as soon as possible, be developed, utilized and properly conserved for the benefit of the country as a whole.

It is estimated that there are only ten provinces—Szechwan, Heilungkiang, Yunnan, Kirin, Hunan, Shensi, Hupeh, Fukien, Kiangsi, and Kwangtung, which have more than 10% of their total land area forested, and they represent an aggregate forest area of 159,625,000 acres, while more than 16 provinces have less than 5% of their land area forested. The average percentage of forest area to the total land area is only 8.4%. Such a percentage is certainly too small when it is remembered that it is generally reckoned that a country should have about 30% of its land area maintained under forest in order to guard it against bad climatic conditions, with prolonged frosts and alternating floods and low water.

Yi Lin Ti.—The so called *yi lin ti* (宜 林 地) includes lands that are at present bare, being either too dry, too high, or too steep for agriculture but quite suitable for forestry work. There are at least 872,100,000 acres of *yi lin* area in China and they represent 31.9% of her total land area. In other words, in China to-day at least 31.9% of the land is bare and unused. Much has been said in recent years of land utilization and this question of the *yi lin ti* is one which should engage the attention of land experts and politicians more than any other land problem, inasmuch as it involves an area larger than the total cultivated area used in agriculture to-day.

Some Principal Timber Trees.—Due to the mountainous character of the land and to the wide range of climate, China is extremely rich in arborescent flora. According to recent investigations published in the *Journal of the Chinese Botanical Society* (December, 1935, issue), there are 134 families and as many as 666 genera, while the number of species is over 2,000. It is said that a greater number of different kinds of trees is found in China than in the whole of the north temperate regions. Nearly every important genus of coniferous and broad-leaved trees known to the temperate regions of the Northern Hemisphere is represented in China. This is mentioned here to indicate the extraordinarily wide variety of species in China, and the wealth of plant materials she has for forestry work within her borders.

Some of the more important timber species that are commonly known and are generally used for planting in the various provinces to-day are as follows:

(*a*) *The Bamboo Group:*

Bamboo 毛竹	*Phyllostachya edulis*
Bamboo 淡竹	*Phyllostachya puberula*
Bamboo 茨竹	*Bambusa arundinacea, B. Spinosa*
Bamboo 南竹	*Dendrocalamus giganteus*

The bamboo is by far the most important "timber" in China. It is a fast growing plant and flourishes in all of the southern provinces and along the Yangtze Valley up to an altitude of about 3,000 feet. The Chinese

generic name for the bamboo is *chu* (竹). Those who live in China will appreciate the multitudinous uses to which bamboo is put. It is used for food, for building houses, bridges and boats, and for the manufacture of paper, furniture, sedan chairs, ropes, umbrellas, toys, musical instruments, baskets, and all kinds of farm implements and household utensils.

(*b*) *The Coniferous Group:*

Chinese fir 杉樹	*Cunninghamia lanceolata*
Chinese red pine 馬尾松	*Pinus massoniana*
Chinese pine 松	*Pinus henryi, P. dentata, P. prominens*
Fir 冷松	*Abies delavayi*
Larch 紅杉	*Larix botaninii*
Larch 落葉杉	*Larix dehurica, var. principis-rupprechtii*
Hemlock 雲南銹杉	*Tsuga yunnannensis*
Hemlock 檜杉	*Tsuga chinensis*
Spruce 雲杉	*Picea asperata*
Spruce 魚鱗杉	*Picea ajanensis*
Juniperus 檜柏	*Juniperus chinensis*
Juniperus 刺柏	*Juniperus formasana*
Cedar 側柏	*Thuja orientalis*
Cryptomeria 柳杉	*Cryptomeria japonica*
Yew 紅豆杉	*Taxus chinensis*

Of the coniferous group, the most common timber for all round use is the *shan shu* (杉樹), or *cunninghamia lanceolata*. It is found in all of the temperate parts of China, extending from Southern Kiangsu to Szechwan along the Yangtze River at about latitude 32°, south to Kwangtung along the coast, and throughout the provinces touching and south of the Yangtze, namely Kwangsi, Chekiang, Kiangsi, Fukien, Hupeh, Anhwei, Yunnan and Hunan. It is the fastest growing coniferous tree in China. On good soil the sprouts often attain three or four feet the first year, and grow up to six or seven feet the second. They are generally cut for commercial purposes when they are from 20 to 30 years old and about 50 feet high. Because *shan shu* sprouts with such vigor, rendering it particularly adaptable to coppice management, seedling reproduction is seldom used for establishing new stands. The wood is light, soft fragrant and durable. It is used for house building, general carpentry, boat building and a great variety of other purposes. It is the best known and undoubtedly the most valuable of the coniferous species in China.

The common pine trees, *pinus massoniana*, are generally grown for fuel. All of the other coniferous species excepting those of the Manchurian forests (*Pinus koraiensis*, *Picea ajanensis* and *obovate*, *Lariz dahurica*, and *Abies nephrolepis*) are now found only in high mountainous regions. They have been driven there, so to speak, by agriculture, which has claimed the land.

(*c*) *The Broad-Leaved Species:*

Oak 麻櫟	*Quercus acutissima*
Oak 槲樹	*Quercus dentata*
Oak 柞樹	*Quercus mongolica*
Evergreen oak 青岡櫟	*Quercus glauca*
Red nanmu 紅楠	*Machilus thunbergii*
Camphor tree 樟樹	*Cinnamonum camphora*
Dalbergia 黃檀	*Dalbergia hupeana*
Pagoda tree 槐樹	*Sophora japonica*
Honey locust 皂莢	*Gleditsia macracantha*
Walnut 胡桃樹	*Juglans regia*
Pistacia 黃連樹	*Pistacia chinensis*
Sweet gum 楓香樹	*Liquidamber formasana*
White elm 白榆楊	*Ulmus pumila*
Maple 三角楓	*Acer Buergerianum*
Zelkova 櫸樹	*Zelkova sinica*
Chinese hackberry 朴樹	*Celtis sinensis*

Paulownia 泡桐	*Paulownia tomentosa*
Poplar 白楊	*Populus tomentosa*
Poplar 白楊	*Populus simonii*
Poplar 小叶楊	*Populus suaeolens*
Chestnut 板栗	*Castanea mollissima*
White wax tree 白蜡樹	*Praxinus chinensis*
Birch 樺樹	*Betula japonica*
Catalpa 梓樹	*Catalpa ovata*

Hardwood or broad-leaved forests are also very rare except in the sparsely populated regions. In the more populated parts, trees occur either as farm wood-lots or in small groups on temple properties and in the more or less inaccessible places.

THE TIMBER TRADE AND SECONDARY FOREST PRODUCTS

The Timber Trade.—Due to the scarcity of native timber to-day, especially of large size, much timber for general construction is imported from abroad. According to the statistics of the Customs authorities, the annual value of foreign imported timber into China during the past five years amounted to more than $30,000,000. The principal countries from which softwood (coniferous) timber is imported are: U. S. A., Japan, Russia, Canada and Korea, while hard timber (broad-leaved), constituting a small percentage of the total volume imported, comes, in addition to the above places, from Hongkong, Philippine Islands, the Dutch East Indies and Singapore.

Due to the building activity consequent upon the industrial and social changes that are going on so rapidly in China, the importation of foreign timber will no doubt continue to increase, while, due to excessive deforestation, especially during the last two decades and during the general depression, the export of native timber has dwindled to a negligible amount.

Secondary Forest Products.—Of the trees which yield secondary products, perhaps the most important is the *tung yu shu* (桐油樹), or wood-oil tree. Two species of *tung yu shu* are known, the *Aleurites fordii* and the *Aleurites montana*. The *Aleurites fordii* is abundant throughout the Yangtze Valley, while the *Aleurites montana* is found in South China. Both are low-growing trees belonging to the spurge family. They produce seeds from which the valuable wood-oil is extracted. The export of this commodity from China to various countries has been increased immensely during the past year, having risen from third to first place among China's exports.

Another member of the spurge family, flourishing in all the warm parts of China, is the *wu chu* (烏桕樹), *Sapium sebiferum*, which yields the valuable Chinese "vegetable tallow" of commerce. This tree is remarkable for the beautiful red color of its foliage during the autumn, when its fruits are collected. When dried, these fruits yield seeds which contain both fat and oil. In China these products are used in the manufacture of candles, but when exported they are employed principally in the manufacture of soap.

The *chang shu* (樟樹) is another important tree which yields a valuable product of commerce known as camphor. The tree is found in Fukien, Kiangsi, Kwangtung and other southern provinces with more or less subtropical climate. It is valued both for its wood and for the camphor it produces. Formerly China produced

over 80% of the world's supply of camphor, but the center of production is now in Formosa, where for over three decades the Japanese government has been encouraging the planting of *chang shu*.

There is another tree product known as *chi* (漆), or varnish, which is becoming very important as an article of trade. It is prepared from the sap of a tree called *chi shu* (漆樹), *Rhus verniciflua*. It is abundantly cultivated on hillsides or along the margins of fields throughout Central China, but it also is found in a wild state. Enormous quantities of raw varnish are exported to foreign countries.

There are many other special tree products that might be mentioned in addition to the above which are in increasing demand both for export and for domestic production. Such are:

Nutgalls, which furnish tanning and medicinal material. These are derived from the leaves of the *Rhus semialata* and *Rhus potanini*.

The fruits of the *Gledisia sinensis*, and the *Sapindus mukorossi*. These are rich in the saponin used for laundry work and other purposes.

The dyeing materials which are obtained from the flowers of the *Sophora japonica* and the *Koelreuteria apiculata* and from the fruits of the *Platycarya strobilacea* and other species.

Kwei pi (桂皮) or Cassia bark is obtained from the *Cinnamonum cassia*, a tree found in Kwangtung and Kwangsi, and is valued as a tonic or stimulant by the Chinese.

Wax is produced by a kind of scale insect which lives on ash, *Fraxinus chinensis*, and privet, *Ligustrum*.

TABLE 1. RECORD OF FOREST SEEDLINGS AND PLANTING WORK OF CENTRAL AFFORESTATION BUREAU

Year	*No. of Seedlings Raised in Different Nurseries*		*No. of Seedlings Planted at Different Stations*	
	Area (in Kung Mow)	*No. of Seedlings*	*Area (in Kung Mow)*	*No. of Seedlings*
1930	439.27	8,832,460	62,172.90	3,879,047
1931	682.28	11,450,907	102,173.50	6,265,302
1932	735.78	5,086,115	116,626.90	5,214,835
1933	741.83	3,412,041	91,243.24	6,622,084
1934	1,484.83	5,797,443	113,880.20	3,258,375
1935	719.03	5,168,502	119,831.54	3,637,091
1936	838.79	10,223,202	41,535.06	3,148,357
1937	304.63*	4,345,421	47,996.45	4,341,290
TOTAL	—	54,316,091	695,459.79	36,366,381

* In *Kung Tou* (公斗).

TABLE 2. THE AMOUNT AND KIND OF TIMBER IMPORTED

(1934 to 1936 Inclusive)

Year	Hardwood		Softwood		Railway Sleepers		Teak Wood (Beams, Blocks, Logs)		Timber, n. o. r.
	Quantity in Cubic Meters	Value in C. G. U.	Quantity in Cubic Meters	Value in C. G. U.	Quantity in Pieces	Value in C. G. U.	Quantity in Cubic Meters	Value in C. G. U.	Value in C. G. U.
1934	135,425	1,966,129	233,804	2,585,756	2,451,154	2,869,615	11,856	722,660	1,122,753
1935	150,996	1,974,685	357,226	3,656,572	3,702,067	4,631,483	9,717	565,974	826,101
1936 ..	162,980	1,937,412	317,438	3,143,686	1,757,063	2,029,595	8,450	453,495	102,015

TABLE 3. THE AMOUNT AND KIND OF TIMBER EXPORTED

(1934 to 1936 Inclusive)

Year	Hardwood	Softwood	Piles, Poles and Joists		Wood, Paulownia Blocks	Wood, n. o. r.	Bamboo	Bamboo, Split, Leaf, etc.	
	Value in $	Value in $	Quantity in Pieces	Value in $	Value in $	Value in $	Value in $	Quantity in Quintals	Value in $
1934	186,826	217,335	424,888	369,088	4,767	234,806	1,010,174	58,174	618,137
1935 ..	157,022	179,497	552,776	451,524	4,191	298,308	1,117,419	47,751	396,798
1936 ..	263,141	296,586	1,293,748	721,952	201,297	382,886	1,135,095	48,430	436,759

HYDRAULIC ENGINEERING WORKS

C. C. CHENG (鄭肇經)

From olden times until now the Chinese Government has always attached great importance to hydraulic works, but, owing to the wide distribution of hydraulic administrations, the confusion of their functions, and the independence of their different programs, the effectiveness and usefulness of the work of hydraulic reconstruction has been seriously hampered. For this reason the Central Government undertook in 1934 the unification of the various hydraulic administrations. There are now three degrees in the system of hydraulic administration: central, provincial and hsien. The National Economic Council is the supreme administrative organ, while the provincial departments of reconstruction direct the hydraulic work in their respective provinces, and the local hsien governments control the work in their respective hsien. The provincial and hsien governments are placed under the direction and control of the supreme hydraulic organ in so far as hydraulic matters are concerned.

Once invested with its new functions, the National Economic Council began on the one hand to reorganize the different degrees of hydraulic organs, and on the other to elaborate a general program of hydraulic works to be executed throughout China. As for the regulation of rivers, the National Economic Council endeavors, in cases where plans for a fundamental regulation have already been prepared —e.g., in the case of the Huai River (淮河) and the Yungting Ho (永定河),— to realize such plans gradually; in the case of rivers where plans for fundamental regulation have not yet been prepared—such as the Yangtze River and the Yellow River—the National Economic Council endeavors to strengthen the dikes as a palliative measure, meanwhile increasing the number of meteorological and hydrographical stations, extending the surveying and research organizations, creating a hydraulic laboratory, and collecting hydraulic literature to serve in the study of plans for the fundamental regulation of the Yangtze River and the Yellow River. The National Economic Council also devotes much attention to the national problems of navigation and irrigation.

In spite of the limited financial resources of the Government, the central hydraulic budget has averaged $10,000,000 annually during the last three years. In addition, when floods occurred in 1935, the Central Government issued a public loan amounting to $20,000,000 for distribution to the various flooded provinces, to enable them to undertake the work of closing the breaks and repairing the dikes.

During 1936 these natural calamities did not recur, and the harvest was extremely good. The prosperity of rural economy bears witness to the good results obtained from the unification of the central hydraulic administrations.

The following is a short description of the hydraulic works executed in recent years.

I. HYDRAULIC WORKS ON THE HUAI RIVER (淮河)

The plan for the regulation of the Huai River consists chiefly of the opening of one route to the Yangtze River and of another to the sea. The Hungtse Lake (洪澤湖) will be treated as a reservoir, serving the needs of flood detention, irrigation and of navigation. The plan of fundamental regulation of the Huai River calls for a total expenditure of $200,000,000. In order that it may conform to the

financial resources available, its execution will be spread out over several years, according to the importance of the work to be done.

The first construction program has started and consists chiefly of the improvement of the Grand Canal between the Kiangsu-Shantung border and the Yangtze River, the construction of four shiplocks at Shaopo (邵伯), Huaiyin (淮陰), Liulaochien (劉老澗), and Kaoyu (高郵) in the Grand Canal (運河), and of a dam with movable gates in the Sanho (三河) at Chiangpa (蔣壩). Furthermore the Huai River outlet to the sea is under construction. Work began in the spring of 1934, and is due to be finished during 1937.

Funds for the construction works of the first period, amounting to a total of $12,550,000, are borrowed from the British Boxer Indemnity Fund and from banks, and will be gradually repaid from the general budget. The cost of digging a waterway to the sea, amounting to $12,000,000, has been met by the Kiangsu Provincial Government, with the exception of $3,000,000 given by the Central Government in the form of treasury bonds. The following is a brief summary of the principal works already executed:

A. Construction of Three Large Shiplocks at Shaopo, Huaiyin and Liulaochien and a Small Shiplock at Kaoyu. In order to regulate water levels and to improve the navigable route of the Grand Canal, a shiplock was constructed at each of the three following places: Shaopo (Kiangtou, 江都), Yangchuang (楊莊) (Huaiyin) and Liulaochien (Suchien, 宿遷), and a smaller shiplock at Yuhokang (越河港) (on the western side of the Grand Canal at Kaoyu) which permits communication between the Kaopao Lakes (高寶湖) and the Grand Canal. Breaches in the western dike of the Grand Canal (Liyun Ho, 裏運河), were also closed in order to maintain the water level in the canal. The Huichi sluice (惠濟閘) near Huaiyin was reconstructed in order to regulate the waters serving the needs of irrigation and navigation in the canal section south of Huaiyin. These works were begun in the spring of 1934 and finished in 1936. In order to insure the necessary supply of water downstream of the Middle Grand Canal for navigation and irrigation, a canal is now being dug and a double culvert in reinforced concrete is being built at the side of the Liulaochien shiplock. The abovementioned works will cost $3,200,000. When they are completed, vessels of 900 tons measurement will be able to ply freely all the year round on the Grand Canal from the Yangtze River in the south to as far as Shantung in the north. Transportation by waterway can be connected with that on the Tientsin-Pukow (津浦) and Lunghai (隴海) railways, thus greatly facilitating the transport of agricultural produce from the interior. The plains of the Lihsia Ho (裏下河) (north of the Yangtze River) will also have the benefit of a much improved irrigation, profiting from the new installations for supply of water, when required.

B. Construction of the Sanho (三河) Movable Sluice.—This work is being done on a newly made short canal at the mouth of the Hungtse Lake near Chiangpa in order to regulate the waters of the Huai River flowing towards the Yangtze River, and to increase the storage and discharge capacity of the Hungtse Lake. The sluice has 60 openings of 10 m. wide in which movable Stoneygates can regulate the outflow. The cost of these very big works is estimated at $5,500,000. Work of digging the canal was begun in the spring of 1935, and is at present about 40% completed. Construction of the sluice was begun in August, 1936, and will be finished in 1938. When this sluice has been completed the flood water of the Huai Ho can be discharged freely southward, and the Lihsia Ho region will be free from the threat of floods. The Hungtse Lake will then become a huge reservoir, also serving the needs of irrigation and navigation.

C. Creation of a Route to the Sea for the Huai River.—This route starts at the Hungtse Lake, follows the Changfu Ho (張福河) as far as Yangchuang (楊莊), and then will use the old course of Yellow River, entering the sea at Taotse Ko (套子口). The

total length of this waterway is about 200 kms. The works on the first section consist of the regulation of the Changfu Ho. From Kaoliang Kien (高良澗) (mouth of the Hungtse Lake) to Mato Chen (碼頭鎮), Huaiyin (entrance to the Grand Canal), the section is 31 kms. long. Work on it was terminated in July, 1933. Work on the second section, from Huaiyin to the sea, was begun in November, 1934, and is expected to be finished in the summer of 1937. The number of workmen engaged has varied between 130,000 and 240,000. The total cost of the above-mentioned works is $12,000,000. When they have been completed, part of the water of Huai River, in case of flood, can be taken off by this route, and the danger of flood upstream will be reduced.

D. Construction of Yangchuang Movable Sluice.—This sluice is constructed east of Yangchuang (Huaiyin) in order to control the flow of the Huai River to the sea, and to regulate the water level in the Grand Canal. It has five openings. Work costing $640,000 was started in the winter of 1935 and was to be finished in the spring of 1937.

E. Construction of Chowmen (周門) Movable Sluice.—This sluice is constructed at Chowmen (Funing 阜寧) in the new sea-outlet for the Huai River in order to regulate the flow in this new route to the sea, and also to divert water to the Chuanchang Ho (串場河) and the new canal along the sea-coast. It is a sluice with movable gates; work begun in the winter of 1936 is progressing well and will be completed in the summer of 1938. The total cost will be $1,000,000.

F. Regulation of the Anfengtang Lake (安豐塘).—The Anfengtang Lake, to the south of Shouhsien (壽縣), Anhwei, was formerly utilized as an irrigation reservoir. But as its source has become choked up and its dikes have collapsed, the lake is now useless for this purpose. It is planned to strengthen the dikes around the lake, to dig a main entrance canal, and to reconstruct the entry and outflow sluices, etc., in order to irrigate the lands surrounding the lake, which occupy an area of about 200,000 mou. Work was begun in April, 1935, and three months later the leading canal was finished. Construction of the intake-sluices and dikes is progressing smoothly; it was to be finished in the spring of 1937.

G. Repair of Sluices and Dikes on the Huai River in the Province of Anhwei.—The dikes and sluices of the Huai River in the province of Anhwei need repairing. It has been decided to build 17 culverts as a first step. Work is now being carried out by the Huai River Commission and will be finished in 1937 at a total cost of $68,000.

H. Straw Dam at the Entrance to the Hungtse Lake.—A straw dam is built each winter at the entrance to the Hungtse Lake in order to maintain the water level in the lake and to facilitate navigation. This work is done by the Huai River Commission for a sum of approximately $36,000 each year.

II. HYDRAULIC WORKS ON THE YELLOW RIVER

The plan for a fundamental regulation of the Yellow River is still being studied. Below are given merely the chief palliative measures, carried out during the last three years:

A. Repair of Dikes and Protection of Banks.—The Yellow River dikes begin at Mengtsin (孟津), where the river emerges from the mountains. As a result of the great floods in 1933 and 1934, these dikes collapsed successively in many places. Since then, urgent repair work on the main dikes has been started. The following is a brief description:

(*a*) *Repair of the Golden Dike (Ching Di* 金堤).—The Golden Dike is situated on the northern bank of the Yellow River and has a length of 181 kms. It is the second line of defense for the province of Hopei against a rise of the Yellow River, but as it has been a very long time without repair it has suffered great damage. In 1934 a break occurred in the main dike of Changyuan (長垣) (Kuantai, 貫台), and the water attacked the Golden Dike, which was thus endangered. For this reason repair work was begun, and at the same time work was started to close the break at Kuantai in order to ensure its protection. Work started in April, 1935, and finished in July of the same year. More than 1,600,000 cubic

meters of earthwork was done, at a cost of more than $330,000.

(*b*) *Construction of a Dike from Kuantai to Mengkan* (孟岡).—On completion of the above-mentioned Kuantai closure in 1935, it was planned to reconstruct a dike from Kuantai to Mengkan, in order to strengthen the line of defense. The first section, from Kwantai to Shuangwang (雙王), having a length of 12 kms., was constructed in May, 1935, and finished in October. More than 1,100,000 cubic meters of earthwork was done, at a cost of over $250,000.

(*c*) *Repair of the Short New Dike (Hsiao-hsin Di,* 小新堤) *North of Lanfeng* (蘭封), *and Protection of the Banks of the Tingke Tang* (丁圪塘).—The Short New Dike situated north of Lanfeng is a very important one, protecting the provinces of Kiangsu and Honan against the danger of a change of course by the Yellow River. In order to strengthen this dike, more than 17,000 cubic meters of stone blocks, more than 1,400 cubic meters of broken stone, and more than 30,000 cubic meters of earthwork were used. Work on the first stage was begun in May, 1935 and finished in August of the same year; work on the second stage was begun in April, 1936, and finished in June of the same year. These works cost a sum of more than $118,000.

(*d*) *Bank-Protection Work at the Entrance to the Hsin Ho* (沁河).—The Yellow River bank situated west of the Peiping-Hankow railway bridge and at the entrance to the Hsin Ho is constantly collapsing. As the ground inside the dike is seven meters lower than the level of the Yellow River at high-water periods, enormous tracts of land will be flooded if the dikes collapse. For this reason it is necessary to find a way of protecting the banks, which are 4½ kms. long. Work on the first stage began in July, 1935, and was finished in October, 1935; work on the second stage began in April, 1936 and was finished in July of the same year. The cost of these works was more than $80,000.

(*e*) *General Repair of Yellow River Dikes.*—As a result of the great flood in 1935, the main dikes in Shantung, Hopei and Honan were endangered in several places. The Central Government placed a sum of $1,050,000 in the form of public bonds in the hands of the provincial governments concerned, to enable them to carry out the work of strengthening the dikes. This work was practically completed before the high-water period of 1936. The following is a list of the work done:

In Honan, work for the protection of the banks of the Tungpatou (東壩頭), Hsin Di (新堤), Yangchuang (楊莊), and the private dikes of the Chaochuang (趙莊) (Wenhsien, 温縣) was done. A sum of more than $130,000 was spent. In Hopei, ten spur dams at Lenchai (冷寨) and ten others at Whechai (歪寨) were constructed at a cost of $180,000. In Shantung, repair work on the Chukow-Tungchuang (朱口—董莊) section, and repairs to the works at Chukow (朱口) which were endangered, cost a sum of over $580,000. The Central Government, moreover, assisted the provincial governments of Hopei, Shantung and Honan in the execution of restoration and dike-repairs at Chungmao (中牟), Heikankow (黑崗口), Shihchetuan (石車段) Liuchuang, (劉莊), Laotapa (老大壩), Chengkiao (陳橋), Huangshihtuan (黃十段), and Linpu (臨濮), which works were performed successively.

In 1936, sums of $400,000 for dike repairs and $150,000 for flood-protection work were provided in the general budget for dikes along the Yellow River. Works were carried out by the Yellow River Commission.

B. Closure of Dike-Breaks on the Yellow River.—In recent years there have been three main closures of dike-breaks on the Yellow River. The following is a brief description of these undertakings:

(*a*) *Fenglo Closure* (馮樓).—In August, 1933, the great rise of the Yellow River came suddenly, and caused about 50 dike-breaks in a few days in the provinces of Hopei and Honan. Shortly afterwards most of these breaks were closed, and only the three breaks at Hsiangting (香亭), Yenmiao (燕廟) and Shihtouchuang (石頭莊) (Changyuanhsien, 長垣縣) remained to be completed. Being the largest, these were the most difficult to close. The riverflow went almost entirely from Feng-lo through these breaks and there was a serious danger of the river changing its course. The closure works were completed only in August, 1934. A start was then made with the strengthening of the dikes of this section, and this work was completed in July, costing altogether more than $1,300,000.

(*b*) *Kuantai Closure* (貫台).—In August, 1934, the great rise of the Yellow River caused four breaks on the Yellow River dike at Changyuenhsien (長垣縣). Work on closing these breaks was begun at Kuantai, and was finished in April, 1935, at a cost of more than $900,000.

(*c*) *Closure at Tungchuang* (董莊).—In July, 1935, the great rise of the Yellow River came suddenly, and caused several breaks in the dikes at Tungchuang (Shantung). The main current flowed directly towards the regions in the west of Shantung and in the north of Kiangsu. Very many districts were under water. Closure work was begun a month later, and was finished in March of the following year. In performing this work, more than 40,000 cubic meters of stone, 1,000,000 bricks, more than 8,200,000 lbs. of willow branches, and 37,000,000 lbs. of sorghum straw were used, and 3,000,000 cubic meters of earthworks were built at a total cost of more than $3,000,000.

C. Draining the Flood Waters Accumulated in Northern Kiangsu, 1935–1936.—The Yellow River water coming from the Tungchuang break and inundating the northern regions of Kiangsu had not yet disappeared by the winter of 1935; it not only prevented the cultivation of land and

the production of salt in the spring, but also seriously impeded the work of regulating the Huai River which was being carried out by the Kiangsu Provincial Government. The National Economic Council thereupon convened a meeting of the interested bodies to discuss the problem of draining the stationary waters in this part of Kiangsu. It was decided to prepare and utilize the three rivers, Shunhao Ho (善後河), Tsientse Ho (岑池河) and Tzechou Ho (車軸河) for this purpose. Work was begun on February 10, 1936, and finished on October 30, 1936, at a total cost of $550,000, which funds were supplied by the Salt Gabelle. More than 4,600,000 cubic meters of earthworks were built.

D. New Cutting at the Mouth of the Yellow River.—The course of the Yellow River below Litsin (利津) is often influenced by the ocean tide. The river slows down and deposits its silt on the way. The bed of this section of the river thus rises as a result of the silting-up, and for this reason work was begun at Luantsingtze (亂荆子) and Shoukuang (壽光). Two short-cuts have been dug, and more than 1,900,000 cubic meters of earthworks executed. Spur dikes were built at the entrance of each short-cut. A sum of $200,000 was spent here by the Yellow River Commission.

E. Junction of the Yellow River with the Grand Canal.—In Shantung the Grand Canal was formerly a principal communication route, but ever since the rice sent from the southern provinces to the North has ceased to be carried along it, no repair work has been done. At present reconstruction work is being carried out on the section of the Grand Canal from Lintsing (臨清) to the Yellow River, a distance of about 110 kms. Two modern shiplocks will be constructed in this section, together with a pumping installation near the Yellow River for pumping water into the Grand Canal. When this work is completed boats drawing 1½ meters will be able again to ply freely on this canal-section. The total cost of this work will be $630,000, of which $360,000 is provided in the general budget, while the remainder is being provided by the Shantung Provincial Government, which carries out the works. Work on the first stage was begun in October, 1935, and, with the exception of the shiplocks, is now finished. The cost of this work has been $370,000. Work on the second stage, with the object of discharging the water from the watershed west of the canal, has also been started.

III. HYDRAULIC WORKS ON THE YANGTZE RIVER

The plan for the fundamental regulation of the Yangtze River is still being studied. Below are mentioned merely the palliative works:

A. Construction of a Sluice on the Kinshui (金水), Hupeh.—The Kinshui is a right-bank tributary of the Yangtze River. The lands in its valley are very low-lying. In winter and spring seasons, the water in this valley flows into the Yangtze, while in summer and autumn seasons the water of Yangtze flows into the valley alternatively. In consequence agricultural land in the valley is now lying fallow. A big dam was constructed in the spring of 1933 in order to close off the Kinshui channel. Three discharge openings were also built in the Yukuanshan (禹觀山), with movable gates, in order to control the flow of water to the Yangtze. Further, a transverse dike was built from Yukuanshan to Tsetsi Shan (赤磯山) to prevent the high flood water of the Yangtze from entering the valley. These works were finished in March, 1935, at a cost of over $900,000. The area of land thus released for cultivation amounts to about 900,000 mou.

B. Regulation of the Soochow Creek (吳淞江) at Yuchitun (虞姬墩).—The Soochow Creek is the main discharge channel of the Taihu Lake (太湖) and the principal communication route between Soochow and Shanghai. The area of the surrounding land irrigated by this stream amounts to more than 4,000,000 mou, but on account of the lack of regulating works the whole stream became silted up seriously, especially near Yuchitun, thus con-

stituting a great obstacle to the discharge of its water and also to navigation. Regulation work was started in the summer of 1935. About 300,000 cubic meter of earthworks were constructed by hand labor, and more than 60,000 cubic meter were excavated with dredgers. Work was finished in May, 1936 at a cost of more than $110,000. As a result of this regulation work, goods transport will be facilitated, and the land downstream of the Soochow Creek will enjoy the benefits of irrigation.

C. Construction of a Regulating Sluice on the Paimao (白茆).—The Paimao Channel is the chief communication route between the Taihu Lake and the Yangtze River. As the valley along this channel is very low-lying it suffers from floods whenever the Yangtze experiences high tides, while during drought periods the valley loses its irrigation water owing to the too-rapid outflow towards the Yangtze. For this reason a sluice has been constructed in the Paimao Channel to regulate the waterway and to protect the hsien of Kiating (嘉定), Taichang (太倉), Kwenshan (崑山) and Changshu (常熟) against high tides. The sluice has five openings with Stoney-gates and is 44 meters long. Work was begun in January, 1936, and finished in August of the same year, at a cost of more than $290,000. As a result of the completion of this sluice, agriculture in the above-mentioned four hsiens, situated in the valley, will be greatly benefited.

D. Construction of a Dam and Sluice on the Hwayang Ho (華陽河).—The basin of the Hwayang Ho is situated on the borders of the three provinces of Anhwei, Kiangsi and Hupeh, bordered by the Yangtze River, and occupied with lakes. As this basin is low-lying, the agricultural lands suffer greatly from the inflow of Yangtze River and the capacity of the lakes in that region has been considerably diminished on account of the gradual silting-up with the silt of the Yangtze, and consequently navigation is difficult there in times of drought. For this reason it is planned to construct a dam near the mouth of the Hwayang Ho, to prevent the inflow of normal water from the Yangtze, and a sluice for the discharge of excess rain water, as well as an overflow weir to permit high water to enter the lakes at the periods of the Yangtze freshet, The construction of the sluice and dam was begun in November, 1936, by the Yangtze River Commission and will probably be finished during 1937 at a total cost of approximately $865,000. The completion of these works will bring benefits to irrigation, discharge, and navigation in the Hwayang basin (華陽) and also can regulate the high flood of the Yangtze. The improved irrigation facilities will affect an area of over 1,200,000 mou.

E. Construction of the Main Dike (Yao Ti 遙堤) on the Hsiang Ho (襄河) (Han River) at Chunghsiang (鍾祥).—In the summer of 1935 the big rise in the Hsiang Ho (Han River) caused the dike to collapse at several places, and breaks occurred over a distance of 4 kms. at Santsekung (三四弓) near Chunghsiang. The districts situated downstream of Chunghsiang suffered very seriously. During November of the same year construction was begun on a main dike called Yao Ti, 18 kms. long. Some 120,000 workers were requisitioned to excavate more than 7,000,000 cubic meter of earthworks. In May, 1936, when the undertaking was almost completed, the earthworks were partly destroyed by a sudden rise of the river. In July the closure works were again seriously damaged by the summer freshet. Later, in the autumn, after the fall in the level of the river, construction work was continued. The dam of Hsiungkiachiao (熊家橋) was first made and the breaks were then closed; then the earthworks of the fourth section of the main dike were constructed, there being due for completion in February 1937. The total cost of all this work amounts to more than $3,500,000.

F. Repair of the Principal Dikes of the Yangtze and of the Hsiang Ho (Han River).—The total length of main dikes on the Yangtze and the Hsiang Ho is 1,790 kms.

Since the Kianghan Conservancy Bureau (江漢工程局) of the National Economic Council took over the care

of these dikes in 1933, it has constructed more than 11,500,000 cubic meter of earthworks on the Yangtze side, and more than 700,000 cubic meter of earthworks on the Hsiang Ho side, as well as over 630,000 cubic meter of stone work. The cost of these operations has been $5,600,000. The total annual cost of construction and dike-repair work in the province of Hupeh amounts to $2,200,000, which is provided for by a special Customs tax at Hankow and a dike-repair surtax on the Hupeh provincial land tax. Kianghan's dike repair and construction in recent years has given satisfactory results. An attempt is being made at present to improve the dangerous points, and to construct a storage reservoir upstream on the Hsiang Ho.

G. Closing of Breaks and Repairs of Dikes after the Exceptional Flood of 1935.—In the summer of 1935 the Yangtze high water caused dikes to collapse in several places along the river, especially in the province of Hupeh, where about 20 breaks occurred in the main dikes of the Yangtze River and Han River. The cost of closing and repairing these dikes is very great, and the Central Government therefore issued a "Flood-Relief Loan," with the object of helping the provincial governments concerned. The work of closure and repair was all finished before the high water of 1936. Hunan province executed 32,000,000 cubic meter of earthworks, while Kiangsi constructed more than 5,500,000 cubic meter, and Anhwei more than 7,000,000 cubic meter.

H. Regulation and Improvement of the Soochow-Chinkiang Section of the Grand Canal.—This work was begun by the Kiangsu Provincial authorities during 1934, when the earthwork was almost completed. It was then interrupted but is now being resumed in order to allow vessels of 600 tons measurement to navigate on the Soochow-Chinkiang section and to enable the cultivated land along the canal to enjoy the benefits of irrigation. During 1936 the sub-section Chinkiang-Tantucheng (丹徒鎮) was completed. The work is carried out by the Kiangsu ProvincialGovernment, with the technical and financial help of the National Economic Council. The total cost will be $2,000,000.

IV. HYDRAULIC WORKS IN NORTH CHINA

The rivers of North China rise in arid mountains and their lower parts are situated in the Great Plain; their levels rise and fall sharply under the influence of sudden rains. Furthermore, as they traverse loess regions, they often carry large quantities of silt, and for this reason the beds of these rivers quickly become silted up. Measures of a radical and palliative nature are at present being executed separately. The following is a brief description of the works which have been done in this region:

A. Palliative Work on the Hai Ho (海河).—The economic prosperity of the North-China region depends largely upon the navigation of the Hai Ho. As the Yungting Ho (永定河), one of its main tributaries, carries a large quantity of silt, the bed of the Hai Ho is gradually becoming choked, thus causing an obstacle to navigation. Work was consequently started to remove the existing silt deposits and to prevent further deposits.

For this reason work of a palliative character was begun in 1933 with the chief aim of leading the spring and summer flood of the Yungting Ho towards the low-lying lands north and northeastward of Tientsin. The silt settles down on these lands and the clear water flows through the Hsinkai Ho (新開河) directly to the sea. The silting up of the Hai Ho will thus be avoided, and the region into which the water will flow will thus be rendered fertile, by reason of the deposited silt.

This work was finished before the summer high water in 1936 with satisfactory results. The cost of the work during 1936 was more than $200,000. The total expenditure previous to that year was $1,920,000, the funds being provided by the Tientsin Customs from the Hai Ho surtax.

B. Strengthening the Dikes on the Middle Section of the Yungting Ho.—Although the dike break made near Chingmenchia (金門閘) caused by the high water of 1929 was repaired, it was not possible to strengthen the dikes. For this reason work was continued in 1936 on the following lines:

Repair of the two old stone groynes;
Construction of a new stone groyne, 200 meters long;
Construction of four new permeable dikes;
Repair of the main dike, 20 kms. long;
Repair of the overflow weir and the steel bridge of Lukouchiao (蘆溝橋).

These works, completed at the end of 1936, cost a sum of $350,000. An additional grant of $87,000 annually is provided in the general budget for different kinds of regular dike-repairs, carried out by the Yungting Ho Conservancy Bureau (永定河河務局).

C. Flood Irrigation on the South Side of the Yungting Ho at Chingmenchia.—The aims of this work are: (1) to decrease the quantity of silt carried by the Hai Ho; (2) to raise the level of the lands adjoining the Yungting Ho; (3) to improve the quality of the lands. This work forms part of the radical regulation scheme, and comprises an intake-sluice, an inlet canal, a dike and a discharge canal. Work was begun in October, 1936, and will be finished in the spring of 1937 at a cost of $210,000. Funds are provided by the Tientsin Customs from the Hai Ho surtax. The area of land irrigated amounts to 17,000 mou.

D. Construction of a Reservoir on the Yungting Ho at Kuanting (官廳).—The Yungting Ho is the most important stream in North China. Land on both sides of it frequently suffers from floods. As part of the radical plan of regulation, it has been decided to construct a detention reservoir at Kuanting (near Huailai, 懷來 in Chahar, 察哈爾), in order to regulate the flow during high-water periods. During 1935 borings were made, and construction will now begin. The cost of this scheme is estimated at $4,700,000. Work commenced in January, 1936, and will be finished in 1940. The cost of work done during 1936 was $360,000, the funds being provided by the Hai Ho surtax of the Tientsin Customs. The construction work on the road by which materials will be transported and the erection of an office and a store were started in April, 1937.

E. Irrigation Work on the Sankan Ho (桑乾河).—The Sankan Ho is a main tributary of the Yungting Ho in Shansi. In the radical regulation plan of the Yungting Ho there figures a scheme for the construction of a weir on the Sankan Ho for retarding the flood flow and catching the silt, as well as for irrigating the adjoining lands. For this reason the lands situated between Sanyin (山陰) and Yinghsien (應縣), on both banks of the Sankan Ho, have been chosen as the site for the first section of the irrigation works. Work on the construction of a weir, two sluices and two intakes, estimated to cost more than $650,000, was begun in April, 1936, and is due to be finished in the antumn of 1937. Earthwork for the canals are being constructed by the Shansi Provincial government. The construction of the weir and of the sluices is being undertaken by the North China River Commission (華北水利委員會). With the completion of this work an area of over 1,000,000 mou will be irrigated.

F. Irrigation Work on the Hutou Ho (滹沱河).—The Hutou Ho rises in Shansi and traverses the plain of Hopei. In the spring of 1933 the construction of a weir and a canal system was started for drawing water from the stream to irrigate the surrounding land. The chief works comprise a weir, two discharge sluices, an intake, a pumping station, inlet canals, etc. This work was completed in June, 1935, at a cost of more than $590,000. The area of land irrigated by this system in the hsien of Lingshou (靈壽) and Chenting (正定) is more than 133,000 mou.

G. Construction of a Regulating Sluice on the Lungfeng Ho (龍鳳河).—The valley of the Lungfeng Ho (a tributary of the Grand Canal, Peiyun Ho, 北運河) is very low-lying. During high water the latter frequently floods the Lungfeng Ho. For this reason a regulating sluice has been

constructed at the entrance of the Lungfeng Ho to prevent the canal water from entering, and to control discharge. Work was begun in April, 1935, and completed in August of the same year. The sluice has six openings of a total length of 38 meters. The work cost $140,000, and is capable of protecting an area of 200,000 mou.

H. Irrigation at Yangho (洋河).—Work is being done at the village of Tungyanghopao (東洋河堡) in eastern Chahar. The principal aims are irrigation and silt catchment. When work is finished, it will be possible to irrigate an area of 230,000 mou and the quality of the land can be improved. Funds for the upper section of the work, amounting to $290,000, are provided in the general budget. Earthworks for the canals are being constructed by the local government. The work of constructing the dam and the sluices is being done by the North China River Commission. Boring operations began in February, 1937, and it is expected that irrigation work can be finished completely by June, 1938.

V. IRRIGATION WORKS IN THE NORTHWESTERN PROVINCES

The Northwestern provinces, where rainfall is scarce, often suffer from drought. The surest way of helping the farmers there is by constructing irrigation works. The following is a brief description of the works of this nature which have been executed in this part of China:

A. The Kinghui Irrigation Works.—The irrigation system of the Kinghui Canal (涇惠渠), which was partly completed in the summer of 1932, has been repaired and reconstructed by the National Economic Council, the work having been begun in March, 1934, and finished in April, 1935. The area at present irrigated by this system is more than 500,000 mou.

B. The Lohui Irrigation Works.—The Lohui (洛惠渠) irrigation system, situated between Pucheng (蒲城) and Tali (大荔), Shensi, will, on completion, be able to irrigate an area of 500,000 mou, thus increasing the annual agricultural revenues by $5,000,000. The total cost of this work is estimated at $1,800,000. A part of this sum, viz., $480,000, is being paid by the Shensi provincial government, and the remainder is being provided by the National Economic Council in the general budget. The work comprised in this irrigation system consists of:

an arched overflow dam, 150 meters long and 16 meters high;
tunnels of a total length of 4,842 meters;
canals of a total length of 90 km.;
two sluices;
54 bridges;
31 culverts.

Work was begun in May, 1934, and is almost finished, with the exception of tunnel No. 5, where part of the work has not been completed because quicksand and groundwater were struck.

C. The Meihui Irrigation Works (梅惠渠).—These works are situated at Meihsien (郿縣), Shensi). When completed, they will be capable of irrigating 200,000 mou of land, thus increasing the annual agricultural revenue by $2,000,000. The total cost of this scheme will amount to $540,000. Of this sum, $260,000 was provided in the general budget for 1936, the remainder to be provided in the budget of the following year. Work was begun in July, 1936, and is expected to be finished in June, 1938.

D. The Taohui Irrigation Works (洮惠渠).—The province of Kansu, situated on the northwestern plateau where rain is scarce, is badly in need of irrigation. Irrigation works have been begun with the construction of the Taohui Canal. Through this scheme it will be possible to irrigate an area of 30,000 mou in Lintaohsien (臨洮). The population in this district is very scattered, materials are very scarce, and transport is difficult, so that work is proceeding slowly. Half of the earthwork has been finished, and two flumes are now being constructed. Work is expected to be finished during 1937 at a cost of about $190,000.

E. The Irrigation System along the Yunting Canal (雲亭渠) (Ninghsia, 寧夏).—There are many old systems of irrigation in Ninghsia, whence arises

the saying that the Yellow River, which is more than a thousand li long, benefits only the province of Ninghsia. During November, 1934, work was started on the construction of the Yun Ting Canal which runs between the two hsien of Ningshueh (寧朔) and Pinglo (平樂), and has a length of 70 kms. Other important works are the following:

A sluice at the entrance of the canal;
Three discharge sluices;
A total length of 3,000 meters of dikes;
Seven bridges;
Three culverts.

These works were completed in May, 1935. Costing a total of $200,000, they can irrigate a surface of 200,000 mou.

F. Reconstruction of the Huichi Canal (惠濟渠).—The Honan Provincial Government is now undertaking the regulation of the rivers in eastern Honan and has begun with the Huichi Ho (惠濟河). This work is being carried out by the Honan Provincial Government with the help of the National Economic Council. Work was begun in 1937 and will be finished during the course of the same year.

VI. OTHER HYDRAULIC ENGINEERING WORKS UNDERTAKEN BY THE N. E. C.

A. Hydrological Data.—Hydrological data are a fundamental necessity for the study and planning of hydraulic works. Since the unification of hydraulic administrations, the National Economic Council has concerned itself with the reorganization of hydrographical stations throughout China. In addition to the 781 rainfall-measurement stations, 413 river-gauge stations, and 156 discharge-measurement stations already existing, there have been created 188 rainfall-measurement stations, 81 river-gauge stations, and 31 discharge-measurement stations in 1935. In 1936 first-class meteorological observation stations were established in collaboration with the Academia Sinica in Hankow and in Sian, as well as 100 model rainfall-measurement stations. The results of this accumulation of hydrological data are periodically assembled for reference. The general budget for 1936 provides $308,000 for this category of work.

B. Topographic Surveys, Studies and Inspection of Rivers.—At the instance of the National Economic Council, the different hydraulic organizations have organized parties of surveyors, students and inspectors, undertaking topographic and research works. At present more than 7,600 sq. km. have been surveyed on the North China rivers, more than 18,900 sq. km. on the Yellow River, more than 1,300 sq. km. on the Huai River, more than 3,500 sq. km. on the Yangtze River and the Hsiang Ho, and more than 500 sq. km. on the rivers of the North West. The total area along rivers which have been surveyed since the centralization of hydraulic affairs under the National Economic Council amounts to 32,900 sq. km. A sum of over $505,000 was provided for this kind of work in the general budget of 1935.

C. Aerial Survey.—The National Economic Council created an aerial survey corps at its own expense in order to ensure the rapid topographic survey of the basins of the different rivers and streams and to speed up the preparation of radical regulation plans. This corps was formed by the Land Survey Bureau at the request of the National Economic Council. During 1936 an aeroplane and survey equipment were ordered and these have now arrived. The corps was officially formed in January, 1937 and was to carry out topographic surveys of the middle section of the Yellow River, beginning in April, 1937. A sum of $200,000 was provided for this in the general budget of 1936.

D. Hydraulic Laboratory.—For the preparation and study of radical regulation plans for rivers and hydraulic construction in general, the National Economic Council has established a central hydraulic laboratory in Nanking. Construction began in August, 1936, and is expected to be finished at the end of 1937. The total cost of this laboratory will be $400,000, the greater part of which sum has been provided by the Netherlands Boxer

Indemnity Fund and the remainder by the general budget. In order to meet the immediate requirements for the study of hydraulic projects, a provisional laboratory was first set up in Nanking in the grounds of the Central University, and this began operations in January, 1936. The experimental works already completed or in process of completion are:

(*a*) experiments on the movable sluice at Yang Chuang;
(*b*) experiments on the Yangtze River at Ma Tang (馬當);
(*c*) experiments on the movable sluice at San Ho (三河);
(*d*) experiments on the discharge channel of the Hwa Yang River;
(*e*) experiments with sand movements.

The results of these experiments have rendered very important service to the execution of the works concerned. Furthermore, experiments were made at Tientsin Hydraulic Laboratory on regulation methods for the Yellow River and on anti-erosion works. During 1936 a preparatory experiment was carried out in the Tientsin laboratory, in accordance with the results of which a plan has now been almost completed and practical experiments will be conducted at Heikankou (黑岡口) (Honan). A sum of $63,000 was provided in the general budget for 1936. With regard to anti-erosion work, a nursery has been established for growing young trees, which will be later replanted along the Yellow River.

E. Irrigation Experimental Station at Tsuihsinku (崔興沽).—The North China River Commission set up at Tsuihsinku (Hopei) in 1934, an irrigation experimental station devoted to the cultivation of rice, cotton, wheat, peach trees, apricot trees, etc.

The object of establishing this station was to foster the study of the irrigation of the lands cultivated and to publish the results of the experiments made, for the reference of those persons and authorities concerned with irrigation problems. A sum of $17,000 was provided in the general budget of 1936 for the running expenses of this station.

F. Cadastral Survey of Public Lands.—The completion of many hydraulic projects is likely to have far-reaching consequences on land properties; new lands which were previously occupied with lakes will be reclaimed, while other areas will be given greatly improved drainage, irrigation or water transportation facilities. On the borders of many lakes, therefore, the government has intrusted the registration and examination of public lands to the hydraulic authorities.

1. *Administration of Public Lands.*—Along the lakes in Kiangsu province, north of the Yangtze, the Huai River Commission has now accepted the administration of public lands. As the administrative bodies have been frequently changed and no proper cadastral records now exist which determine the extent of public lands, the Huai River Commission has undertaken the registration and examination of title deeds in order to put the matter on a proper footing. It is now preparing a statistical report which will serve as a basis for the establishment of a land tax. Work began in March, 1934, and was to be finished in March, 1937. The cost of this work is to be paid for by the cadastral bureaus of the different hsien.

2. *Introduction of Land Tax Levying on the Lands at Weitangtsoying* (葦蕩左營).—These lands had been occupied since 1914, but it has been impossible to levy a land tax there. The Huai River Commission has now made a cadastral survey and issued land tax demand notes to the occupants of the land. Work began in August, 1936, and was finished in November, 1936. The necessary funds were advanced by the National Economic Council and repaid later by the Kiangsu provincial government.

3. *Survey and Registration of Public Lands at Yukungtang* (于工灘), *Szeyanghsien* (泗陽縣), *Kiangsu.*—This work was carried out by the Huai River Commission. The Huai River Commission first surveyed the land, and, after publication of the necessary announcements in conformity with the Land Law, is now issuing title deeds to those persons who occupied the land. Work began in January, 1933, and was finished in November, 1936. Title deeds are now being issued. A

sum of $66,000 was provided from the "funds for the regulation of the Huai River."

4. *Cadastral Survey of Land in the Four Hsien of Huaian* (淮安), *Paoyin* (寶應), *Kaoyu* (高郵), *and Kiangtu* (江都) *in Kiangsu.*—The four hsien of Huaian, Paoyin, Kaoyu and Kiangtu are situated in the basin of the Paoyin Lake (寶應湖), where the Huai River Commission possesses a great deal of public land. This land is being occupied and exploited. With regard to the future, once the work of making a flood channel between the Hungtse Lake and the Yangtze has been completed, the area of land reclaimed and drained will be even larger, and privately-owned land adjoining the lake will also be benefited from irrigation and river transport. For this reason the Huai River Commission has set up a bureau, with the approval of the Kiangsu provincial government, for dealing with all land, whether publicly or privately owned, situated in the four hsien. When registration has been completed, boundary lines will be set up between the various properties so as to permit a proper concentration of public land for development on a large scale. The funds necessary for this work will thus have a stable guarantee. Work on survey and registration began in June, 1935 and is expected to be finished at the end of 1939. The cost of this work is estimated at $2,100,000. Loans were obtained from banks on the security of the stamp duty, land registration tax in the four hsien above-mentioned, and the rental of public lands reclaimed as a result of the regulation of the Huai River.

G. Co-ordination of Hydraulic Literature.—As China is an agricultural country, hydraulic questions have always been of great importance, and books dealing with hydraulic problems have also been very numerous; but in course of time much of this literature has disappeared. As the National Economic Council is now dealing with the problem of hydraulic reconstruction, it is in great need of hydraulic literature for reference. Apart from the publication and re-printing of old manuscripts dealing with these problems, the council has co-ordinated archives and published new papers dealing with hydraulic questions.

H. Formation of Technical Personnel.—As hydraulic work develops, the need for more personnel becomes greater. For this reason the National Economic Council has chosen, by examination, technicians possessing practical experience in hydraulic work, and is sending a few of them each year to different foreign countries with the object of enlarging their knowledge in the domains of irrigation, river regulation, and hydraulic experiments. After a stay of three years abroad, these technicians will return to China to take up service with the various hydraulic bodies. In 1935 the National Economic Council dispatched five cadets for work in Germany, Holland, Indo-China, India, and Egypt; in 1936 four went to America, Germany and Indo-China. A sum of $50,000 was provided in the general budget for 1936 for this purpose.

VII. HYDRAULIC WORKS IN VARIOUS PROVINCES AND MUNICIPALITIES

During recent years various provincial and municipal governments have attached much significance to hydraulic engineering reconstruction. Conspicuous results have thus far been achieved simultaneously in productive direction and in famine prevention. The funds for various enterprises, as previously described, were appropriated by the Central Government either in the form of grants or of subsidies. Below are mentioned the principal works undertaken and financed by the provincial and municipal governments concerned.

A. Kiangsu Province.—Kiangsu, situated at the lower reach of the Yantgze River, has a network of tributaries flowing far and wide in the southern portion of the province but the majority of these silt easily. Lately the Kiangsu Reconstruction Department has undertaken important works for the dredging of the silted waterway sand for the construction of sluices,

which works have proved remarkably successful. In 1936 these efforts were continued, not only by dredging the Hsiangt'so Ho (香草河) section of the Grand Canal (運河) between Tsishuyen (戚墅堰) and Lingkow (陵口) and the tributary at Tantu (丹徒), but also by constructing sluices at Tantu, Fongtu Chiao (方瀆橋), Paokong (包港), Laomeng Ho (老孟河), Chihshan Hu (赤山湖) and Lien Hu (練湖) in Tanyang (丹陽). Furthermore, much repair work was accomplished on sea walls in the eastern part of Kiangsu. The total cost of the above-mentioned works was more than $700,000. North Kiangsu is the mutual invading district of the Huai River (淮河), I River (沂河), Sze River (泗水) and Shu River (沭河). As the regulation works of the Huai River have not been completed, the repairing and improvement works of the dike of the Middle Grand Canal (中運河), take a very important position. This requires an annual expenditure of about $250,000. In 1935, when dike breaks occurred at Tungchuang (董莊) along the Yellow River (黃河), the flood water rushed southeastward, causing serious disasters in North Kiangsu. The rehabilitation work then and there consisted of the closure of the breaks along the dikes of the Middle Grand Canal, I River, Peiloo Ho (不牢河), the west dike of Weishan Hu (微山湖) and the terminal parts of I River and Shu River, making a total length of dike closures of about 6,068 meters. Dike repairing work was completed also at many weak points, total earthworks of more than 3,000,000 cubic meters being constructed. The total expenses amounted to more than $800,000. In addition, the hsien governments of the whole province have utilized the leisure time of the farmers to dredge the waterways by *pao-chia*[1] labor (徵工), so that more than 21,490,000 cubic meters of earthworks have been constructed at an approximate expense of about $200,000.

B. Chekiang Province.—The sea wall works along Hangchow Bay (杭州灣) undertaken by the provincial government in 1936 consisted of repairing the stone wall of the spur dikes for a distance of more than 2,500 meters and repairing or constructing six culverts and sluices. The total expenditure on these works came to more than $150,000. In addition *pao-chia* labor work was carried out in every hsien so as to dredge the waterways. The length dredged was estimated at more than 44,000 meters of canal with earthworks totaling more than 467,000 cubic meters. The laborers enrolled totaled more than 448,000.

C. Anhwei Province.—The Anhwei territory belongs both to the Huai River and Yangtze River watersheds and its topography is plain. Hence it is apt to suffer from either floods or droughts. In 1936, besides the repairing of the dikes along the Yangtze River, works aimed at strengthening the dikes of the Huai River and other rivers and lakes were accomplished as a protection against floods. The total length of the dike under repair was about 22,000 kms. and the earthworks totaled more than 71,610,000 cubic meters. Furthermore, at about 20,000 places waterways have been dredged out and levees and weirs repaired in order to facilitate both discharge and storage of water. The earthworks constructed totaled about 67,870,000 cubic meters, which was carried out by *pao-chia* labor contributed by the hsien concerned.

D. Kiangsi Province.—In 1936 Kiangsi province undertook dike construction works and the closure at Kan (贛), Fu (撫), Hsin (信), Yao (饒) and Hsieu (修), five great rivers along the banks of the Poyang Lake (鄱陽湖). The earthworks constructed totaled more than 3,000,000 cubic meters, all done by *pao-chia* labor. A subsidy of $6,000 was given for the cost of construction meterials. In addition, channels and shallow waterways were dredged to facilitate navigation and irrigation, and sluices were constructed for regulating the quantity of water. The total earthworks constructed amounted to more than 5,840,000 cubic meters with 2,000 cubic meters of stonework. This was all done

[1] For an explanation of the *pao-chia* system see pages 268–269; 795.

by *pao-chia* labor at a cost of only $40,000.

E. Hupeh Province.—In Hupeh province the repairing of the main dikes along the Yangtze and Han River was undertaken by the Kianghan Conservancy Bureau, while the important private dikes were repaired in 1936 in various districts with earthworks of more than 2,190,000 cubic meters and stonework of more than 18,000 cubic meters. This was all done by *pao-chia* labor and only $389,000 was paid as subsidies.

F. Szechwan Province.—On the Yangtze River in the province of Szechwan there are many rapids and reefs causing serious hindrances to navigation. The Customs House at Chungking organized the Upper Yangtze Conservancy Board and constructed a wing wall at Chiapantzu (柴盤子), 40 miles downstream from Chungking, in order to concentrate the Yangtze water at middle water stages into one channel. Furthermore measures for improving navigation conditions at rapids such as the Hsintan Rapid (新灘) are contemplated. The first portion of this work is now under construction at a cost of $34,000. At Kunglingtan (崆嶺灘) rocks were blown up, thus clearing the south channel for low water navigation there.

G. Fukien Province.—The important hydraulic works in Fukien province in 1936 were the contraction and dredging of the lower reach of the Min Kiang (閩江), the wharf work at Mawei (馬尾), the dike work at the upper portion of the Nantai (南台) Island at Foochow and the sea wave protection dike at Pingtan (平潭), the total cost being $79,000.

H. Kwangtung Province.—For the development of agricultural hydraulic engineering Kwangtung province has carried out irrigation and drainage engineering works in the hsien of Fongchen (防城), Yangkiang (陽江), Lufeng (陸豐), and Sinhui (新會). The total cost was more than $11,000, the land benefited amounting to about 33,000 mou.

I. Kwangsi Province.—The rapids and reefs in the Sikiang (西江) are dangerous, so that improvements are needed. The waterways in Yungwu (邕梧), Yungse (邕色) and Leoutsin (柳溱) were regulated in 1936. Dikes and dams were also constructed in Szeloh (思樂), Leepoo (荔浦), Hokiang (合江) and Foochoulin (覆船嶺). This gives facilities both for navigation and irrigation. The total cost was about $320,000.

J. Hopei Province.—There are five large rivers, in addition to the Yellow River, in Hopei. These are the Yungting Ho (永定湖), Taching Ho (大清河), Tseya Ho (子牙河), Nanyun Ho and Peiyun Ho. For each river the Hopei Reconstruction Department has organized a conservancy bureau to undertake repairing and flood prevention works. The budget for the spring works and emergency works along the Yellow River is $208,000, while for the Taching Ho, Nanyun Ho, Peiyun Ho, and Tseya Ho, combined it is $127,000, and for the Yungting Ho $87,000. In 1936 the budget was balanced with the cost of the works and no flood disasters occurred in that year.

K. Honan Province.—The Yellow River Conservancy Bureau takes charge of the repairing and flood prevention works along the Yellow River, under the direction of the Honan provincial government. In 1936 the repairing and emergency works which the bureau carried out cost $383,000, except those subsidized by the Central Government. The dike repairing and dredging works of the Huai River (淮河), Han River (漢水), Wei River (衛河) and Chang River (漳河) were carried out by the Honan Provincial River Conservancy Bureau, at a cost of more than $47,000, earthworks amounting to more than 2,730,000 cubic meters being constructed.

L. Shantung Province.—The annual expenditure upon repairing and flood prevention works along the Yellow River in Shantung province amounts to $500,000. The stone dam works account for a large part of this expenditure. All of these undertakings are carried out by the Yellow River Conservancy Bureau in Shantung.

M. Ninghsia Province.—The districts along the Yellow River in Ninghsia province are able to obtain water from this source for irrigation purposes. Agriculture was greatly benefited from this, yet there was no regular dikes and, on the other hand, disastrous floods occur. Schemes for building dikes along the river have been drawn up by the provincial government as a protection against floods. A large part of this work has been completed with the help of military and *pao-chia* labor.

N. Suiyuan Province.—The Yellow River and the Tahei Ho (大黑河) are the two large rivers in Suiyuan province; they are apt to cause disastrous floods during high water stage, while at the lower water stage the water is not sufficient for irrigation purposes. Hence dikes and dam repairing works and dredging of waterways have been carried out in various hsien under the direction of the Provincial Reconstruction Department so as to facilitate both water storage and discharge. The earthworks constructed amounted to about 400,000 cubic meters, all done by *pao-chia* labor at a cost of $20,000. Altogether 10,087 wells have been dug in the whole province; these will be beneficial to the farmlands.

O. Municipality of Nanking.—Nanking, situated on the south bank of the Yangtze River, is the capital of China. The flood prevention work here is divided into two parts: inside the city wall, and outside the city wall. In 1936 two sluices and three culverts were repaired or constructed inside the wall so as to prevent the inflow of the Yangtze River high water; a pumping station was also completed in order to drain the storm water out of the city. The total cost of these works was more than $81,000. Outside of the city wall a reinforced concrete dike has been constructed along the Huimin Ho (惠民河) and Meitan Kong (煤炭港) and earth dikes along the different river branches have been strengthened in order to prevent against floods. The total cost was more than $80,000.

P. Municipality of Shanghai.—Shanghai is the largest seaport in China. Whether the Yangtze and Whangpoo rivers are navigable or not greatly influences the prosperity of Shanghai. The Whangpoo Conservancy Board which undertakes the work of dredging the navigable channels and improving the bank protections has spent a large sum of money on these operations. Since 1935 work has been carried out on the dredging of the Fairy Flats Bar (神灘) in the navigable channel leading to the mouth of the Yangtze River and up to 1936 more than 3,000,000 cubic meters of of earth had been dredged. The total cost was about $4,000,000 including the cost of the dredgers. A second dredger has been ordered from abroad.

PART VI

TRANSPORTATION AND COMMUNICATIONS

RAILWAYS

FRANCIS K. PAN, D. C. S. (潘光迥)

"This is the first anniversary since I joined the Ministry of Railways. During the past 12 months, your collaboration has been unstintedly given and is much appreciated. Although we are still far away from our objectives, we are steadfastly forging ahead. It is gratifying to note that we have been able to offer together to our well-wishers a new and optimistic outlook on the railway situation, the difficulties of which had at first seemed insurmountable."[1] With these words His Excellency Mr. Chang Kia-ngau concluded his first year as the Minister of Railways. It will be of public interest to examine briefly here the history and development of Chinese railways, the objectives which have been set, the work done by the new ministry during the past year, and the difficulties that are still to be surmounted.

Beginning with the days when an attempt was made by British promoters in 1876 to operate the Shanghai-Woosung Railway, the history of China's railways has been full of vicissitudes. At the outset the antagonism of the obstinate ruling officials against the enlightened statesmen of the time had to be contended with. Then came the rude awakening after Sino-Japanese War in 1894, and the subsequent scramble for vested interests by the Powers. These developments are too well known for it to be necessary to dwell upon them in detail.[2] In more recent years, realization of the economic and other advantages of railways has focused the attention of foremost Chinese leaders upon the importance of reforming the railway service and of encouraging the inflow of foreign capital for the construction of new lines. So long as there is no infringement upon the sovereignty of the State, the utilization of foreign capital in co-operation with domestic capital is essential to the successful execution of the five-year railway construction plan, recently drafted by Generalissimo Chiang Kai-shek for the formation of a national railway network designed to enhance the welfare of the people and to facilitate the attainment of national salvation. To help consummate the plan emphasis must be laid, during this new era of development, upon sound and efficient management of railways and the restoration of railway credit.

The following are the principal lines comprising the system of Chinese National Railways (the lines in the Northeastern Provinces not included):

Peiping-Hankow	Peiping to Hankow
Peiping-Liaoning	Peiping to Mukden
Tientsin-Pukow	Tientsin to Pukow
Nanking-Shanghai	Nanking to Shanghai
Soochow-Kashing	Soochow to Kashing
Shanghai-Hangchow-Ningpo	Shanghai to Zahkou to Ningpo
Peiping-Suiyuan	Peiping to Paotow
Cheng-Tai	Shihkiachwang to Taiyuan
Lung-Hai	Lienyuen to Paochi
Canton-Kowloon	Canton to Kowloon
Kiao-Tsi	Tsingtao to Tsinan
Nanchang-Kiukiang	Nanchang to Kiukiang
Canton-Hankow	Canton to Hankow

[1] Speech by the Minister at the Memorial Meeting held on December 15, 1936.

[2] For historical sketches of the development of China's railways, the reader is referred to the chapter on "Railways" in the 1935–1936 issue of the *Chinese Year Book*.

Two lines owned in the name of provincial governments are the Chekiang-Kiangsi Railway from Hangchow to Nanchang and the Tatung-Puchow Railway from Yuenping to Fenglingfu. The Kiangnan Railway is the most important private line, running from Nanking to Sunchiapu. The Kaifeng-Honan and Tung-Si Railways, sometimes referred to as separate lines, may be considered as sections of the Lung-Hai Railway. In the sameway the Taokow-Chinghua Line is a branch of the Peiping-Hankow Railway.

I. PERSONNEL AND ORGANIZATION

The present administration of the Ministry of Railways was reorganized in December, 1935, when Generalissimo Chiang Kai-shek became president of the Executive Yuan. Mr. Chang Kia-ngau, former governor of the Bank of China, was appointed minister and Messrs. Tseng Yang-fu and T. K. Tseng were appointed respectively political and administrative vice-ministers.

In line with the new policy of the Government, there was little change in the personnel either of the Ministry or of the various railway administrations. As the highest authority, the minister, exercises control over all of the officials of the Ministry and of the various railway administrations. In the discharge of his duties he is assisted by two vice-ministers whose duties are specified in the Organic Law of the Government. In general, the organization of the Ministry of Railways is similar to that of other government ministries, all following a definite pattern specified by the Legislative Yuan. The law leaves sufficient leeway, however, for each ministry to organize its affairs in the way best suited to its purpose. Except for some minor changes, the organization of the various departments of the Ministry of Railways and their functions are similar to those of the previous administration.[1]

The following is a list of the higher officials of the Ministry of Railways :

Minister of Railways	Chang Kia-ngau
Political Vice-Minister	Tseng Yang-fu
Administrative Vice-Minister	T. K. Tseng
Chief Secretary	Francis K. Pan
Secreary	S. Y. Shu Tze
Counselors	Hsia Kwang-yu
,,	Wang Wen-chi
,,	Liang Yu-kuo
,,	Chang Wei-tze
Director, Department of General Affairs	Hsieh Feng-cheng
Director, Department of Traffic and Operation	Chen Ching-men
Director, Department of Finance	Chang Ching-li
Director, Department of Engineering	Sah Fu-chun
Chief Technical Expert	Yen Teh-ching
Accountant-General	Elmer C. Ling
Chairman, Purchasing Commission	Tseng Yang-fu
Chairman, New Railway Construction Commission	Tseng Yang-fu
Director, Railway Police Bureau	Chiang Tsu-ngao

Of special interest is the realignment of the duties of various departments which have hitherto suffered either from duplication or from lack of co-ordination. A New Railway Construction Commission has been created to take charge of all of the construction work, and at the same time the activities of the Purchasing Commission have been reorganized and expanded to include commodity research, testing, and a new system of stores as well as general purchasing work. A Committee on Railway Finance has been organized to co-ordinate the various financial departments of the Ministry. Through the weekly meetings of this committee the vast financial requirements of these departments have been studied and brought under control. Subjects like the budget, loan obligations, purchase contracts, and general

[1] Details of the organization of the Ministry of Railways were given on pp. 623–626 of the 1935–1936 issue of the *Chinese Year Book*.

economy are all passed under review by the committee.

The new Personnel Committee which came into existence at the end of 1936 undertakes to standardize procedures governing the admission, promotion and dismissal of employees on all national railways. Essentially the new scheme requires that all employees on the railways receiving remuneration above $100 per month shall come under the jurisdiction of the committee. The managing directors of the various railway administrations are given adequate authority and elasticity in cases of urgent personnel changes, however. A committee for inventory and evaluation of all railway assets has also been organized to attempt an investigation of the existing assets for the ultimate purpose of scientific and trustworthy evaluation. Because of the many changes, both physical and political, the inventory work and the effort to classify and evaluate the railway assets have become fairly difficult. For the purpose of assuring uniform procedure a conference of delegates from all railways has been held to study the many related problems.

The Secretariat of the Ministry of Railways, hitherto dealing primarily with documents, has been thoroughly reorganized under the direction of the minister. The reorganization, which was completed in October, 1936, provides for two departments, the Department of Confidential Records and the Department of Research. Under the latter department are four divisions, (*a*) economic research, (*b*) statistical, (*c*) editorial, and (*d*) library and central files. This reorganized institution has already proved its usefulness.

Mention must also be made of the work of the New Life Movement Enforcement Committee, which has been responsible for a great many reforms in personnel work in the Ministry. A number of service corps have been formed to carry out the enforcement program as directed by the committee. Recently a central committee for the enforcement of New Life Movement on all the railways has been under organization and will ultimately incorporate about 14 subcommittees now operating as independent units on the different railways throughout the country. The Minister of Railways has taken a very keen interest in the work. His initiative and leadership have been largely responsible for bringing about a successful movement on the railways.

The personnel management of railway employees totaling approximately 130,000 men, among whom over 24,000 are staff members, has been a gigantic task for the Ministry. Thanks to the efficiency of the various railway administrations, many problems are attended to and difficulties solved locally. However, a desire for more equitable treatment, regulated welfare work, a system of job study, ranking and promotion and in general a perfected personnel administration to meet the requirements of changed times have prompted the minister to adopt drastic changes. In June, 1936, the Ministry put into effect a set of regulations governing the uniform organization of the railway administrations. These regulations specified a maximum number of employees to occupy standardized jobs. They reduced and classified into simpler forms the large variety of official ranks found to be existing. This work, which of course eliminated a great many ambiguous posts and ranks, will greatly facilitate the future advancement of railway men along more scientific and rational lines. Lack of definite standards concerning the amount of salaries and wages drawn by employees had produced a situation in which staff members, aside from their regular salaries, were drawing subsidiary allowances existing under more than 30 different names. A circular order to the railways has reduced the provisions for subsidy to four. A successful job study has also given greater protection to the employees and thus aroused initiative in their work. A table dealing with employees will be found in the statistical section.

II. REHIBILITATION OF RAILWAY CREDIT AND NEW FINANCING

A brief recapitulation of the rehabilitation work may be gathered from the following summaries which cover

the loan readjustments made by the new ministry:

A. Canton-Kowloon Railway Loan of 1907.—Interest will be paid at the rate of 2½% per annum for the first 20 years and 5% thereafter; with the proviso that during the first 20 years should the net earnings of the railway amount to more than $200,000 per annum, the surplus will be used, first to increase the interest to a maximum of 5% and then for additional amortization payments. The first interest payment will be made on June 1, 1937.

As from June 1, 1936, an annual Loan Service Fund of $550,000 will be provided for, $350,000 to come from funds available to the ministry and $200,000 from the railway. This fund will be increased to $800,000 from June 1941 by an additional payment of $250,000 from the Ministry, to be used for amortization of principal.

Amortization payments will commence on June 1, 1937, out of the balance of the Loan Service Fund remaining after payment of interest. The principal of the loan will be fully repaid within a period of not more than 50 years.

Four fifths of the interest in arrears will be canceled, and non-interest bearing scrip will be issued for the balance and will be paid after the complete amortization of the principal of the loan.

B. Tientsin-Pukow Railway Loans.—Interest is to be paid at the rate of 2½% per annum during 1936-38 inclusive, and 5% thereafter.

The repayment of principal is to begin in 1940, the amount of annual instalments to be dependent upon gross cash earnings, so that the loan will be liquidated within a period of about 40 years beginning 1936. The Government is to be entitled upon reasonable notice and without premium, however, to increase the amount of principal retired on any payment date. The amortization plan provides for reserving 1% of gross cash earnings of the railways each year from 1940 to 1942; 1½% in 1943; 2% in 1944, etc., increasing by ½% each year until the percentage reaches 10% in 1960; and 12% thereafter until the loan is completely retired. Bonds drawn but not yet retired would be paid according to the order of drawings.

Four fifths of interest in arrears and four fifths of the amount of interest due but not to be paid during 1936-38 (i.e., half the scheduled interest) are canceled. Non-interest-bearing scrip is to be issued for the balance and to be paid during a period of approximately 20 years beginning in 1941. The annual instalments will be substantially equal except that the Government reserves the right of transferring to the last of the afore-mentioned period of approximately 20 years, not over 50% of payments due in the first three years.

All payments are to be made out of railway revenue, but in pursuance of Article 9 of the original agreements, the Inspector-General of Customs will be instructed to make up any deficiencies in the sums required for interest as stated above.

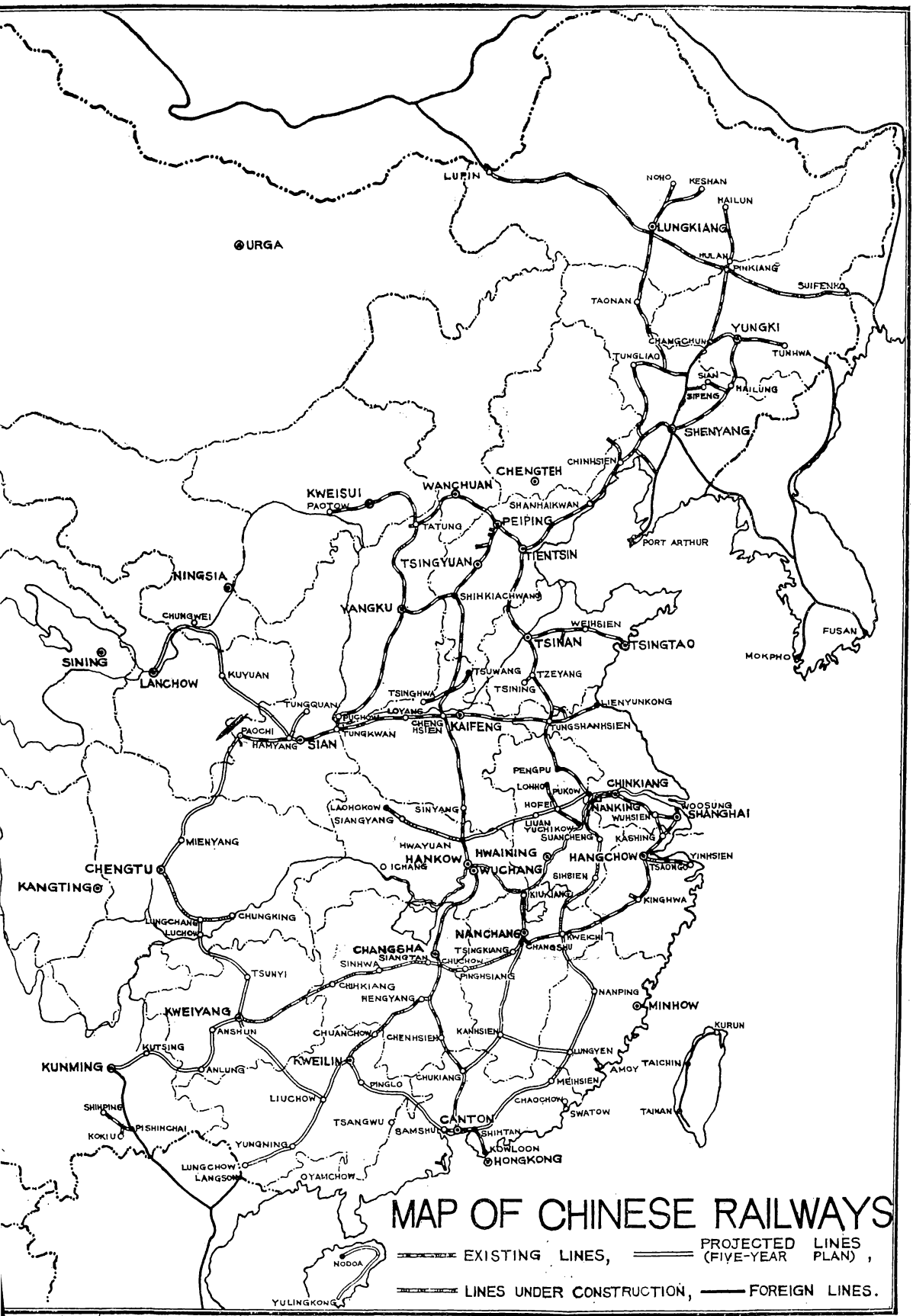
The above offer, which was the outcome of deliberations on the subject over the last two years and discussions between the Chinese Government and representatives of holders of the British and German issues of the Tientsin-Pukow Loans of 1908-10, applies to the outstanding amount of about £6,150,000.

C. Lung-Hai Railway Loan.—The rehabilitation of the Lung-Hai Railway Loans covers the following issues:

1. £4,000,000 5% Loan of 1913,
2. Guilders 30,750,000 8% Short-Term Treasury Bonds of 1920 and 1923,
3. Belgian Francs 137,743,000 8% Short-Term Treasury Bonds of 1920, 1921 and 1923,
4. Chinese $5,000,000 8% Short-Term Treasury Bonds of 1924,
5. French Francs 21,250,000 8% Short-Term Treasury Bonds of 1925 issued to refund the 1919 Loan.

Interest is to be paid at the rate of 1½% per annum for the years commencing July 1, 1936, the rate to increase by ½% each year up to 4% for 1941–1942, and at 4% thereafter until the bonds are fully redeemed. For the first five years interest is to be paid at the end of each fiscal year, and thereafter semi-annually, on January 1 and July 1 each year.

Payment of interest and repayment of principal are to be made in equal annual instalments beginning July 1,



ENGINEERING DEPARTMENT, MINISTRY OF RAILWAYS. JULY, 1937.

1947, and to be completed in a period of not more than 35 years. Interest has the prior claim over principal on the annual remittance. Principal will be repaid by drawing if bonds are at or above par, and by purchase in the open market by the fiscal agent in consultation with a representative of the Chinese Government if bonds are quoted below par. If bonds of any loans are unobtainable in the open market, the fiscal agent shall advertise for tenders, the lowest of which shall be accepted. The part of any annuity applicable to repayment of principal shall be wholly expended in each yearly period, either on drawn or on purchased bonds. The Government shall be entitled upon reasonable notice to increase the amount of principal retired on any payment-date *pro rata* on all five loans.

The service of the afore-mentioned loans shall be a prior charge upon the net earnings of the railway from Sian to Loyang and from Kaifeng to the sea. Any surplus of the railway between Kaifeng and Loyang, known as the Pienlo Railway, shall also be devoted toward the said loan service so soon as the 1903 Loan and the advances due by said Railway shall have been paid off and the railway incorporated into the Lung-Hai system.

All arrears of interest up to July 1, 1936, are to be canceled.

Holders accepting this offer are to hand in their bonds to the fiscal agents for stamping and attachment of new coupon sheets. All foreign taxes on coupons and principal are to be borne by the bondholders.

D. Honan Railway 1905 Gold Loan.—Interest on the loan is to be paid at the rate of 2½% per annum for the three years of 1936, 1937 and 1938, with the proviso that should the annual net cash surplus of the Taoku-Chinghua Railway after payment of all fixed charges, including those necessary to meet the loan service, be sufficient for the purpose, the rate of interest to be paid on the bonds for the three-year period shall be increased to a maximum of 5% per annum. After 1938 interest will be paid at the rate of 5% per annum.

Principal amounting to £495,700 shall be repaid within a period of 27 years beginning July, 1936.

Four fifths of the interest in arrears is canceled. Non-interest-bearing scrips for the other one fifth are to be paid at the end of 27 years after the principal outstanding shall have been completely amortized.

E. Hukuang Railway Loan of 1911.—Interest is to be paid at the rate of 2½% per annum in 1937–38 inclusive and 5% per annum thereafter. Payment of interest is to be made out of net earnings of the railway and guaranteed by the salt revenue. Interest due as from January 1, 1941, is to be guaranteed also by the customs revenue with rank as of the date of the announcement, April 5, 1937.

Amortization is to begin in 1941 and is to be completed in 39 years from 1937 according to a table to be filed with the paying agents. Payment of principal and of the scrip to be issued in accordance with the arrangement specified in the following paragraph is to be made out of net earnings of the railway, any deficiency to be made good from revenues under control of the Ministry of Finance. The Government, upon reasonable notice and without premium, may increase the amount of principal retired on any payment date. Bonds drawn but not yet retired are to be paid according to the order of drawing.

Interest in arrears is to be calculated at 1% per annum simple interest instead of 5%. Non-interest-bearing scrip is to be issued for arrears of interest so calculated, and also for one fifth of the short fall of interest during 1937–38. The scrip is to be paid, beginning in 1942, over a period of approximately 20 years, the annual instalments to be substantially equal with the exception that the Government reserves the right of transferring to the last three of the afore-mentioned approximately 20 years, not over 50% of payments due in the first three years.

Suitable instructions are to be given to the Chinese Maritime Customs, the Chief Inspectorate of Salt Revenue, the Central Bank of China, and the Railway Administration to give effect to the understanding reached.

Following the Ministry's readjustment measures the steady rise of the price of Chinese railway bonds on the foreign market has indicated that the

nation's credit is gradually being restored. The table on page 895 gives the quotations of Chinese railway bonds on the London market from July, 1936, to April, 1937.

To meet the requirements of new railway construction, bonds have been issued in various denominations and new loans made as follows:

ISSUANCE OF BONDS

Name	*Amount*	*Interest per Annum*	*Date of Redemption*
1. Railway Construction Bonds (Second Issue)	$ 27,000,000	6%	Bonds issued February 2, 1926. To be redeemed in 11½ years
2. Railway Construction Bonds (Third Issue)..	$120,000,000	6%	$40,000,000 each to be issued on March 1 of 1936, 1937 and 1938. To be redeemed in 20 years from second year of issue.
3. King-Kan Railway Construction Bonds . ..	$ 14,000,000	6%	Issued January 1, 1937 to be redeemed in tenth year of issue.
TOTAL	$161,000,000		

NEW LOAN AGREEMENTS

Name of Agreements	*Amount*
1. 6% Sterling Shanghai-Hangchow-Ningpo Railway Completion Loan	£ 1,100,000
2. Lunghai Railway (Pao-Cheng) Extension Material Loan	B.F.450,000,000
3. Chengtu-Chungking Railway Loan	Total $ 56,000,000 (C.N.C.)
4. Ping-Han Railway Rehabilitation and Chuchow-Kweiyang Railway Loans	(1) $ 10,000,000 (C.N.C.) (2) $ 30,000,000 (C.N.C.)
5. King-Kan Railway (Suancheng-Kweichi Section) Loans	(1) £ 900,000 $ 14,000,000 (C.N.C.)
6. Chekiang-Kiangsi Railway Material Loan..	C.G.U. 2,269,270.00
7. Canton-Hankow Railway Completion Loan	(1) $ 5,000,000 (C.N.C.) (2) $ 2,200,000 (C.N.C.)
8. Szechwan-Hunan-Shensi Railway Loans ..	(1) $ 22,000,000 (C.N.C.) (2) $ 3,000,000 (C.N.C.) (3) $ 1,000,000 (C.N.C.)
9. Chekiang-Kiangsi Railway (Nanchang-Pinghsiang Section) Material Loan	(1) $ 10,000,000 (C.N.C.) (2) $ 10,000,000 (C.N.C.)
TOTAL	$252,832,000 (C.N.C.)

One can see from the foregoing tables that the loans made from foreign countries have followed the favorable reaction of those countries to the rehabilitation of railway credit. Although many of the terms of settlement have been rather favorable, the financing so far has not been without difficulties. The financing of national enterprises is a subject of the first magnitude and has to be planned in full recognition of the numerous other factors related to the national economy. The Government's determination and its concerted effort must be so directed as to make the financing of China's railways so safe and secure as to inspire confidence in both domestic and foreign creditors. The efficient management of railways, while itself a paramount issue, will be insufficient unless the Government as a whole backs it up with courage and faith. It is most gratifying, therefore, to record here how the Chinese Government has considered railway construction as the nucleus of its economic reconstruction program.

China's use of foreign capital in the building of her railways is a step both

QUOTATIONS OF CHINESE RAILWAY BONDS ON LONDON MARKET FROM JULY, 1936 TO APRIL, 1937

	T.P.R. British				*T.P.R. German*				*Lung-Hai 1913*		*Honan 1905 5%*		*C.K. 5%*		*Hukuang 1911 5%*		*N. S. R. 1903 5%*		*Anglo-Fr. 4½%*	
	1908 5%		*1910 5%*		*1908 5%*		*1910 5%*													
	H	*L*	*H*	*L*	*H*	*L*	*H*	*L*	*H*	*L*	*H*	*L*	*H*	*L*	*H*	*L*	*H*	*L*	*H*	*L*
January 1936	34	32	32½	31					19	16	28	28			48	44½	70	65½	97	96
July 1936	49½	42	47½	41	48	42	47	42	32	28½	59½	52			51½	44	75	69	100	96
August 1936	50	48	49	47½	48½	46	48½	46	32	29½	68	59½	42¼	32½	54¾	51	79	74	100	99½
September 1936	50	48	48½	47	49	48	49	48	30½	28	66	62½	40	36½	56	53½	78½	75½	101	100
October .. 1936	49	46	48	46	48	46	48	41	28½	27	66½	61	39	34½	54	51½	76	74	100½	98½
November .. 1936	52	49	51½	48	55	50½	55	50½	28¼	28	72¾	66½	40½	37½	51½	50½	76½	75	99¾	99½
December 1936	55	52	55	51	50	48	50½	48	31	28½	74¼	71	41	38	55¾	51½	76½	72½	100	99½
January 1937	60	56	59	56	59	56	59	56	35	31¾	74½	72	44½	41	59½	55	79½	75	100½	100
February 1937	66	60	64½	59	64	59	64	59	37½	34¾	80	75½	50½	45	66¼	59½	85½	79½	100¾	99½
March 1937	71½	66	71	65	70½	64½	70½	64½	42	37¾	88	81	58	52½	71¼	66¼	90	86¼	100½	100½
April 1937	69½	68½	69½	68½	69½	68½	69½	69	41½	41½	87	86	56	54¾	71	70¾	88	88	100½	99½

No market price obtainable for Canton-Kowloon Railway Bonds before July 1936. April, 1937, figures compiled to April 20 only.
No market price obtainable for T.P.R. Bonds, German issue, in January 1936.

logically and economically sound. At her present stage of industrialization the surplus income of her people is inadequate to meet the demands of modern railway requirements, and it is entirely fitting that she should look to the surplus income of other countries for this purpose. This is purely a transitional phenomenon, however. Such a procedure is adopted only with the hope that it will lead to a new era when domestic productivity will clear China's loan obligations abroad and her own surplus capital can then be used to develop her domestic industry.

In order to make use of foreign capital to build new railways, existing lines must be developed. The regular and prompt repayment of principal and interest obligations according to loan contracts is of course essential to raising the credit of Chinese bonds and facilitating the influx of foreign capital. For this reason the improvement of the net earnings of the railways should be the foundation for the construction of new lines. During the past year the various railways have put forth every effort to increase revenue and to reduce expenditures, as evidenced by the following table:

	Revenue Jan.–June, 1936	*Increase from Jan.–June, 1935*	*Percentage of Increase*
Tientsin-Pukow Ry. ..	$13,687,238.93	$ 796,578.21	6.18
Lung-Hai Ry.	9,973,395.89	2,210,022.03	28.47
Kiao-Tsi Ry.	7,797,659.31	480,011.59	6.56
Peiping-Suiyuan Ry. ..	5,915,858.96	342,720.26	6.15
Cheng-Tai Ry.	3,805,711.65	399,325.71	11.72
Taokow-Chinghua Ry. ..	990,389.07	102,311.01	11.52
Canton-Kowloon Ry. ..	1,028,755.86	28,090.80	2.81

As for the other railways such as the Peiping-Hankow, Peiping-Liaoning, Nanking-Shanghai, Shanghai-Hangchow-Ningpo, Hupeh-Hunan section of Canton-Hankow and Nanchang-Kiukiang, their income has shown neither increase nor decrease as compared with the same period of the previous year. The combined revenue of all of these railways during the first half of 1936 was $86,485,556.01, an increase of $2,717,167.56 or 3.34% over the first half of 1935.

The following table shows that the expenditures of certain railways decreased considerably during the first half of 1936 as contrasted with the corresponding period of 1935.

	Expenditure Jan.–June, 1936	*Decrease from Jan.–June, 1935*	*Percentage of Decrease*
Tientsin-Pukow Ry. ..	$8,220,680.18	$361,124.85	4.21
Shanghai-Nanking Ry. ..	5,013,348.73	544,920.39	9.80
Kiao-Tsi Ry.	5,701,865.17	299,047.33	4.98
Peiping-Suiyuan Ry. ..	3,636,510.93	172,938.71	4.54
Shanghai-Hangchow-Ningpo Ry.	2,607,656.02	282,242.82	9.77
Taokow-Chinghua Ry. ..	604,838.80	121,931.90	16.78
Nanchang-Kiukiang Ry. .	485,871.57	76,081.27	13.54

As for the Peiping-Liaoning, Peiping-Hankow, Cheng-Tai, Lung-Hai, Canton-Kowloon, and Hupeh-Hunan section of Canton-Hankow Railway, they have increased their expenditures, mainly on account of the improvement in the traffic or as a result of additions to their equipment. The average of the total expenditures of the various railways for the first half of the year 1936 was $53,722,199.07, an increase of only $1,236,130.67, or 2.36% over the first half of the preceding year.

With these figures in mind the reader will readily see that rapid strides are being made by each railway toward a state of self-sufficiency and profit. It is reasonable to hope that the day

of economic independence is near at hand. As earnings increase under efficient and experienced management, the point will presently be reached when every railway can operate out of its own resources. It is toward the achievement of this position that the efforts of the present administration are being directed.

III. CONSTRUCTION OF NEW RAILWAYS AND EXTENSION OF EXISTING LINES

During the 54 years up to 1935, the 24th year of the Republic, the total kilometrage of railways built in China Proper was 8,110.3, averaging 150.2 km. a year. About 2,000 km. of this was built after the inception of the National Government in 1911, but it is since Generalissimo Chiang has become president of the Executive Yuan that the real impetus has been given to the development of railway communications. In order to insure a sound program of construction, a five-year railway plan has been drafted which proposes to build 8,868.7 km. of railway (including extensions) at an average of 1,774 km. per year. The following table gives the annual kilometrage as stipulated in the five-year plan :

First year	1,370.9 km.
Second year	1,104.9 km.
Third year	897.9 km.
Fourth year	2,688.0 km.
Fifth year	2,807.0 km.

The list below indicates the progress that has been made or is being made at present on the railways under construction.

A. Under Construction:

To be completed immediately :	
Chekiang-Kiangsi Ry. (Nanchang-Pinghsiang)..	Nanchang-Pinghsiang section to connect with Canton-Hankow Ry. over the Chuchow-Pinghsiang Line. Inauguration expected November 1, 1937
Chien Tang River Bridge	Completion expected November 1, 1937
S.H.N. Ry. (Hangchow-Tsaongo) ..	Completion expected November 1, 1937
Nanking-Kiangsi Ry. (Hsuancheng-Kweichi)	Completion expected end of 1937
Awaiting completion :	
Chengtu-Chungking Ry.	Survey completed. Right-of-way survey and bridgework in progress. Construction on the whole line started February 1, 1937.
Hunan-Kweichow Ry.	Preliminary survey and greater part of location survey completed. Earthwork construction in progress. 200 kilometers to be completed within this year.
Tungkwan Yellow River Bridge . ..	Location survey and survey for bridge foundations already completed. Construction of line for transporting materials between banks completed. Construction work in progress.

B. Under Survey:

Paochi-Chengtu Ry.	Aerial survey completed. Reconnaissance work in progress.
Szechwan-Kweichow Ry.	Surveying begun December 1936.
Yunnan-Kweichow Ry.	Surveying work to be completed August 1937
Canton-Meihsien Ry.	Surveying work by five parties under way.
Hainan Ry.	Surveying half completed.

Canton-Meihsien Ry.	Surveying work by five parties under way.
Hainan Ry.	Surveying half completed.

Judging from the above list of the year's work the total kilometrage completed may exceed the first year's quota of 1,370.9 km. The hope is held that the quota set by the five-year plan will be exceeded if the present speed of construction can be maintained under stable political conditions for the coming years.

IV. EQUIPMENT AND TRAFFIC

During the past few years, owing to financial stringency, no great addition

has been made to the equipment of the railways. If one takes into consideration the vast quantity of farm products being raised along the railways at present and the growth in the volume of business, it becomes obvious that it is necessary to increase the equipment in rolling stock so as to meet the normal requirement of the nation for transportation. The total number of locomotives added during the last year was 115, passenger coaches 161, and freight wagons 1,175.

The establishment of grain elevators and storehouses along the railways is necessary not only for national economic reconstruction but also to facilitate railway transportation and to increase railway traffic. In order to meet these needs for storage and transportation of agricultural products, the Ministry of Railways has ordered the various lines to make a study of their important stations, to report on the conditions of existing grain elevators and to consult with the Agricultural Credit Administration.

The tables for the basic freight and passenger rates of the Ministry of Railways were compiled in March, 1933. As changes have been made in these rates since then, the Ministry, in order to revise and improve them, has found it necessary to compile two new tables, "Table of Basic Freight Rates of Chinese Railways" and "Table of Basic Passenger Fares of Chinese Railways." The first table compares basic freight rates of different classes of the various railways, the ratios between different classes, and the percentage of the less-than-carload rates in excess of the carload rates. The table of basic passenger fares contains the basic passenger fares of the various lines, the ratios between the rates of first, second, third and fourth classes, and a scale of fares tapered in proportion to the length of the run.

Definite reductions have been made on some lines, as in the case of the Peiping - Suiyuan, Peiping - Hankow, Tientsin-Pukow and Lung-Hai Railways, on which the 3rd class fare has been reduced to a basic rate of $.015 per kilometer. On most of the national railways the 2nd class and the 1st class passengers pay double and treble the basic rate respectively. For express trains extra charges of $.60 for the 1st class, $.30 for the 2nd class and $.15 for 3rd class for every 100 kilometers or fraction thereof are made. To encourage more passenger traffic the railways offer various special rates for passengers other than ordinary travelers. These special tickets are: periodical tickets, commutation tickets, return tourist tickets, party tickets, etc.

In the making of freight rates, various commodities are first divided into six classes, the sixth class being chosen as the basic rate on which rates of other classes are computed. Exceptions are made in the case of valuable or dangerous articles the movement of which requires special service on the part of the railways. There are also carload, less-than-carload and through shipment rates. Exceptions are made in the event of national disasters, such as floods and droughts, when rates on the most urgently needed commodities, such as foodstuffs, medicine, etc., shipped to the affected regions are considerably reduced.

The inauguration of a policy of transportation at the railways' risk took place in the middle of August, 1932, and much has been accomplished since it was adopted. In order to meet the general need and to assume responsibility for the transportation of every possible kind of commodity, the ministry has drawn up a set of nine regulations concerning public transportation at the railways' risk as well as through traffic, these taking effect from June 1, 1936. These regulations include a provision for the lowering of rates in case of cash payment. Furthermore, beginning from July 1, 1936, the railways assumed responsibility for damage to goods in case of fire; beginning from December 1, 1936, the railways also assumed responsibility for the transportation of gasoline and alcohol.

In order to help promote rural economy and to meet the basic food requirements of the people, the ministry has continued its policy of a discount ranging from 5% to 40% of the original charges which had already

been granted to the following commodities: peanuts transported by the Lung-Hai Railway; coarse millet, wheat, dates and wheat flour transported by the Kiao-Tsi Railway; sesame seeds, coarse millet, maize, wheat, barley, sorghum, buckwheat and soy beans transported by the Peiping-Hankow Railway; all foodstuffs and wheat on the Cheng-Tai and Nanking-Shanghai Railways. In addition the Peiping-Hankow Railway, by recent order, has adopted a special price for cotton; the Tientsin-Pukow Railway for wheat, wheat flour, soy beans and cotton; the Nanking-Shanghai Railway for soy beans and cotton; the Canton-Hankow Railway for Hunan rice transported to Kwangtung and Hupeh; the Chekiang-Kiangsi Railway for rice and grains; the Kiangnan, Nanking-Shanghai, and Shanghai-Hangchow-Ningpo Railways for Anhwei rice, wheat, and vegetable seed; the Peiping-Hankow and Lung-Hai Railways for rice to Shansi; and the Chekiang-Kiangsi, Nanking-Shanghai, and Shanghai-Hangchow-Ningpo Railways for the through transportation of rice and grains to Kiangsi Province.

During recent years the Ministry of Railways has done much to encourage domestic industries by lowering railway transportation rates. The following table shows the names of firms, commodities on which freight reductions have been made, and the period during which the reduction is to be effective, as recently passed by the ministry:

Company	*Commodity*	*Rate*	*Date Reduction Effective*	*Period of Reduction*
Chien Yeh Machine Workshop	typemaking machine	reduced to 3rd class rating	Aug. 1, 1936	3 years
Same	automatic typemaking machine	same	same	same
Same	lead typecasting machine	same	same	same
Same	tri-color printing machine	same	same	same
Min Sheng Agricultural Company	hand-operated wool spinning jenny	same	same	2 years
Chien Hua Industrial Company	asphalt felt	reduced to 5th class rating	same	3 years
China Industrial Gas Company	calcium carbide	reduced to 2nd class rating	Oct. 1, 1936	2 years
Yu Chung Industrial Company	bleaching powder	reduced to 3rd class rating	same	2 years
New China Motion Picture Projector Company	cinematograph	same	same	3 years
Chung Ming Machine Manufacturing Company	carbon gas burner	same	Dec. 1, 1936	3 years
China Alcohol Manufacturing Company	alcohol	10% reduction on existing rate *	Aug. 20, 1936	1 year

* Ministry of Railways to determine rating.

The development of railway traffic depends mainly on an effective system of through traffic. This can be accomplished on the one hand by encouraging the through traffic on the existing railways, and on the other hand by seeking the co-operation of new railways, motor highways, air lines and waterways. Recently the Canton-Hankow Railway has been added to the through traffic network. Those railways which are now open to partial through traffic include the following: Kiangnan and Tientsin-Pukow; Nanking-Shanghai, Shanghai-Hangchow-Ningpo, Hwainan, Kiangnan and Soochow-Kashing; Nanking-Shanghai, Tatung-Puchow and Lung-Hai. Through traffic by the use of waterways has been put into effect

between the China Merchant Steam Navigation Co. and the Tatung-Puchow Railway; between the China Merchant Steam Navigation Co. and the Kiangnan, Nanking-Shanghai Railways; and between the Chung Hsin Electric Steamship Co. and the Canton-Hankow Railway.

Through traffic by highway has been established over the Hunan Highway by the Wanchang Motor Company and other motor companies. Through trains now include the Tsingtao-Nanking passenger train and the Hankow-Changsha nonstop goods train. Freight rates charged for through traffic have been revised and a scale of tapering rates for long distance hauls has been introduced in order to reduce the burden on the shippers. Passenger fares on through trains between Shanghai and Peiping and Tsingtao and Peiping have also been revised. The revenue from through passenger and goods traffic for the year 1935 totaled over $37,520,000, averaging more than $3,100,000 a month; for the year 1936 the monthly average was about $3,500,000 which brought the year's total to $40,000,000, the highest figure for through traffic revenue ever recorded by the Ministry of Railways.

V. MATERIALS AND SUPPLIES

It is calculated that the total purchases made by the Purchasing Commission in the year 1936 amounted to more than $28,200,000, of which $5,000,000 was used for the purchase of supplies for new lines. In China, as elsewhere, the majority of orders placed was for steel rails, sleepers, locomotives, wagons and lubricant oils. Some 30% of the total, or $7,700,000 worth, went for the purchase of domestic products.

The stock of materials kept on hand by the railways at the end of June, 1936, amounted to more than $50,000,000. An order has been issued by the Ministry of Railways to check materials in stock and to standardize their names, specifying at the same time the number of materials to be classified. Another order already promulgated—"Regulations Governing the Accounts for Stocks of the Chinese National Railways"—will systematize the accounting records.

An arrangement concerning the purchase of railway materials has been made with domestic banks for the issuance of promissory notes guaranteeing payment for materials and supplies purchased. As the banks accept the promissory notes at a discount, payment for material supplies is deferred, thereby relieving the railways of any financial strain and permitting a steady, smooth, and well-controled flow of cash between income and expenditures.

The tendency of individual railways in the past to buy materials and supplies according to their own standards and needs in disregard of the demands and requirements of other railways has been taken into account. The railways were instructed in 1936 to submit their respective purchasing budgets, which were recorded in a general budget and served thereafter as a basis for the purchase of materials by the Purchasing Commission. This method has brought the purchase of materials for all railways under unified control.

The project for the establishment of three institutes, the Central Store, the Central Testing Laboratory and the Sample Room, has for its object the centralized purchase of materials and the establishment of a standard of high quality. It is anticipated that these institutes will not only prove to be of great help to research workers but will also provide a source of reference for domestic manufacturers of railway materials.

VI. ACCOUNTING AND STATISTICS

The recent adjustment of relations between the accounting and statistics departments, the cashier's division and the business division has placed a definite line of demarcation between the authority of each and has led to greater efficiency in the discharge of duties. The accounting department has at length been able to close the old unsettled accounts of the ministry which have been an unsolved problem for some time. The accounting department has also devised a special form concerning financial standing to be

filled in by the railway administrations and submitted to the Ministry of Railways. These forms will be compiled into a general report to which reference will be made in making financial adjustments of railway accounts in the future.

The determination to operate the Chinese National Railways more as a commercial undertaking than as a governmental organ so as to produce greater revenues for the liquidation of loan obligations made the revaluation of existing statistical requirements a problem for urgent attention. It was obvious that if the railways were to be placed upon a modern business basis there must be efficient management, a prerequisite of which is the availability of proper statistics. A study was made and plans were drawn up last summer by 12 experts. Representatives from the various railways were subsequently summoned to the ministry to offer suggestions and views as to the practicability of the new system and its enforcement. On January 1, 1937, the "Rules and Regulations Governing the Compilation of Railway Statistics Promulgated by the Ministry of Railways," a volume of good size with specimen forms of returns, came into effect.

The main principles underlying the new system are standardization and centralization, speed and accuracy.

All statistical activities in the Ministry of Railways are placed under the direction and supervision of Division II of the Research Bureau in the Secretariat. This bureau audits, records, compiles and publishes practically all statistical reports and disseminates them to the ministerial departments and the various national railways.

Punctuality at the source is achieved through the creation at each railway headquarters of a central agent to which each of its departments sends its returns. The standardization of all statistical units, terms methods of calculation, procedure of compilation as well as the size and color of the forms to be used are all designed for speed and accuracy.

To stimulate interest and to sustain the high standard of work demanded from the railways, the Ministry of Railways has appointed an inspection party to visit the various stations of each and every railway to discover any nonconformity to the new regulations and when required, to offer suggestions and guidance to the officers in charge. Satisfactory results have been achieved in the period of six months since the system was put into effect.

VII. RAILWAY POLICE

As there was no central headquarters having authority to exert centralized control, the railway police formerly were financially dependent upon the particular administration of the line on which they kept patrol. Since the revenue of one railway differs from another, it was impossible for the rations received by each separate force to be calculated on a uniform basis. As a result the railway police became separate units, protégés of each railway administration.

Great improvement has taken place, however, since the establishment of the present Central Railway Police Bureau, organized in January, 1936, in accordance with the centralization scheme of the National Military Council. The railway police headquarters, with accountants stationed on the Peiping-Hankow, Tientsin-Pukow, Nanking-Shanghai, Shanghai-Hangchow-Ningpo and Lung–Hai Railways, now has in its hands the power to handle all financial matters in connection with its receipts and expenditures. Measures have also been taken for the training of railway police and for a standardization of rank.

VIII. STATISTICAL REVIEW OF CHINA'S RAILWAYS

On June 30, 1936, i.e., at the close of the 24th fiscal year, the period dealt with in the following tables, the Ministry of Railways exercised control over some 13 railways. Adding the privately-owned lines, such as the Kiangnan and Hwainan railways, the provincial railways, such as the Tatung-Puchow Railway, and lines

jointly owned by the ministry and provincial governments, such as the Chekiang-Kiangsi Railway, the total kilometrage of China's railways is a little more than 10,000. As the statistical returns of the Chinese national railways are readily available and perhaps more complete than those of other railways, this general survey of the traffic conditions of China's railways will be confined to the government-owned lines.

The total capital investments of the national railways stood at $906,689,748.81 (see Table 2) at the end of the 24th fiscal year. As compared with that of the previous fiscal year, the amount shows an increase of over $24,000,000. With the exception of the "general expenditures" and the "preliminary expenditures" the items listed in the table represent substantial physical assets of the national railways.

Passenger and goods revenues constitute the main items of income of the national railways. Table 3 is a summary of the revenue receipts from the various classes of passenger for the 24th fiscal year. The total of $54,249,297.20 does not represent the cash receipts of the railways, for under the column "government" the sums of $473,709.72 for civil and $5,319,107.61 for military transportation are only bookkeeping entries. The "privilege" class of passengers means those traveling on official business. The "privilege" tickets, the cost of which is a certain percentage lower than the cost of ordinary tickets, are usually issued by the various railways and by the ministry to their employees. These tickets, as well as what is known as "free rides," which have had injurious effect upon the revenue receipts of the national railways, are now much restricted and are issued only to *bona fide* employees traveling on official business. An analysis of the column "ordinary" reveals the fact that it is the 3rd class passengers that contribute the bulk of passenger revenue. In the 24th fiscal year the 3rd class passengers contributed almost 70% of the total passenger revenue. Realizing this fact, the railways are constantly improving the 3rd class services by providing better seating accommodation, more frequent runs, and faster trains.

In Table 4 on goods revenue it may be noted also that the total does not represent cash receipts of the railways, for the column marked "Government" is only book value and so is the column marked "Service Stores." The figures under the item "Materials for Other Railways" represent cash only after a final clearance is made among all lines, and therefore the sum of $1,398,780.24 does not represent cash receipts. A comparison of Tables 3 and 4 will show that most of the lines derive larger incomes from the goods traffic than from passenger traffic, the principal exceptions being the Nanking-Shanghai, Shanghai-Hangchow-Ningpo and Canton-Kowloon Lines.

Collectively, operating expenses amounted to $110,270,317; and, in the face of an increase in revenue, this figure represents an actual reduction of 0.42% from the expenses of the preceding year. By major classification, the decreases were effected under "Running," "Maintenance of Equipment" and "Maintenance of Way and Structures" and were 0.60% 0.72% and 8.62% respectively.

At the end of June, 1936, the credit balance of the railways was $35,077,374. This was $7,000,000 more than at the end of the preceding 12 months and was realized not only through an increase in "Net Operating Revenues" but also with a simultaneous decrease in "Income Debits." The surplus was $45,447.291. Table 8 is a condensed balance sheet for 1935–36. Domestic and foreign loans, together with material debts, amounted to $1,441,637,538. The total number of employees reported by all the railways at the end of June, 1936, was 129,829. Some 600 odd members were added in the course of the year; the increase was made necessary through the operation of more kilometrage and increased traffic.

The foregoing résumé of the activities of the Ministry of Railways during the past year, the recital of the work accomplished and to be carried out in the future and the high ideals

which have actuated and guided the Ministry in its work cannot but be gratifying to everyone who has the interest of China's economic welfare at heart.

But the question is sometimes asked: "Has not the Ministry assumed too great a burden, has it not set before itself a task impossible to perform, has it not been too visionary at the expense of hard realities?" In reply it may be pointed out that for any great undertaking vision is required. Without it cold calculating methods alone can neither conceive nor bring to fruition a great enterprise. True the Ministry has set its mark high but not too high for accomplishment. The very fact that the program is so ambitious and bold will call out latent forces in those charged with carrying it out. One must work twice as hard, make sacrifices and suffer privations to realize a high ideal and so it will be when it comes to reaching the mark the Ministry has set; the very difficulties experienced in attaining it will be a wholesome stimulation, especially when it is borne in mind how China for years has lagged and procrastinated in establishing an adequate railway system. With a driving force behind it, the program as mapped can be successfully carried out.

In conclusion, the opinion may appropriately be expressed that the construction of Chinese railways with foreign capital will be a passing economic phase. In the future Chinese capital should be mobilized for the purpose. Chinese investors should realize that in Western countries railways are still considered prime investments and in studying their own railways they will find that these yield on an average a better return than those of Western countries. But the Chinese investing public must be taught that to put money in railways means a long-term investment and that quick profits must be foregone in order to build a substantial financial structure which will insure constant, safe and increasing returns for the future.

Chinese railways constructed and operated with Chinese capital are an ideal which it is worth while to strive for.

TABLE 1. KILOMETERS OF RAILWAY OPERATED

(For Fiscal Year Ended June 30, 1936)

Name of Line	*Main Line*	*Branch Line*	*2nd Track Industrial Tracks, Loops Sidings, Etc.*	*Total*
	Kms.	*Kms.*	*Kms.*	*Kms.*
Peiping-Hankow	1,214.493	104.668	433.667	1,752.828 (1)
Peiping-Liaoning	428.505	37.256	457.642	923.403 (2)
Tientsin-Pukow	1,009.160	95.730	257.750	1,362.640
Nanking-Shanghai	311.040	18.449	142.476	471.965 (5)
Shanghai-Hangchow-Ningpo	273.732	12.970	79.876	336.578
Peiping-Suiyuan	817.862	58.669	242.330	1,118.861 (3)
Cheng-Tai	242.197	36.399	108.758	387.354
Taokow-Chinghua	150.000	2.440	34.190	186.630 (4)
Kaifeng-Honan	184.001	—	46.704	230.705
Lung-Hai	725.783	33.365	127.826	886.974
Tung-Si	132.000	—	26.553	158.553
Canton-Kowloon	143.300	—	21.110	164.410
Hupeh-Hunan	417.495	95.808	62.377	575.680
Kiao-Tsi	394.839	58.099	215.254	668.192
Nanchang-Kiukiang	128.350	—	19.210	147.560
Canton-Hankow (Southern Section) ..	223.700	50.630	50.220	324.550
Chinese National Railways:				
1935–36	6,796.457	604.483	2,325.943	9,726.883
1934–35	6,648.568	611.859	2,251.627	9,512.054
1933–34	6,648.376	547.106	2,203.310	9,398.792
1933	6,648.372	547.111	2,198.921	9,394.404
1932	6,649.108	546.233	2,178.827	9,374.168

(For Notes see Page 912)

TABLE 2. DISTRIBUTION OF INVESTMENT ASSETS

(For Fiscal Year Ended June 30, 1936)

Items	*Peiping-Hankow*	*Peiping-Liaoning*	*Tientsin-Pukow*	*Nanking-Shanghai*	*Shanghai-Hangchow-Ningpo*	*Peiping-Suiyuan*
General Expenditures	$11,241,159.80	$8,588,759.54	$11,112,340.75	$2,545,104.57	$2,045,946.92	$3,185,281.31
Preliminary Expenditures	51,670.60	537,288.28	890,833.91	50,082.66	461,361.93	390,902.50
Land	3,920,737.58	3,404,844.29	4,255,021.42	3,106,615.81	2,048,614.00	1,635,413.65
Formation	6,582,553.08	6,105,195.45	6,915,006.30	2,575,046.04	987,765.58	4,997,095.43
Tunnels	237,837.51	544,532.06	—	374,273.25	—	545,295.49
Bridgework	16,967,686.57	18,294,988.36	21,540,105.49	2,860,850.79	2,673,533.91	5,731,995.56
Line Protection	195,629.23	358,510.52	417,364.86	115,432.39	81,485.56	67,545.58
Telegraphs and Telephones	535,777.35	555,989.12	1,371,233.64	179,945.72	192,342.79	427,997.94
Track	20,372,084.35	25,566,878.83	21,416,529.63	8,058,135.65	5,102,352.83	15,137,867.66
Signals and Switches	1,485,020.00	4,127,002.88	1,373,273.51	358,254.37	267,395.26	874,215.13
Stations and Buildings	7,553,858.76	14,563,334.81	9,372,933.89	3,760,923.80	1,552,157.41	4,396,964.27
Central Mechanical Works	1,370,809.53	6,001,371.81	3,361,043.49	1,041,031.70	457,441.80	646,218.77
Special Mechanical Works	121,941.17	112,392.27	2,055,696.48	32,847.99	7,988.47	—
Plant	1,400,655.20	1,601,237.65	341,046.65	431,310.66	143,387.53	284,528.34
Rolling Stock	37,340,384.10	38,355,362.04	30,325,852.41	10,757,281.39	5,688,051.35	22,441,274.75
Maintenance	1,888,486.68	1,180,671.25	2,226,500.74	—	727.36	815,945.94
Docks, Harbors, and Wharves	35,766.74	245,743.60	1,468,595.97	850,373.99	149,576.45	—
Floating Equipment	103,005.58	142,459.57	612,638.71	—	—	—
Interest During Construction	12,230,846.00	1,637,041.70	13,762,242.30	3,133,610.02	2,963,087.27	2,333,010.34
Exchange	—	196,169.06	4,805.49	255,155.46	— 110,532.03	— 25,859.77
Unclassified	11,509,699.73	—	6,907,063.53	1,271,876.12	1,589,477.35	—
DEDUCT-RECEIPTS ON CAPITAL ACCOUNT	7,383,976.57	1,820,992.20	7,550,875.00	641,610.55	3,610.00	2,761,961.22
TOTAL COST OF ROAD AND EQUIPMENT	127,761,632.99	130,298,780.89	132,179,254.17	41,116,541.83	26,298,551.74	61,123,731.67
COST OF OTHER PHYSICAL PROPERTY	484,151.71	467,730.61	264,059.41	4,356.46	3,171,517.42	—
COST OF NONPHYSICAL ASSETS	1,830,192.49	1,071,411.72	4,789.39	—	—	5,290.00
TOTAL COST OF PROPERTY CARRIED TO BALANCE SHEET	130,075,977.19	131,837,923.22	132,448,102.97	41,120,898.29	29,470,069.16	61,129,021.67

TABLE 2. DISTRIBUTION OF INVESTMENT ASSETS (Continued)

(For Fiscal Year Ended June 30, 1936)

Items	*Cheng-Tai*	*Taokow-Chinghua*	*Kaifeng-Honan*	*Lung-Hai*	*Tung-Si*	*Canton-Kowloon*
General Expenditures	$3,392,237.45	$1,727,949.83	$1,905,620.63	$13,520,178.04	$ 812,872.66	$1,571,475.75
Preliminary Expenditures	606,191.22	30,598.09	72,683.10	17,199,542.30	21,050.92	100,875.65
Land	338,187.57	382,554.30	299,831.61	2,014,562.46	495,203.48	1,694,272.31
Formation	2,911,968.18	126,975.50	1,501,634.94	7,076,812.07	969,160.52	2,110,545.93
Tunnels	621,053.86	—	489,482.21	2,947,090.41	—	—
Bridgework	3,085,695.48	386,792.15	2,892,668.03	10,642,375.72	2,385,064.61	2,321,880.24
Line Protection	63,093.20	9,588.22	26,458.78	125,853.71	27,759.71	74,906.41
Telegraphs and Telephones	165,029.99	43,645.98	134,934.66	384,745.18	36,513.54	48,533.47
Track	4,469,882.53	1,813,317.09	2,923,245.83	15,477,548.94	4,017,066.42	2,754,637.83
Signals and Switches	521,754.52	110,243.07	197,136.72	375,926.67	257,266.16	88,262.44
Stations and Buildings	3,047,141.76	382,349.19	933,537.04	3,195,788.00	1,011,028.22	1,113,181.65
Central Mechanical Works	1,017,961.29	152,206.10	—	415,554.81	8,798.37	125,656.63
Special Mechanical Works	45,351.55	10,473.91	—	93,505.59	45,686.43	—
Plant	484,488.63	8,782.00	424,937.66	439,885.79	17,007.96	241,390.86
Rolling Stock	6,765,921.87	2,107,699.21	3,257,708.97	11,652,025.66	852,249.00	1,595,590.28
Maintenance	184,899.74	—	139,531.11	694,206.96	—	9,842.18
Docks, Harbors and Wharves	—	—	—	5,221,129.03	—	779.06
Floating Equipment	—	—	—	39,430.32	—	—
Interest During Construction	2,996,120.17	438,799.97	2,802,156.73	80,369,310.20	— 62,957.49	2,095,603.14
Exchange	469,015.77	705,735.11	—1,216,833.14	—1,667,874.65	113.11	— 85,337.60
Unclassified	—	—	—	471,505.00	—	449,677.40
DEDUCT-RECEIPTS ON CAPITAL ACCOUNT	1,613,776.53	—	708,331.19	33,004,710.53	281,589.86	—
TOTAL COST OF ROAD AND EQUIPMENT	29,572,218.25	8,437,709.72	16,076,403.69	137,684,391.68	10,612,293.76	16,311,773.63
COST OF OTHER PHYSICAL PROPERTY	4,658.82	24,296.89	—	—	—	—
COST OF NONPHYSICAL ASSETS	—	550.00	—	9,705.00	—	—
TOTAL COST OF PROPERTY CARRIED TO BALANCE SHEET	29,576,877.07	8,462,556.61	16,076,403.69	137,694,096.68	10,612,293.76	16,311,773.63

TABLE 2. DISTRIBUTION OF INVESTMENT ASSETS (Continued)

(For Fiscal Year Ended June 30, 1936)

Items	*Hupeh-Hunan*	*Kiao-Tsi*	*Nanchang-Kiukiang*	*Canton–Hankow (Southern-Section)*	*Chinese National Railways*
General Expenditures	$6,831,261.20	$ 13,366.55	$1,701,601.88	$2,995,461.66	$73,190,618.54
Preliminary Expenditures	6,536,886.14	157.60	309,600.43	220,580.96	27,480,306.29
Land	2,495,992.19	1,899,148.78	445,057.78	1,197,677.02	29,633,734.25
Formation	4,546,424.58	1,887,909.92	1,024,956.53	3,667,714.03	53,986,764.08
Tunnels	—	14,226.38	—	257,886.22	6,031,677.39
Bridgework	6,233,119.26	8,452,335.66	2,488,474.53	3,791,049.91	110,748,616.27
Line Protection	95,221.27	164,842.09	7,867.04	25,030.97	1,856,589.54
Telegraphs and Telephones	186,157.26	949,090.34	39,410.84	52,856.62	5,304,204.44
Track	9,399,282.53	10,573,671.79	1,706,123.65	3,587,482.86	152,376,108.42
Signals and Switches	213,872.90	467,523.75	38,757.23	72,788.44	10,828,693.05
Stations and Buildings	1,556,615.55	5,136,886.57	454,695.25	1,269,189.22	59,300,585.39
Central Mechanical Works	529,678.51	2,732,320.79	71,483.37	531,033.85	18,462,610.82
Special Mechanical Works	7,657.16	346,216.43	2,950.32	32,571.97	2,915,279.74
Plant	414,465.60	148,295.53	142,380.15	86,101.13	6,609,901.34
Rolling Stock	6,878,102.37	16,192,226.84	1,101,744.98	4,121,692.60	199,433,167.82
Maintenance	1,065,195.38	—	300,092.44	135,456.86	8,641,556.64
Docks, Harbors and Wharves	88,626,55	—	400.00	144,990.65	8,205,982.04
Floating Equipment	18,795.90	—	28,094.50	92,154.41	1,036,578.99
Interest During Construction	18,732,556.61	—	2,419,026.41	5,234,470.28	151,084,923.65
Exchange	2,854,074.01	—	170,719.14	1,531,211.81	3,080,561.77
Unclassified	—	—	—	7,787,294.03	29,986,593.16
DEDUCT-RECEIPTS ON CAPITAL ACCOUNT	2,711,471.44	—	146,180.35	2,345,084.35	60,974,169.79
TOTAL COST OF ROAD AND EQUIPMENT	65,972,513.53	48,978,219.02	12,307,256.12	34,489,611.15	899,220,883.84
COST OF OTHER PHYSICAL PROPERTY	—	—	—	74,683.19	4,495,454.51
COST OF NONPHYSICAL ASSETS	50,500.00	971.86	—	—	2,973,410.46
TOTAL COST OF PROPERTY CARRIED TO BALANCE SHEET	66,023,013.53	48,979,190.88	12,307,256.12	34,564,294.34	906,689,748.81

TABLE 3. PASSENGER REVENUE

(For Fiscal Year Ended June 30, 1936)

Name of Line	*Ordinary*				
	First Class	*Second Class*	*Third Class*	*Fourth Class*	*Total*
Peiping-Hankow	$ 88,138.40	$ 294,804.55	$ 5,452,535.97	—	$ 5,835,478.92
Peiping-Liaoning	281,046.74	463,824.54	5,509,907.25	—	6,254,778.53
Tientsin-Pukow	364,348.62	557,425.55	6,337,100.07	$ 80,861.45	7,339,735.69
Nanking-Shanghai	311,413.51	855,989.11	3,975,859.09	3,063,480.67	8,206,742.38
Shanghai-Hangchow-Ningpo	70,335.01	341,806.32	2,244,558.50	991,209.48	3,647,909.31
Peiping-Suiyuan	21,834.00	49,476.25	1,557,544.08	—	1,628,854.33
Cheng-Tai	5,251.65	26,828.60	737,699.85	—	769,780.10
Taokow-Chinghua	1,054.63	2,669.70	216,359.01	—	220,083.34
Kaifeng-Honan	9,879.08	59,967.16	1,062,040.06	—	1,131,886.30
Lung-Hai	22,639.67	134,665.18	2,084,115.54	—	2,241,420.39
Tung-Si	6,226.13	35,876.10	714,494.75	—	756,596.98
Canton-Kowloon	99,665.72	227,305.25	1,320,670.09	—	1,647,641.06
Hupeh-Hunan	36,994.40	76,796.13	873,386.14	—	987,176.67
Kiao-Tsi	35,067.68	140,228.21	3,095,604.94	—	3,270,900.83
Nanchang-Kiukiang	5,896.45	25,515.67	463,021.64	—	494,433.76
Canton-Hankow (Southern Section)	22,434.78	157,130.88	1,520,024.22	163,876.00	1,863,465.88
Chinese National Railways:					
1935–36	1,382,226.47	3,450,309.20	37,164,921.20	4,299,427.60	46,296,884.47
1934–35	1,649,019.05	3,591,665.43	37,171,370.06	4,302,779.43	46,714,833.97
1933–34	1,732,025.20	3,851,355.90	37,314,474.36	3,652,102.82	46,549,958.28
1933	1,743,958.52	4,030,536.64	36,960,254.44	3,276,593.43	46,011,343.03
1932	1,669,751.93	3,678,424.43	37,707,292.88	2,310,435.54	45,365,904.78

TABLE 3. PASSENGER REVENUE (Continued)

(For Fiscal Year Ended June 30, 1936)

Name of Line	*Excursion*	*Privilege*	*Season*	*Government*	*Grand Total*
Peiping-Hankow	$ 26,462.97	$ 106,961.90	$ 2,759.72	$ 2,607,651.33	$ 8,579,314.84
Peiping-Liaoning	271,773.13	184,393.57	6,290.05	34,228.00	6,751,463.28
Tientsin-Pukow	742,177.80	180,359.50	—	733,108.30	8,995,381.29
Nanking-Shanghai	218,084.42	66,307.04	11,281.59	310,358.38	8,812,773.81
Shanghai-Hangchow-Ningpo	60,589.32	20,565.32	393.92	72,010.09	3,801,467.96
Peiping-Suiyuan	36,641.45	15,339.96	—	153,661.95	1,834,497.69
Cheng-Tai	14,252,35	1,468.20	55.90	171,217.15	956,773.70
Taokow-Chinghua	808.20	1,512.12	—	39,494.45	261,898.11
Kaifeng-Honan	11,672.95	6,893.91	—	266,915.94	1,417,369.10
Lung-Hai	43,448.10	15,864.41	—	624,586.72	2,925,319.62
Tung-Si	3,881.76	4,309.90	—	159,011.88	923,800.52
Canton-Kowloon	5,869.23	6,090.07	1,136.10	9,954.89	1,670,691.35
Hupeh-Hunan	1,821.20	1,543.24	—	362,121.55	1,352,662.66
Kiao-Tsi	59,992.19	14,947.48	292.15	17,620.96	3,363,753.61
Nanchang-Kiukiang	1,998.65	235.58	2,210.40	171,976.74	670,855.13
Canton-Hankow (Southern Section)	8,117.45	—	792.20	58,899.00	1,931,274.53
Chinese National Railways:					
1935–36	1,507,591.17	626,792.20	25,212.03	5,792,817.33	54,249,297.20
1934–35	1,238,445.43	413,378.53	33,681.28	4,652,319.76	53,052,658.97
1933–34	867,694.53	309,811.78	36,424.52	5,414,216.06	52,178,105.17
1933	493,184.93	236,716.53	23,749.17	6,090,050.18	52,855,043.84
1932	159,273.57	198,880.66	16,076.57	2,476,694.20	48,216,829.78

TABLE 4. GOODS REVENUE

(For Fiscal Year Ended June 30, 1936)

Name of Line	Products of					
	Mines	*Agriculture*	*Forests*	*Animals*	*Manufactures*	*Total*
Peiping-Hankow	$7,366,095.14	$7,037,712.26	$244,610.26	$821,286.85	$6,129,933.85	$21,599,638.36
Peiping-Liaoning	6,240,708.38	1,723,140.75	167,485.87	389,636.85	3,979,800.37	12,500,772.22
Tientsin-Pukow	3,054,743.30	4,408,209.43	258,264.07	691,624.35	3,917,214.89	12,330,056.04
Nanking-Shanghai	319,158.07	927,245.62	89,771.04	383,204.11	1,192,112.91	2,911,491.75
Shanghai-Hangchow-Ningpo	138,884.07	414,339.38	172,268.41	168,263.23	638,560.59	1,532,315.68
Peiping-Suiyuan	2,639,215.95	2,729,606.78	39,271.81	892,369.14	1,838,162.45	8,138,626.13
Cheng-Tai	2,861,485.07	1,495,621.50	9,983.40	59,975.39	709,931.34	5,136,996.70
Taokow-Chinghua	1,396,935.31	48,238.02	4,821.42	7,436,44	102,900.62	1,560,331.81
Kaifeng-Honan	409,087.12	628,327.45	28,578.45	18,806.72	544,997.83	1,629,797.57
Lung-Hai	1,453,618.27	2,269,516.04	82,011.72	108,731.97	2,131,961.76	6,045,839.76
Tung-Si	230,708.70	189,791.03	34,610.50	11,842.06	294,182.71	761,135.00
Canton-Kowloon	1,565.26	59,201.14	10,575.12	53,898.49	60,921.81	186,161.82
Hupeh-Hunan	781,391.26	274,764.41	37,863.03	41,683.63	332,945.56	1,468,647.89
Kiao-Tsi	5,331,057.07	1,724,530.07	284,346.94	398,428.27	2,155,109.71	9,893,472.06
Nanchang-Kiukiang	190.41	129,080.90	10,644.24	3,306.61	127,059.29	270,281.45
Canton-Hankow (Southern Section)	387,719.93	178,463.90	19,101.13	183,921.79	528,102.73	1,297,309.48
Chinese National Railways:						
1935–36	32,612,563.31	24,237,788.68	1,494,207.41	4,234,415.90	24,683,898.42	87,262,873.72
1934–35	31,688,411.06	27,022,199.95	1,661,562.19	3,912,901.26	21,646,304.50	85,931,378.96
1933–34	28,856,313.45	21,533,202.82	1,483,731.02	3,902,713.54	17,154,978.88	72,930,939.71
1933	25,243,376.93	19,098,442.60	1,427,364.21	3,660,307.30	17,385,447.02	66,814,938.06
1932	27,383,582.56	18,774,780.08	1,566,253.13	3,097,053.65	18,549,950.27	69,371,619.69

TABLE 4. GOODS REVENUE

(Continued)

(For Fiscal Year Ended June 30, 1936)

Name of Line	*Government*	*Material for Other Railways*	*Service Stores*	*Grand Total*
Peiping-Hankow	$3,032,117.15	$552,781.23	$632,441.07	$25,816,977.81
Peiping-Liaoning	179,282.94	83,978.55	209,219.90	12,973,253.61
Tientsin-Pukow	1,069,972.22	314,388.63	611,829.67	14,326,246.56
Nanking-Shanghai	257,431.47	21,244.46	85,416.09	3,275,583.77
Shanghai-Hangchow-Ningpo	108,774.66	15,615.90	32,280.80	1,688,987.04
Peiping-Suiyuan	485,350.95	5,440.50	193,335.40	8,822,752.98
Cheng-Tai	222,300.15	61,030.52	92,808.21	5,513,135.58
Taokow-Chinghua	10,817.18	5,546.33	4,899.91	1,581,595.23
Kaifeng-Honan	280,082.24	45,421.02	24,783.33	1,980,084.16
Lung-Hai	661,630.30	89,931.87	165,158.64	6,962,560.57
Tung-Si	109,238.28	284.69	24,864.58	895,522.55
Canton-Kowloon	965.38	—	10,633.55	197,760.75
Hupeh-Hunan	118,952.45	66,093.46	171,253.18	1,824,946.98
Kiao-Tsi	57,754.41	—	177,471.64	10,128,698.11
Nanchang-Kiukiang	69,586.37	—	21,585.46	361,453.28
Canton-Hankow (Southern Section)	196,576.28	137,023.08	48,112.34	1,679,021.18
Chinese National Railways:				
1935–36	6,860,832.43	1,398,780.24	2,506,093.77	98,028,580.16 *
1934–35	5,207,896.45	1,415,988.17	2,306,921.09	94,862,184.67 †
1933–34	4,696,039.97	979,882.84	2,100,991.91	80,707,854.43
1933	7,857,116.22	627,883.77	2,009,048.39	77,308,986.44 ‡
1932	5,017,274.01	344,424.78	1,892,754.04	76,626,072.52

* $422,043.89 surcharge on railway risk goods re Lung-Hai, $117,446.19 re Kaifeng-Honan, $51,299.74 re Tung-Si, $17,434.70 re Canton-Hankow (S.S.) not included in this total.

† $458,753.79 surcharge on railway risk goods re Lung-Hai and $102,148.54 re Kaifeng-Honan not included in this total.

‡ $191,964.35 surcharge on railway risk goods re Lung-Hai and $33,800.21 re Kaifeng-Honan not included in this total.

TABLE 5. OPERATING EXPENSES

(For Fiscal Year Ended June 30, 1936)

Name of Line	*General Expenses*	*Traffic Expenses*	*Running Expenses*	*Maintenance of Equipment*	*Maintenance of Way and Structures*	*Interchange of Rolling Stock*	*Total Operating Expenses*
Peiping-Hankow	$5,922,582.80	$2,692,524.05	$3,944,821.49	$3,255,233.24	$3,367,253.71	$302,998.05	$19,485,412.92
Peiping-Liaoning	5,288,272.95	2,149,112.97	1,893,514.86	3,917,395.02	2,002,561.99	—	15,250,857.79
Tientsin-Pukow	4,200,416.12	2,179,260.27	3,610,265.86	3,957,284.03	2,820,248.89	47,961.97	16,815,437.14
Nanking-Shanghai..	2,129,573.12	2,019,153.67	2,205,742.25	2,406,907.71	1,586,323.64	132,799.58	10,480,499.97
Shanghai-Hangchow-Ningpo	1,401,953.15	1,085,724.64	882,248.20	1,120,525.01	930,732.31	—	5,421,183.31
Peiping-Suiyuan	1,740,853.06	814,935.64	1,541,318.15	1,936,883.34	1,288,092.70	—	7,322,082.89
Cheng-Tai	1,251,529.93	373,841.94	599,919.96	722,377.49	630,936.70	—	3,578,606.02
Taokow-Chinghua	518,545.55	190,934.49	226,456.51	196,598.84	242,693.96	—	1,375,229.35
Kaifeng-Honan	658,090.01	266,729.58	542,560.98	470,162.59	408,036.33	26,061.90	2,371,641.39
Lung-Hai	1,699,794.01	744,062.73	1,268,046.92	1,136,022.88	1,339,408.69	181,564.33	6,368,899.56
Tung-Si	373,375.33	160,234.20	231,218.58	190,923.72	188,285.56	16,530.78	1,160,568.17
Canton-Kowloon	394,159.88	188,310.05	457,886.27	405,849.26	309,538.37	1,195.10	1,756,938.93
Hupeh-Hunan	630,269.29	463,459.31	928,276.55	703,254.66	671,150.13	—	3,396,409.94
Kiao-Tsi	3,364,816.73	1,822,879.50	1,784,533.93	2,366,144.77	1,993,787.28	—	11,332,162.21
Nanchang-Kiukiang	190,106.61	144,362.72	215,702.59	183,619.62	269,664.99	—	1,003,456.53
Canton-Hankow (Southern Section)	723,986.62	428,124.11	879,847.78	545,854.68	573,118.23	—	3,150,931.42
Chinese National Railways:							
1935–36..	30,488,324.44	15,723,649.87	21,212,360.88	23,515,036.86	18,621,833.48	709,111.71	110,270,317.24
1934–35..	29,155,025.90	15,650,340.17	21,339,444.90	23.685,259.47	20,375,065.60	531,180.48	110,736,316.52
1933–34..	28,662,276.44	15,022,686.76	21,357,383.55	21,885,889.54	19,183,654.79	243,531.13	106,355,422.21
1933	28,390,140.05	14,856,903.63	20,889,833.38	22,039,193.50	19,879,704.47	44,145.14	106,099,920.17
1932	28,371,304.33	14,181,117.04	20,460,153.37	21,076,830.27	16,654,224.56	16,227.85	100,759,857.42

(Notes to Table 1, Page 903)

(1) Includes 7.245 kms. branch line and 5.333 kms. sidings leased from Peiping-Liaoning Railway.
(2) Excludes 7.245 kms. branch line and 5.333 kms. sidings leased to Peiping-Hankow Railway and 4.574 kms. branch line and 1.894 kms. other track leased to Peiping-Suiyuan Railway.
(3) Includes 4.574 kms. branch line leased from Peiping-Liaoning Railway (4.046 kms. of same is operated as main line which accounts for the difference between the figure as here set out and that set out in statement of kilometrage owned) and 1.894 other track also leased from Peiping-Liaoning Railway.
(4) Excludes 0.600 kms. loops leased to a private industrial company.
(5) Excludes 16.000 kms. branch line leased to Kiangnan Railway Co.

TABLE 6. CONDENSED OPERATING AND INCOME ACCOUNTS
(For Fiscal Year Ended June 30, 1936)

Items	*Chinese National Railways*	
	Total	*Balance*
Operating Revenues	$171,091,505.79	
Operating Expenses	110,270,317.24	
Net Operating Revenues		$60,821,188.55
Income Debits	28,522,423.32	
Income Credits	2,778,609.09	
Net Income Debits		25,743,814.23
Credit Balance for the Year		35,077,374.32

TABLE 7. PROFIT AND LOSS STATEMENT
(For Fiscal Year Ended June 30, 1936)

Items	*Chinese National Railways 1935–36*
CREDITS :	
PL-1 Balance for the Year	$42,700,973.43
PL-2 Profit on Sale of Assets	62,781.51
PL-3 Delayed Operating Credits	2,372,983.54
PL-4 Miscellaneous Credits	30,595,533.80
TOTAL	75,732,272.28
DEBITS :	
PL-5 Balance for the Year	7,623,599,11
PL-6 Loss on Property	240,944.14
PL-7 Delayed Operating Debits	3,259,152.01
PL-8 Miscellaneous Debits	19,161,285.58
TOTAL	30,284,980.84
SURPLUS	45,447,291.44

TABLE 8. CONDENSED BALANCE SHEET
(For Fiscal Year Ended June 30, 1936)

Assets

Balance at Beginning of Year	*Heads of Classification*	*Balance at Close of Year*
	B–6 Investment Assets :	
$874,785,542.42	B–6–1 Cost of Road and Equipment ..	$ 899,220,883.84
4,495,486.21	B–6–2 Cost of Other Physical Property.	4,495,454.51
2,543,178.71	B–6–3 Cost of Nonphysical Property .	2,973,410.46
881,824,207.34	TOTAL INVESTMENT ASSETS	906,689,748.81

	B-7 Working Assets:	
16,245,522.60	B-7-1 Cash	16,062,911.23
58,929.60	B-7-2 Loans and Bills of Exchange ..	38,929.60
23,355,213.18	B-7-3 Traffic Balances Receivable ..	22,479,521.12
15,643,793.88	B-7-4 Other Accounts Receivable ..	15,342,314.49
41,992,181.50	B-7-5 Stores	46,355,992.77
97,295,640.76	TOTAL WORKING ASSETS	100,279,669.21
	B-8 Deferred Debit Items:	
113,421,292.72	B-8-1 Temporary Advances to Government	131,936,255.94
13,778,437.02	B-8-2 Payments Made in Advance ..	20,814,480.60
17,044,274.96	B-8-3 Unextinguished Discounts on Funded Debt	18,748,753.93
73,600.00	B-8-4 Abandoned Property Not Charged Off	55,200.00
11,453,860.57	B-8-5 Special Funds	17,481,649.13
149,889,178.69	B-8-6 Miscellaneous Deferred Debits ..	139,138,044.31
305,660,643.96	TOTAL DEFERRED DEBITS	328,174,383.91
116,473,672.91	B-9 Balance, Accumulated Deficit ..	95,736,104.99
1,401,254,164.97	TOTAL	1,430,879,906.92

Liabilities

Balance at Beginning of Year	*Heads of Classification*	*Balance at Close of Year*
	B-1 Capital Liabilities:	
$ 28,928,460.87	B-1-1 Shares	$ 28,928,460.87
—	B-1-2 Premium on Shares	—
172,637,900.50	B-1-3 Permanent Government Investment	172,925,742.76
277,956,942.55	B-1-4 Mortgage Bonds	292,837,793.56
113,811,984.46	B-1-5 Other Secured Indebtedness ..	112,871,912.23
593,335,288.38	TOTAL CAPITAL LIABILITIES	607,563,090.42
	B-2 Working Liabilities:	
131,197,719.61	B-2-1 Loans and Bills of Exchange ..	138,268,916.37
12,320,001.38	B-2-2 Traffic Balances Payable	12,431,719.08
27,098,698.76	B-2-3 Matured Liabilities Unpaid ..	34,036,996.63
61,081,535.79	B-2-4 Other Accounts Payable	57,896,440.37
231,697,955.54	TOTAL WORKING LIABILITIES ..	242,634,072.45
	B-3 Deferred Credit Items:	
128,683,773.07	B-3-1 Temporary Advances from Government	146,052,543.34
—	B-3-2 Operating Reserves	—
81,731,636.21	B-3-3 Depreciation Reserves	84,471,942.43
—	B-3-4 Liabilities on Account of Provident Funds	—
145,434,941.10	B-3-5 Miscellaneous Deferred Credits .	122,824,118.83
355,850,350.38	TOTAL DEFERRED CREDITS	353,348,604.60
	B-4 Appropriation from Surplus	
134,894,674.17	B-4-1 Additions to Property through Surplus	140,382,689.88
85,475,896.50	B-4-2 Funded Debt Retired through Surplus	86,165,896.50
—	B-4-3 Funded Reserves..	784,734.07
220,370,570.67	TOTAL APPROPRIATIONS THROUGH Surplus	227,333,320.45
—	B-5 Balance, Unappropriated Surplus .	—
1,401,254,164.97	TOTAL	1,430,879,906.92

TABLE 9. DOMESTIC AND FOREIGN LOANS CLASSIFIED ACCORDING TO CURRENCIES

(At End of December, 1936)

Currencies	*Principal*	*Interest*	*Commission*	*Total*	*Exchange Rates*	*Chinese Dollars*
C. G. U.	2,331,443.00	—	—	2,331,443.00	@ $ 2.30	$ 5,362,318.90
£	28,448,601. 2. 7	9,098,492. 17. 2	24,872. 0. 10	37,571,966. 0. 7	@ $ 16.40	616,180,242.87
G. $	16,136,766.52	2,012,916.46	—	18,149,682.98	@ $ 3.35	60,801,437.97
Yen	199,602,330.58	40,425,692.86	19,550.00	240,047,573.44	@ $ 1.00	240,047,573.44
B. Frs.	620,376,928.11	13,377,113.02	20,207.68	633,774,248.81	@ $ .11	69,715,167.26
Frs.	35,258,878.96	3,854,323.86	398.44	39,113,601.26	@ $ .20	7,822,720.24
Fls.	31,483,000.00	236,122.50	590.30	31,719,712.80	@ $ 2.00	63,439,425.60
$	342,051,547.44	30,709,949.28	16.79	372,761,513.51	@ $ 1.00	372,761,513.51
Tls.	1,995,545.24	1,148,846.67	—	3,144,391.91	@ $ 1.40	4,402,148.67
T. Tls.	87,423.04	227,151.38	—	314,574.42	@ $ 1.40	440,404.19
HK. $	102,729.03	—	—	102,729.03	@ $ 1.00	102,729.03
CC. $	87,870.33	—	—	87,870.33	@ $ .70	61,509.23
SH. Tls.	127,390.45	—	—	127,390.45	@ $ 1.40	178,346.63
P. Tls.	230,000.00	—	—	230,000.00	@ $ 1.40	322,000.00
					TOTAL	$1,441,637,537.54

TABLE 10. DOMESTIC AND FOREIGN LOANS

(*At End of December, 1936*)

Lines	*Foreign Loans*	*Domestic Loans*	*Material Debts*	*Total*
Ministry of Railways	$144,750,044.90	$185,699,702.94	—	$330,449,747.84
Peiping-Hankow Railway	22,465,890.41	24,200,989.43	$19,860,358.55	66,527,238.39
Tientsin-Pukow Railway	194,385,549.22	11,133,150.64	19,624,292.56	225,142,992.42
Peiping-Suiyuan Railway	11,067,184.77	7,188,753.47	34,011,110.97	52,267,049.21
Peiping-Liaoning Railway	8,293,616.40	1,464,829.13	3,906,797.88	13,665,243.41
Nanking-Shanghai Railway	49,123,772.80	—	—	49,123,772.80
Shanghai-Hangchow-Ningpo Railway	18,040,000.00	—	—	18,040,000.00
Kiao-Tsi Railway	40,000,000.00	780,000.00	—	40,780,000.00
Taokow-Chinghua Railway	9,572,358.83	—	—	9,572,358.83
Lung-Hai Railway	154,744,613.36	8,031,123.75	87,986.99	162,863,724.10
Pien-Lo Railway	3,835,664.85	—	76,676.50	3,912,341.35
Canton-Hankow Railway	138,212,365.16	26,782,719.72	5,538,629.50	170,533,714.38
Canton-Kowloon Railway	20,673,237.16	56,108.25	123,626.07	20,852,971.48
Nanchang-Kiukiang Railway	17,160,599.89	7,183,308.69	391,507.88	24,735,416.16
Kirin-Changchun Railway	10,686,181.93	1,007,686.25	—	11,693,868.18
Ssu-Tao Railway	52,884,000.00	—	—	52,884,000.00
Kirin-Sinmintun Railway	32,633,472.84	—	—	32,633,472.84
Nanking-Hunan Railway	8,868,831.55	—	—	8,868,831.55
Pukow-Sinyang Railway	7,275,284.29	—	—	7,275,284.29
Tatung-Chengtu Railway	10,933,241.17	—	—	10,933,241.17
Chuchow-Chingchow Railway	8,288,856.89	—	—	8,288,856.89
Taokow-Chinghua Railway (Ching-Meng Branch Line)	1,815,161.98	—	—	1,815,161.98
Paotow-Ninghsia Railway	25,269,120.00	—	—	25,269,120.00
Chekiang-Kiangsi Railway	—	1,491,379.40	165,069.78	1,656,449.18
Changchow-Amoy Railway	—	500,000.00	—	500,000.00
Tsefoo Waichen Highway	—	699,140.60	—	699,140.60
Ministry of Finance Bonds for Redemption of Stocks of Private Railways	56,548,854.05	—	—	56,548,854.05
Resumption of Commercial Railways	—	34,104,686.14	—	34,104,686.14
TOTAL	$1,047,527,902.45	$310,323,578.41	$83,786,056.68	$1,441,637,537.54

TABLE 11. NUMBER OF EMPLOYEES BY DEPARTMENTS

(For Fiscal Year Ended June 30, 1936)

Name of Line	*Director or Head of Administrative Commission*	*Resident Comptroller of Audit and Accounts*	*General Affairs*	*Traffic*	*Locomotive*	*Engineering*	*Accounting*	*Stores*	*Telegraph*	*Police*	*Other*	*Total*
Peiping-Hankow	78	—	737	5,688	5,590	4,922	459	768	575	4,189	284	23,290
Peiping-Liaoning	253	42	672	3,774	6,250	3,148	278	677	287	2,506	162	18,049
Tientsin-Pukow	122	—	431	5,361	6,223	4,643	362	319	157	4,311	108	22,037
Nanking-Shanghai	8	18	166	2,969	2,960	1,439	138	66	27	838	—	8,629
Shanghai-Hangchow-Ningpo	4	12	121	1,318	1,390	1,006	91	48	19	477	—	4,486
Peiping-Suiyuan	7	32	331	2,450	4,045	3,395	202	187	330	1,475	—	12,454
Cheng-Tai	31	15	114	862	1,167	749	95	61	36	179	—	3,309
Taokow-Chinghua ..	—	—	58	456	532	475	17	36	20	458	—	2,052
Kaifeng-Honan, Lung-Hai, Tung-Si	77	—	253	2,612	3,168	3,611	271	108	102	2,402	—	12,604
Canton-Kowloon	6	15	66	354	478	513	36	34	—	182	21	1,705
Kiao-Tsi	57	29	418	2,623	3,592	1,215	162	150	144	1,845	—	10,235
Nanchang-Kiukiang	23	—	51	286	364	433	31	—	53	188	—	1,429
Canton-Hankow	20	—	280	2,182	2,487	2,757	269	143	43	1,373	36	9,550
Chinese National Railways .	686	163	3,698	30,895	38,246	28,306	2,411	2,597	1,793	20,423	611	129,829

HIGHWAYS

T. K. CHAO (趙祖康)

The road policy of the National Economic Council aims at providing a system of highways which will connect up important commercial and political centers in different provinces, especially those in regions not served by the existing railways. The provincial governments concerned are to undertake construction work on approved projects under the supervision of the Council, which will grant them a definite amount of financial assistance to enable them to carry the works to a successful conclusion. The Council itself also construct entire highways or sections of highways in the event of such undertakings being beyond the financial resources of the local authorities.

The road program of the Council is threefold: (1) road construction; (2) promotion and control of highway traffic; and (3) research and experimentation.

I. ROAD CONSTRUCTION

Roads constructed under the auspices of the Council belong to a network of national highways designed by the Council in collaboration with the provincial authorities concerned. The first few roads of this kind were constructed in 1932 in accordance with a program mapped out for the provinces of Kiangsu, Chekiang and Anhwei, known as the three-province project. There were six roads in this project: namely, the Nanking-Hangchow highway, the Shanghai-Hangchow highway, the Nanking-Wuhu highway, the Soochow-Kashing highway, the Changhing-Suancheng highway and the Hangchow-Hweichow highway. The aggregate length was 1,040 km. Various sections of these roads were already in existence at that time and the task of the Council was to supervise the construction of the remainder, amounting to about 505 km. All but one of these roads was completed and opened to traffic during the autumn of 1932 or the early months of 1933. Owing, however, to the mountainous terrain through which it had to pass, the Hangchow-Hweichow highway was not completed until November, 1933.

The cost of construction was calculated at $6,000 per kilometer, not including special engineering works entailing heavy expenditures. The financial assistance granted by the Council was in the form of loans which were limited to 33% of the total cost. Difficult and expensive engineering works such as the route survey in the mountains on the border of Chekiang and Anhwei, and the wharf

and ferry services at Minghong were undertaken directly by the Council at its own expense.

The rapidity with which these roads were constructed and the great advantages accruing therefrom made a deep impression on the Government, which decided to follow up this initial success with redoubled energy. In November, 1932, when four of the six national highways still remained to be completed, Generalissimo Chiang Kai-shek summoned representatives of the provincial governments of Kiangsu, Chekiang, Anhwei, Kiangsi, Hupeh, Hunan and Honan to a conference at Hankow, where a seven-province project calling for the construction of a network of national highways in all provinces represented therein was adopted. The conference agreed on the construction of 11 trunk lines and 63 branch lines, totaling some 22,000 km. These were calculated to establish a close bond among the central and coastal provinces by linking up all important centers in this area down to the Kwangtung-Kwangsi border. The trunk lines of this project lay between the following terminals: Nanking-Shanghai, Nanking-Fukien, Shanghai-Kwangsi, Nanking-Shantung, Nanking-Kweichow, Kweiteh-Chimen, Nanking-Szechwan, Kaifeng-Kwangtung, Nanking-Shensi, Loyang-Shaokwan, and Haichow-Chengchow. These were scheduled to be completed within three years, and the Council was entrusted with the function of supervising their construction.

The suppression of the Communist and other rebellions by the national army during the years 1933 to 1935 brought Shensi, Kansu, Chinghai and Fukien within the National Economic Council's sphere of activities and the seven-province project was expanded accordingly. Many lines designed to bring the important centers of this new area into close contact with each other and with the other provinces have been added to the original program. The immediate goal at present is to complete a total of 30,144 km. of national highways, of which 23,876 km. were completed by the end of 1936.

Although the kilometrage of completed roads at the end of 1936 actually exceeded that which was planned in 1932, a few short sections on three or four of the trunk lines as originally planned were still under construction, having been delayed by special engineering difficulties. The unfinished sections were: (1) from Wenchow south to the Fukien border on the Nanking-Fukien line; (2) from Ichang to Pa-En on the Nanking-Szechwan line; (3) from Mengchialou to Laohokou on the Loyang-Shaokwan line; and (4) from Tungkou to Tzekiang on the Nanking-Kweichow line. It is expected that these unfinished sections will all be completed in the course of 1937. The last mentioned line was extended to Kunming, Yunnan, in 1936 and its entire length was opened to through traffic by way of a detour round Changsha, Changteh, Yuanling and Tzekiang.

The yearly progress of the road construction activities of the Council is shown in the following table:

PROGRESS OF THE INTER-PROVINCIAL HIGHWAYS IN THE PROVINCES OF KIANGSU, CHEKIANG, ANHWEI, KIANGSI, HUPEH, HUNAN, HONAN, FUKIEN AND THE NORTHWEST SINCE 1932

Bureau of Roads, National Economic Council of China

December, 1936

Name of Province	As of May 1932			End of 1932			End of 1933			End of 1934			End of 1935			End of 1936		
	Surfaced Roads	Earth Roads	Total	Surfaced Roads	Earth Roads	Total	Surfaced Roads	Earth Roads	Total	Surfaced Roads	Earth Roads	Total	Surfaced Roads	Earth Roads	Total	Surfaced Roads	Earth Roads	Total
Kiangsu	361	885	1,246	487	885	1,372	588	869	1,457	858	1,243	2,101	1,040	1,281	2,321	1,359	1,654	3,013
Chekiang	711	—	711	767	—	767	1,163	—	1,163	2,198	—	2,198	2,198	—	2,198	2,326	—	2,326
Anhwei	—	1,417	1,417	—	1,688	1,688	150	2,251	2,401	768	2,238	3,006	959	2,159	3,118	1,179	2,302	3,481
Kiangsi	35	692	727	35	1,016	1,051	1,172	555	1,727	2,277	472	2,749	2,830	484	3,314	2,951	401	3,352
Hupeh	—	1,189	1,189	—	1,276	1,276	—	1,430	1,430	92	2,108	2,200	249	2,294	2,543	931	1,977	2,908
Hunan	1,247	—	1,247	1,247	—	1,247	1,264	—	1,264	1,442	179	1,621	1,744	266	2,010	2,083	192	2,275
Honan	—	1,244	1,244	—	1,352	1,352	—	1,642	1,642	12	1,744	1,756	12	2,253	2,265	269	2,609	2,878
Fukien	204	509	713	204	509	713	204	509	713	727	713	1,440	1,187	452	1,639	1,274	463	1,737
North-West	—	—	—	—	—	—	—	—	—	5	995	1,000	5	1,532	1,537	401	1,505	1,906
GRAND TOTAL	2,558	5,936	8,494	2,740	6,726	9,466	4,541	7,256	11,797	8,379	9,692	18,071	10,224	10,721	20,945	12,773	11,103	23,876

NOTE: 1. The mileages given in the column of 1935 are corrected figures based on recent reports.
2. All earth roads in the table include temporary military roads.

PRESENT STATUS OF THE

IN THE PROVINCES OF KIANGSU, CHEKIANG,

THE NORTH-

Bureau of Roads, National

December,

Name of Province	Total Length of Roads in Kilometers			Length of						
				Trunk Line			Branch Line			Before
	Trunk Line	Branch Line	Total	Surfaced Road	Earth Road	Total	Surfaced Road	Earth Road	Total	Surfaced Road
Kiangsu ..	1,375	2,315	3,690	526	611	1,137	833	1,043	1,876	1,040
Chekiang ..	1,194	1,348	2,542	1,061	—	1,061	1,265	—	1,265	2,198
Anhwei ..	1,737	2,113	3,850	726	867	1,593	453	1,435	1,888	959
Kiangsi ..	2,590	1,485	4,075	2,012	283	2,295	939	118	1,057	2,830
Hupeh ..	1,935	1,979	3,914	665	877	1,542	266	1,100	1,366	249
Hunan ..	2,638	567	3,205	1,708	—	1,708	375	192	567	1,744
Honan ..	1,942	1,559	3,501	157	1,289	1,446	112	1,320	1,432	12
Fukien	2,233	278	2,511	1,235	429	1,664	39	34	73	1,187
The North-West ..	2,856	—	2,856	401	1,505	1,906	—	—	—	5
GRAND TOTAL ..	18,500	11,644	30,144	8,491	5,861	14,352	4,282	5,242	9,524	(2) 10,224

Note: (1) [1] Among the 2,549 kilometers of surfaced roads completed in this year, 1827

[2] The original mileages open to traffic in the end of 1935 have been corrected

(2) All earth roads in this table include temporary military roads.

INTER-PROVINCIAL HIGHWAYS

ANHWEI, KIANGSI, HUPEH, HUNAN, HONAN, FUKIEN AND WEST

Economic Council of China

1936

Roads Open to Traffic in Kilometers								*Length of Roads Under Construction in Kilometers*			*Length of Projected Roads in Kilometers*		
Total													
the Year 1936		*During the Year 1936*			*Sum*			*Trunk Line*	*Branch Line*	*Total*	*Trunk Line*	*Branch Line*	*Total*
Earth Road	*Total*	*Surfaced Road*	*Earth Road*	*Total*	*Surfaced Road*	*Earth Road*	*Total*						
1,281	2,321	319	373	692	1,359	1,654	3,013	125	262	387	113	177	290
—	2,198	128	—	128	2,326	—	2,326	93	16	109	40	67	107
2,159	3,118	220	143	363	1,179	2,302	3,481	—	30	30	144	195	339
484	3,314	121	-83	38	2,951	401	3,352	163	278	441	132	150	282
2,294	2,543	682	-317	365	931	1,977	2,908	148	89	237	245	524	769
266	2,010	339	-74	265	2,083	192	2,275	60	—	60	870	—	870
2,253	2,265	257	356	613	269	2,609	2,878	211	—	211	285	127	412
452	1,639	87	11	98	1,274	463	1,737	321	143	464	248	62	310
1,532	1,537	396	-27	369	401	1,505	1,906	600	—	600	350	—	350
(2) 10,721	20,945	2,549	382	2,931	(1) 12,773	(1) 11,103	23,876	1,721	818	2,539	2,427	1,302	3,729

kilometers are surfaced from earth road originally open to traffic.

from recent reports.

Among the new roads constructed or projected under the augmented program of the Council, the more important ones are:

1.	The Sian-Lanchow highway	748 kms.
2.	The Sian-Hanchung highway	466 ,,
3.	The Hanchung-Ningchiang highway	142 ,,
4.	The Kansu-Sinkiang highway	230 ,,
5.	The Lanchow-Yungteng section	70 ,,
6.	The Kansu-Chinghai highway	223 ,,
7.	The Laohokou-Paiho highway	230 ,,
8.	The Hanchung-Paiho highway	486 ,,
9.	The Hunan-Szechwan highway	192 ,,

The two roads first mentioned were opened to traffic in 1935, but much improvement work was still needed at that time. During the period under review, all works on these two highways were finished, except surfacing work on the Sian-Lanchow highway and a steel bridge at Paocheng on the Sian-Hanchung highway. Likewise, the Hanchung-Ningchiang Highway, except for two bridges, was completed and connected up with the highways of Szechwan.

The Kansu-Sinkiang highway and the Kansu-Chinghai highway are designed to link up the two border provinces of Sinkiang and Chinghai, with the rest of China, and to facilitate the exploitation of the rich natural resources in this vast region. The Kansu-Sinkiang highway, estimated at over 2,400 km. in length, has Tihua for its goal. Such an undertaking would clearly be beyond the resources both of the Council and of the provincial governments concerned, if the entire project were to be taken up all at once. Hence construction must proceed section by section. Work on the first section of this road from Lanchow to Wuwei, which is about 230 km. in length, was started late in October, 1936.

The Kansu-Chinghai Highway runs from Lanchow to Sining. An earth road on the Chinghai end of the highway was renovated and completed by the end of 1936; the Kansu section was still under construction.

The three highways from Hanchung to Paiho, from Laohokou to Paiho, and from Hunan to Szechwan are calculated to establish contact for Shensi and szechwan with the various provinces in the Yangtze Valley and other places. Construction activities on these roads commenced in 1936 and by the end of the same year the Laohokou-Paiho line was opened to traffic.

The Hunan-Szechwan Highway, which connects the Hunan highways from Yuanling westward with the Szechwan highways at Hsiushan, was yet under construction, though through traffic was already possible. The Hanchung-Paiho Highway passes through a mountainous region and is, therefore, the most difficult and expensive of the three. The section from Hanchung to Ankang presents little difficulty and has been completed since October, 1936, but the section from Ankang to Paiho including the bridge across the Paiho is more difficult, owing to the large amount of rock excavation work to be done and the heavy engineering expenses involved. Surveying work on this section will be started in April, 1937, and construction work is expected to be commenced immediately after surveying is completed.

Of the roads constructed under the auspices of the Council up to the end of 1936, over one half were paved, a smaller proportion being earth roads accessible to motor traffic. The distribution of roads constructed, or projected under the Council's augmented road project of December, 1936, may be seen from the table on pages 920-921.

Construction Finance: *1. Loans.*—The provincial governments were made responsible for the construction of those sections of the national highway system that lie within their respective boundaries. As the national highway system was not the only reconstruction activity nor even the only road activity of the various provincial governments, this added duty constituted a real financial burden which they were not always able to carry. It was therefore decided at the road conference held at Hankow in November, 1932, that the National Economic Council was to continue to finance construction of the national highway system as it had already been doing in the case of the three-province project. The amount of loans to be granted was increased to 40% of the cost of construction, and a formula for estimating the per kilometer cost, with special allowance for difficult engineering works, was elaborated and adopted. The value of land needed for road construction was not to be included in the cost estimate.

Classes of Roads		*1st Class (12 m.)*	*2nd Class (9 m.)*		*3rd Class (7½ m.)*
Surveying Expense		$80.00	$80.00		$80.00
Earth Work	Amt. in cu. m. Cost of 1 cu. m. Total cost	7,000.00 $0.18 $1,260.00	6,000.00 $0.18 $1,080.00		5,000.00 $0.18 $900.00
Culverts	Number Cost of 1 culvert Total cost	6 $150.00 $900.00	6 $120.00 $720.00		6 $100.00 $600.00
Bridge	Total length in m.	8	8		8
			Trunk	*Branch*	
	Cost of 1 m. Total cost	$350.00 $2,800.00	$350.00 $2,800.00	$300.00 $2,400.00	$300.00 $2,400.00
Road Surface (2nd Type)	Area in sq. m.	3,000.00	3,000.00		3,000.00
	Cost of 1 sq. m. Total cost	$0.80 $2,400.00	$0.80 $2,400.00	$0.60 $1,800.00	$0.60 $1,800.00
Engineering Fees (Abt. 6%)		$460.00	$420.00	$320.00	$320.00
GRAND TOTAL COST		$7,900.00	$7,500.00	$6,400.00	$6,100.00

NOTES:
1. The above formula was decided upon at the Hankow Highway Conference held in November 1932.
2. Expenses for the construction of station buildings and sheds are not included.
3. Separate estimates may be submitted if the length of a bridge exceeds 50 m. or the amount of rock excavation is excessive, or often special conditions require big outlay of capital.
4. Since local conditions vary with each province, estimates for individual items may differ but the total cost as specified above must not be exceeded.

The total amount of loans granted to the provincial governments under the above arrangement for the five years from 1932 to 1936 was over $11,780,000. The yearly grant and the provincial distribution of the loans are tabulated below:

AMOUNT OF LOANS EXTENDED BY THE N. E. C. TO THE DIFFERENT PROVINCES FROM 1932 TO 1936

Loans Extended / Province \ Year	1932	1933	1934	1935	1936	Total
Kiangsu ..	$331,800	$208,145.85	$563,288.24	$146,489.76	$140,000	$1,390,083.85
Chekiang ..	150,000	510,000	1,351,284	—	—	2,011,284
Anhwei	210,000	432,000	654,237	80,000	120,000	1,496,237
Kiangsi ..	40,000	230,000	671,960	208,040	40,000	1,190,000
Hupeh ..	60,000	30,000	534,468	60,000	90,000	774,468
Hunan ..	—	—	486,000	30,000	530,000	1,046,000
Honan ..	40,000	80,000	410,000	98,720	94,800	723,520
Fukien ..	—	—	668,040	30,000	122,476.80	820,516.80
Shensi	—	—	100,000	750,000	1,030,000	1,880,000
Kansu	—	—	34,824	44,576	30,000	109,400
Chinghai	—	—	—	—	70,000	70,000
Szechwan ..	—	—	—	100,000	—	100,000
Kweichow	—	—	—	50,000	—	50,000
Kwangtung ..	—	—	100,000	—	—	100,000
Ninghsia	—	—	—	—	20,000	20,000
GRAND TOTAL	$831,800	$1,490,145.85	$5,574,101.24	$1,598,185.76	$2,287,276.80	$11,781,509.65

Remarks: Loans extended to Nanking municipality are listed under Kiangsu province.

2. *Direct Construction.*—Owing to the dilapidated condition of the provincial treasuries and the special engineering difficulties created by the scarcity of labor and building materials as well as by the peculiar formation of the loess belt in this region, the provincial authorities in the North-West were unable to undertake the execution of the road program laid down for them. The Council therefore had no choice but to take up directly at its own expense the construction of the main lines in this region. The Sian-Lanchow and the Sian-Hanchung highways were constructed by this means.

3. *Grants-in-Aid.*—The Hanchung-Ningchaing highway was constructed by the provincial government of Shensi, but with funds supplied almost entirely by the Council. It is an example of a third method of financing by the Council—through grants-in-aid. Many of the newer roads projected under the augmented road project, such as the Kansu-Sinkiang, the Kansu-Chinghai, and the Hanchung-Paiho lines were thus financed.

Significance of the Council's Road Construction Program.—The rapid strides made by the Council in road construction have been matched by the remarkable achievements of the local governments in the same field. The steady increase of the kilometrage of provincial highways has been very impressive during the past few years and constitutes an important supplement to the system of national highways developed under the auspices of the Council. This is undoubtedly due to the close collaboration between the Council and the provincial authorities. Local projects have neither been jointly laborated with the Council or referred to it for examination so that a definite measure of co-ordination might be assured. Wherever assistance is needed, whether it be technical or financial, the Council is ready with a helping hand.

Local projects are generally designed for local purposes unconcerned with wider economic, political, social, or cultural interests. The activities of the Council, on the other hand, have concentrated mainly upon the latter.

The Council had constructed 23,876 km. of national highways by the end of 1936 and has about 7,000 km. more under construction or projected to be built in the very near future. These roads not only constitute a significant achievement in themselves but also have a wider implication in that they are connected up with the various provincial and local highway systems and have become consolidated into one vast network of roads that ramify the whole country. They have rendered possible for motor traffic about 110,000 km. of highways and have bound together almost every important commercial and political center in China. While it is not yet possible to see clearly the full significance of this, it may confidently be said that the way has been paved for the development of a new nation.

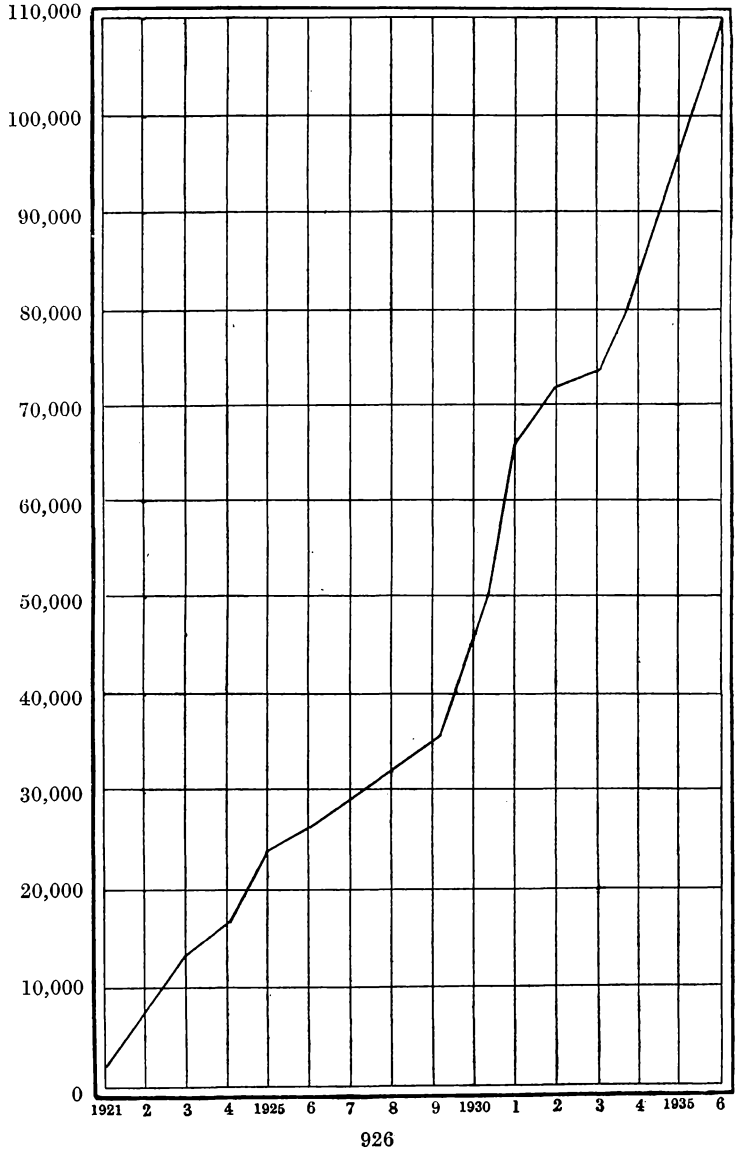
The chart on page 926 shows the progress of highway construction undertaken by both national and local authorities since 1921, while the table on page 927 gives the data of the combined kilometrage, distribution, and conditions of national and local highways of China as of December, 1936.

II. PROMOTION AND CONTROL OF HIGHWAY TRAFFIC

Unification of Traffic and Control of Vehicles.—The completion of the preliminary network of highways has made provincial isolation a thing of the past. Inter-provincial traffic must be encouraged if the nation is to be united geographically into a single unit and if the highways are to be utilized to the best advantage. All artificial barriers arising out of divergent administrative regulations and traffic control must be removed. With this end in view, an Inter-provincial Highway Traffic Commission was created under the auspices of the National Economic Council soon after the first few national roads had been opened to traffic in December, 1932. The membership of this commission has expanded greatly since its inauguration; by June, 1936, it included the representatives of Kiangsu, Chekiang, Anhwei, Fukien, Kiangsi, Hunan, Hupeh and Honan provinces as well

PROGRESS OF HIGHWAY CONSTRUCTION IN CHINA SINCE 1921

Bureau of Roads
National Economic Council of China



LENGTH OF HIGHWAYS IN CHINA BY PROVINCES AS OF DECEMBER, 1936

Bureau of Roads, National Economic Council of China

Province	*Length of Roads Open to Traffic (in Km)*			*Length of Roads Under Constrution (in Km)*	*Length of Roads Projected (in Km)*	*Total Length of Roads (inKm)*
	Surfaced Roads	*Earth Roads*	*Total*			
Kiangsu	1,811	3,509	5,320	2,350	539	8,209
Chekiang	3,308	—	3,308	352	1,021	4,681
Anhwei	1,182	4,197	5,379	163	1,477	7,019
Kiangsi	4,550	1,660	6,210	1,456	2,229	9,895
Hupeh	999	3,439	4,438	327	1,068	5,833
Hunan	2,574	380	2,954	110	5,078	8,142
Szechwan	1,606	2,931	4,537	248	1,092	5,877
Sikang	—	760	760	—	1,356	2,116
Fukien	1,453	2,367	3,820	1,016	1,999	6,835
Kwangtung	985	10,330	11,288	144	6,155	17,587
Kwangsi	2,915	1,210	4,125	498	713	5,336
Kweichow	1,780	—	1,780	1,310	2,694	5,784
Yunnan	350	1,953	2,303	1,217	2,114	5,634
Hopei	26	3,135	3,161	191	583	3,935
Shantung	52	6,481	6,533	—	1,267	7,800
Shansi	—	2,703	2,703	—	1,151	3,854
Honan	294	5,479	5,773	840	751	7,364
Shensi	396	2,372	2,768	470	1,060	4,298
Kansu	5	3,135	3,140	1,609	2,345	7,094
Tsinghai	—	1,482	1,482	207	2,996	4,685
Liaoning	—	3,191	3,191	1,011	858	5,060
Kirin	—	2,852	2,852	748	218	3,818
Heilungkiang ..	—	2,514	2,514	—	1,185	3,699
Jehol	—	2,330	2,330	257	379	2,966
Chahar	—	2,581	2,581	937	280	3,798
Suiyuan	—	3,208	3,208	704	370	4,282
Ninghsia	—	2,533	2,533	—	—	2,533
Mongolia	—	3,779	3,779	—	1,253	5,032
Sinkiang	—	3,929	3,929	—	—	3,929
Tibet	—	1,050	1,050	—	3,748	4,798
TOTAL	24,259	85,490	109,749	16,165	45,979	171,893

as of the cities of Nanking and Shanghai and of the National Economic Council. It was then renamed the National Highway Traffic Commission. Its duties comprise, *inter alia*, the initiation of a unified system of traffic and motor vehicle control, the installation of uniform safety devices, police protection and other traveling facilities, and the promotion of highway transport.

The commission has adopted a number of regulations governing interprovincial traffic, examination of automobile drivers, registration of automobile mechanics and apprentices, tolls on commercial buses, through transport arrangements across provincial boundaries, numbering of highways, installation of traffic signs, etc.

These measures were designed for uniform application. As they had been adopted by the representatives of all interested provincial governments, no difficulty was experienced in putting them into effect in the provinces. The very satisfactory results produced from their adoption have been amply demonstrated by the rapid development of the bus and truck business for the transportation of passengers and goods during the past few years. Several hundred commercial bus companies are now operating on the government highways, not including the bus services maintained by provincial and municipal authorities. The consumption of motor fuels also showed a steady increase. The following tables show the number of motor vehicles in various provinces and the quantity and value of petroleum products imported into China since 1910:

QUANTITY AND VALUE OF IMPORTS OF

Bureau of Roads, National Economic

Year	Kerosene		Gosoline		Lube Oil		Fuel
	U. S. Gol.	$	U.S Gol.	$	U.S.Gol.	$	Long Ton
1910	161,389,583	32,614,935	224,931	89,661	2,139,552	925,860	3,681
1911	235,898,240	52,218,575	280,125	109,301	2,250,062	978,662	6,320
1912	197,902,362	37,268,702	390,703	133,140	2,391,041	943,617	4,546
1913	183,984,052	38,104,268	465,577	161,694	2,449,586	1,062,701	12,065
1914	230,200,708	52,641,360	819,556	321,225	3,242,118	1,628,978	9,203
1915	185,070,111	42,047,166	693,129	378,719	4,408,912	2,125,497	9,094
1916	147,390,253	47,724,560	685,906	503,888	4,358,000	2,749,511	5,183
1917	157,910,941	50,031,984	1,183,895	826,677	3,287,494	1,709,400	18,261
1918	110,202,234	42,360,039	1,194,290	840,516	5,360,028	2,741,237	18,204
1919	199,309,753	70,007,060	2,174,748	2,013,443	5,915,435	3,258,369	37,148
1920	189,588,540	81,477,435	2,604,634	2,511,561	5,776,532	3,703,419	75,447
1921	175,110,125	87,116,157	4,664,455	4,092,611	4,349,588	4,375,223	40,561
1922	209,192,102	95,162,853	4,818,271	4,819,011	6,306,790	4,209,467	62,764
1923	214,835,669	87,437,569	6,307,815	5,772,797	7,186,443	4,615,542	57,267
1924	223,207,104	86,716,574	7,265,093	6,102,602	8,788,847	5,040,656	104,025
1925	258,570,591	99,175,535	8,823,511	6,773,880	7,080,593	3,632,697	95,823
1926	232,991,961	84,893,013	12,797,271	9,217,517	9,025,798	4,846,683	133,728
1927	163,969,137	64,938,914	13,203,446	9,304,439	8,099,514	4,822,566	156,546
1928	262,792,609	93,578,753	20,041,590	12,522,231	12,384,563	6,889,373	221,668
1929	239,263,293	82,766,247	28,644,358	13,716,297	13,767,104	8,367,572	183,909
1930	185,608,596	82,296,819	29,725,052	18,610,845	13,029,535	9,451,053	151,093
1931	171,140,380	96,824,057	29,754,655	22,008,861	10,394,293	8,988,677	227,336
1932	145,918,794	94,166,598	24,114,506	18,526,751	8,227,167	7,520,771	234,660
1933	187,261,165	87,363,033	31,281,601	21,329,343	11,156,051	9,083,698	336,064
1934	119,035,092	39,750,042	39,664,428	19,311,745	11,176,211	6,575,492	402,240
1935	102,192,157	37,606,901	41,000,783	19,586,624	10,385,581	6,436,863	391,882
1936	104,429,526	39,885,483	45,513,620	22,730,004	13,124,428	7,846,661	312,794

PETROLEUM PRODUCTS INTO CHINA, SINCE 1910

Council of China. December, 1936

Oil	*Paraffin Wax*		*Lube Grease*		*Asphalt*		*Carbon Black*	
$	*Picul*	$	*Picul*	$	*Picul*	$	*Picul*	$
54,005	—	—	—	—	—	—	—	—
91,031	—	—	—	—	—	—	—	—
66,983	154,268	1,548,474	—	—	—	—	—	—
187,656	156,730	1,752,926	—	—	—	—	—	—
221,860	175,735	2,127,378	—	—	—	—	—	—
236,180	209,636	2,672,016	—	—	—	—	—	—
163,641	152,375	2,387,912	—	—	—	—	—	—
454,752	213,659	3,878,022	—	—	—	—	—	—
507,338	110,201	1,947,351	—	—	—	—	—	—
878,490	109,272	1,888,086	—	—	—	—	—	—
1,609,817	158,818	3,217,331	—	—	—	—	—	—
1,681,139	253,692	4,140,957	—	—	—	—	—	—
2,094,042	384,791	4,465,895	—	—	—	—	—	—
2,203,554	510,582	6,076,589	22,052	252,348	—	—	8,155	397,628
3,459,657	576,934	8,852,995	17,060	21,8697	—	—	11,567	387,587
3,387,104	366,591	5,615,663	17,081	218,486	—	—	4,311	115,745
4,983,792	589,654	10,488,269	31,109	436,226	—	—	4,531	147,087
6,841,929	331,273	5,864,847	17,726	253,915	—	—	4,849	160,101
8,136,447	690,128	11,869,494	21,748	341,484	—	—	9,966	302,967
6,035,123	594,986	10,455,594	29,087	458,369	—	—	6,539	220,128
5,815,878	409,383	7,430,669	24,300	494,517	—	—	7,826	292,154
13,822,853	599,928	12,922,422	22,482	581,091	—	—	10,322	402,956
15,034,781	393,804	8,319,606	14,585	383,642	152,186	927,691	—	—
18,932,919	431,503	8,167,884	15,870	364,569	155,588	769,771	—	—
21,267,819	441,498	8,003,269	21,074	383,525	222,281	783,792	—	—
19,534,061	513,782	8,230,642	23,411	356,043	212,857	655,983	—	—
16,175,197	443,808	6,602,726	20,322	301,013	198,742	723,850	—	—

AUTOMOTIVE CENSUS OF CHINA AS OF DECEMBER, 1936

Bureau of Roads, National Economic Council of China

Provinces & Municipalities	*Passenger Cars.*	*Motor Buses*	*Motor Trucks*	*Others*	*Total*	*Remarks*
Kiangsu	675	184	75	44	978	—
Chekiang	295	358	164	16	833	—
Anhwei	30	99	41	—	170	—
Kiangsi	136	309	204	—	649	—
Hupeh	690	254	155	17	1,116	—
Hunan	48	186	54	—	288	—
Honan	38	98	35	1	172	—
Fukien	167	287	128	13	595	—
Shensi	42	93	337	7	479	—
Kansu	2	2	70	—	74	—
Shansi	92	151	129	—	372	—
Hopei	40	281	31	—	352	—
Shantung	60	615	224	5	904	—
Szechwan	427	320	79	5	831	—
Kweichow	19	84	1	—	104	—
Yunnan	29	23	128	—	180	—
Kwangtung	628	1,071	109	111	1,919	Include Kwangchowwen
Kwangsi	222	353	21	—	596	—
Ninghsia	6	17	19	—	42	—
Su yuan	17	18	61	—	96	—
Jehol	15	—	250	25	290	—
Chahar	60	15	26	—	101	—
Three Eastern Provinces	2,860	1,320	1,795	770	6,745	—
Tsinghai	3	2	4	—	9	—
Sinkiang	11	11	45	—	67	—
Nanking	1,568	222	385	72	2,247	—
Shanghai	11,882	414	3,512	878	16,686	Include Foreign Settlements
Peiping	1,382	133	263	68	1,846	—
Tientsin	1,749	149	150	77	2,125	Include Foreign Settlements
Canton	1,400	200	402	197	2,199	—
Tsingtao	856	135	250	139	1,380	—
Mongolia	100	500	—	—	600	—
GRAND TOTAL..	25,549	7,904	9,147	2,445	45,045	—

The Commission has also been engaged in various miscellaneous activities here and there concerning road maintenance, construction of safety devices and road signs, and other traffic facilities.

Active Highway Administration and Direct Operation of Transport Services.—Having constructed some of the main highways in the North-West, the Council became responsible also for their maintenance and for the promotion of transport along them. A North-West National Highway Administration was accordingly created in January, 1935. By May, just about one month after the Sian-Lanchow highway, the first highway to be built in the North-West, was opened to traffic, the administration was able to maintain a regular passenger and goods transport service between the capital cities of Shensi and Kansu. Stations, garages, hotels, restaurants, telephone and ambulance services, and other necessary conveniences were provided along the route.

This service was extremely popular among the local population, and the number of cars at the disposal of the administration soon became insufficient to meet traffic demands. From May, 1935, to the end of December, 1936, the total car kilometrage was 1,901,636.50, of which 731,685.80 were for passenger service and 1,069,950.70 were for freight. The traffic situation was aggravated when the Sian-Hanchung and the Hanchung-Ningchiang highways were opened to traffic in May and June, 1936, respectively and came within the sphere of operations of the administration. Under these circumstances, the Council found it necessary to import 100 M. A. N. Diesel cars and put 73 of them into services on these routes. Most of these new cars are now operating on the Sian-Lanchow Highway; only half a dozen are running between Sian and Hanchung. The reason why such a small number of cars has been assigned to the second route and none at all to the Hanchung-Nanchiang Highway is to be found in the fact that commercial buses are allowed to carry most of the traffic under the protection and supervision of the administration.

For the purpose of keeping the cars in proper running condition, quantities of machinery and tools for repair work and for the manufacturing of certain spare parts were purchased and installed in the work-shops of the administration.

Co-operation with Other Means of Transport.—The maximum utility of the highways may be attained only when they work in close harmony with other means of transport. Particularly important is the relationship between highway and railways, which are by nature competitive. The greatest care must therefore be exercised so as to co-ordinate these two arteries of traffic in a manner that will make each yield its maximum benefit. On this point the Council and the Ministry of Railways reached in May, 1936, an understanding which subsequently received the sanction of the Executive Yuan and the Central Political Council. The main points of this agreement are as follows:

(*a*) In consultation with the Ministry of Railways and the Military Affairs Commission, the National Economic Council shall be responsible for planning the network of highways.

(*b*) The Ministry of Railways shall be responsible for the registration of all motor transport companies either by the provincial or municipal governments or by commercial bodies, and for the approval of their charges. But all transport services operated by the N.E.C. shall be entirely under the control of the Council.

(*c*) The National Economic Council shall be responsible for highway engineering works, regulation of traffic and installation of traffic facilities, and all technical matters.

(*d*) The Ministry of Railways shall be responsible for through traffic arrangements between railways and highways, and for the improvement of business through transport. If in any case the activities of the N. E. C. be involved, the parties concerned shall consult each other on the proper measures to be taken.

The National Economic Council and the Ministry of Railways shall inform each other of its work in the special spheres of activities mentioned in these articles.

Improvement of Repair Facilities and Collective Purchase of Motor Fuels.—The expansion of motor traffic naturally requires a corresponding improvement of repair facilities. During the year under review a detailed investigation was made of all car repair-

ing services and machine shops for the manufacture of automobile parts existing in the different provinces, and a plan of co-ordination and division of labor was elaborated for them. The repairing services were grouped under three categories: 1, for major repairs; 2, for minor repairs; and 3, service cars. The work, equipments, number and location of all of these services were determined by the Council in concert with the provincial or municipal governments concernd. Those of the first category were to receive a certain amount of subsidy from the Council for the purchase of necessary machinery. Similarly, the machine shops, whether governmental or private, were assigned definite duties and subsidized in purchasing special machinery for the manufacture of parts assigned to them. Improvements of car repairing services in accordance with the above plan have been carried out in Kiangsu, Chekiang, Anhwei, Hunan, Hupeh, Honan and Shensi provinces while the machine factories have been actively expanded in the provinces of Hunan and Kiangsi.

In view of the high prices of petroleum products on the local market, the Government has deemed it necessary to purchase all it needs of such goods collectively. At a conference composed of the representatives of 23 government organs held on May 1, 1936, under the auspices of the Executive Yuan, the Council was made the controling organ of centralized purchasing. Agreements were concluded with foreign suppliers through the intermediary of the Central Trust, and collective purchases commenced on July 1, 1936.

Personnel Training, Registration of Automobile Drivers, Mechanics, and Motor Vehicles.—In anticipation of an increasing demand for technical personnel as a result of the progress made in the road construction program, the Council has organized, in collaboration with the Highway Traffic Commission, classes and institutes for the training of drivers, mechanics, etc. The graduates of these classes have been assigned to various highway organs of different provinces and municipalities for service. In 1936 three two-month courses for chauffeurs were conducted and 242 persons were trained.

The Council has entered another sphere of activity since May, 1936, namely, the registration of automobile drivers, mechanics, and other skilled motor car workers, and motor vehicles. The following tables show the number of automobile drivers, mechanics and apprentices in the different provinces and municipalities:

THE NUMBER OF LICENSED AUTOMOBILE DRIVERS IN THE PROVINCES OF KIANGSU, CHEKIANG, ANHWEI, KIANGSI, HUPEH, HUNAN, SZECHWAN AND THE MUNICIPALITIES OF NANKING AND SHANGHAI

Bureau of Roads, National Economic Council of China
December, 1936

Provinces & Municipalities	*Motorists*	*Chauffeurs*	*Total*
Kiangsu	67	1,236	1,303
Chekiang	111	707	818
Anhwei	15	148	163
Kiangsi	62	960	1,022
Hupeh	231	985	1,216
Hunan	—	313	313
Szechwan	12	799	811
Nanking	160	2,363	2,523
Shanghai	7,602	14,631	22,233
GRAND TOTAL	8,260	22,142	30,402

LICENSED AUTOMOBILE MECHANICS AND APPRENTICES IN DIFFERENT PROVINCES AND MUNICIPALITIES (END OF 1936)

Provinces & Municipality	Items	Mechanic	Fitter	Coppersmith	Blacksmith	Carpenter	Electrician	Painter	Tire Repairer	Tailor	Total	Remark
Kiangsu	Skilled Hands	4	46	7	7	4	2	5	6	3	84	
	Assistants	5	40	2	2	1	2	—	—	—	50	
	Apprentices	2	49	4	1	—	4	1	1	—	62	
	TOTAL	9	135	13	10	5	8	6	7	3	196	
Chekiang	Skilled Hands	30	122	25	14	18	24	13	10	3	259	
	Assistants	4	54	7	8	3	8	—	3	—	87	
	Apprentices	4	147	12	1	—	15	2	3	1	185	
	TOTAL	38	323	44	23	21	47	15	16	4	531	
Anhwei	Skilled Hands	3	9	2	2	2	—	—	3	—	21	
	Assistants	5	22	—	4	—	5	1	—	—	37	
	Apprentices	2	19	—	—	—	—	—	—	—	21	
	TOTAL	10	50	2	6	2	5	1	3	—	79	
Shanghai	Skilled Hands	49	628	141	34	—	94	—	—	—	946	
	Assistants	37	586	79	8	—	64	—	—	—	774	
	Apprentices	8	352	49	—	—	39	—	—	—	448	
	TOTAL	94	1,566	269	42	—	197	—	—	—	2,168	
Kiangsi	Skilled Hands	44	172	28	22	48	17	4	11	—	346	
	Assistants	19	122	19	20	8	18	9	10	1	226	
	Apprentices	9	134	5	4	—	3	1	11	—	167	
	TOTAL	72	428	52	46	56	38	14	32	1	739	
Hupeh	Skilled Hands	13	29	1	6	3	2	2	1	—	57	
	Assistants	4	15	—	4	3	1	2	1	—	30	
	Apprentices	33	56	—	1	2	—	1	—	—	93	
	TOTAL	50	100	1	11	8	3	5	2	—	180	
Hunan	Skilled Hands	34	77	9	16	2	5	—	11	—	154	
	Assistants	14	43	11	20	—	3	—	2	—	93	
	Apprentices	1	1	—	—	—	—	—	—	—	2	
	TOTAL	49	121	20	36	2	8	—	13	—	249	
Grand Total	Skilled Hands	177	1,083	213	101	77	144	24	42	6	1,867	
	Assistants	86	882	118	66	15	101	12	16	1	1,297	
	Apprentices	59	758	70	7	2	61	3	15	1	978	
	TOTAL	322	2,723	401	174	96	306	41	73	8	4,142	

III. RESEARCH AND EXPERIMENTATION

1. **Experimental Roads.**—For the purpose of studying the cost of construction and maintenance of various types of road and pavement, the Council constructed in the early months of 1933 an experimental road in the suburbs of Nanking. Two kilometers in length, it comprised 5 types of construction and 31 kinds of pavement. Three years have since elapsed, and a more or less dependable conclusion can now be reached.

A second experimental road was constructed in 1933, also in the neighborhood of Nanking, to test the characteristics and durability of different kinds of bituminous materials for road surfacing. Six kinds of material were used. The date obtained after a few months test has been very useful for the reference of highway authorities.

2. **Central Road Experiment Station.**—In the winter of the year under review, the National Economic Council started the construction of a Central Road Experiment Station, which was to constitute an integral part of the Bureau of Roads of the Council. It was designed as a laboratory for scientific research and experimentation on various technical problems of highway engineering. Construction work on the station was finished in April, 1937.

3. **Experimentation on Gas Automobiles, and Fuel Studies.**—The high cost of gasoline and other petroleum products, for the supply of which China depends entirely on foreign sources, has prompted the Government to undertake the study of gas automobiles and gasoline substitutes. Having been one of the earliest proponents of the gas automobile, the Council has lent financial assistance to several organs for experimental work. In October, 1935, in collaboration with the Highway Traffic Commission, it organized a special committee of experts to work on the same subject. Several types of gas producers have been under study, the road tests made during 1936 showing very favorable results as regards both the performance of the machine and the operating cost.

Since May, 1935, in collaboration with the Ministry of Industry, the National Central University, and other bodies, the Council has taken an active interest in the study of cotton-seed oil as Diesel fuel. During 1936 the Council made a special appropriation to the National Geological Survey for research on the hydrogenation of coal and tar products, and the synthesis of liquid fuel. Very encouraging results on these studies were reported at the end of the period under review.

COMMERCIAL AVIATION

LOH HAN-CHIN (陸翰芹)

I. INTRODUCTION

The importance of commercial aviation in China cannot be too greatly emphasized. The popularity of the passenger service and the heavy mail it carries daily are proof enough that this most modern means of communication has done much towards solving one of China's most vital problems. If we look backwards towards its early activities and follow the developments up to the present day, we shall get some idea of the trend it has taken.

The great success and rapid progress of commercial aviation in the West after the World War gave an impetus to the development of commercial air lines in China. In the year 1918 a Bureau for the Planning of Aeronautical Affairs was established under the Ministry of Communications of the defunct Peking Government. A plan of air routes was mapped out and six Handley Page passenger planes were purchased by the bureau in 1919. On April 24, 1920, the first interport trial flight was made by a Handley Page machine between Peking and Tientsin. A fortnight later, on May 8 of the same year, another trial trip, better planned beforehand, was made between the two cities. The same machine took off at 9:40 A.M. from the Nanyuan Airdrome with a group of guests and carrying mail. After a "joy ride" of fully three hours the machine arrived at the Tientsin race course at 12:40 P.M. A return trip was made the same afternoon, mails and newspapers again being carried on board. The machine departed from Tientsin at 5 P.M. and arrived at Peking at 8 P.M. This was the first flight ever to be made in China.

The bureau was amalgamated with the Administration for Air Affairs under the Cabinet in August, 1920, and was further reorganized on February 9, 1921, with the new designation of Bureau of Aeronautics. As a loan with the China Vickers Ltd. for purchasing Vimy aircraft had already been arranged by the Administration for Air Affairs, and the flying machines were delivered at the time of the inauguration of the bureau, the latter was enabled to promote commercial air activities on a larger scale. Chartered flights for sightseeing above the city of Peking were offered to the public. Another air line project was formulated with terminals at Peking and Shanghai, passing over Tientsin, Tsinan, Hsuchow and Nanking, with emergency landing grounds between every two of the above-mentioned cities. When the organization of the line was eventually completed, however, the service got further than Tsinan. A week-end passenger and mail service between Peking and Peitaiho via Tientsin was also operated from 1921 to 1924 during the summer months.

Political unrest prevented the Bureau of Aeronautics from carrying on its activities after the year 1924 and it was eventually abolished two years later, after which all attempts at commercial aviation were suspended until the National Government had established its new capital at Nanking in 1928. Steps were soon taken to re-establish commercial aviation on a new basis and in January, 1929 a Commission for Aeronautical Affairs (航空委員會) was appointed by the Minister of Communications. Simultaneously a fund of $600,000 was appropriated in the postal budget for the purpose of establishing an airmail service from Shanghai to Chengtu. After five months of preparatory work, the Administration of the Shanghai-Chengtu Air Line was inau-

gurated. Provided with four Stinson-Detroiter monoplanes, each of 300 H. P. with a capacity of six passengers, and having completed the construction of airdromes along the line, the administration began to operate on the section between Shanghai and Nanking in July of the same year. Trial flights were also made along the Nanking-Hankow section, and an extension of formal service between the two cities would have been realized, if the amalgamation of the administration with the China National Aviation Corporation had not put an end to the former's career.

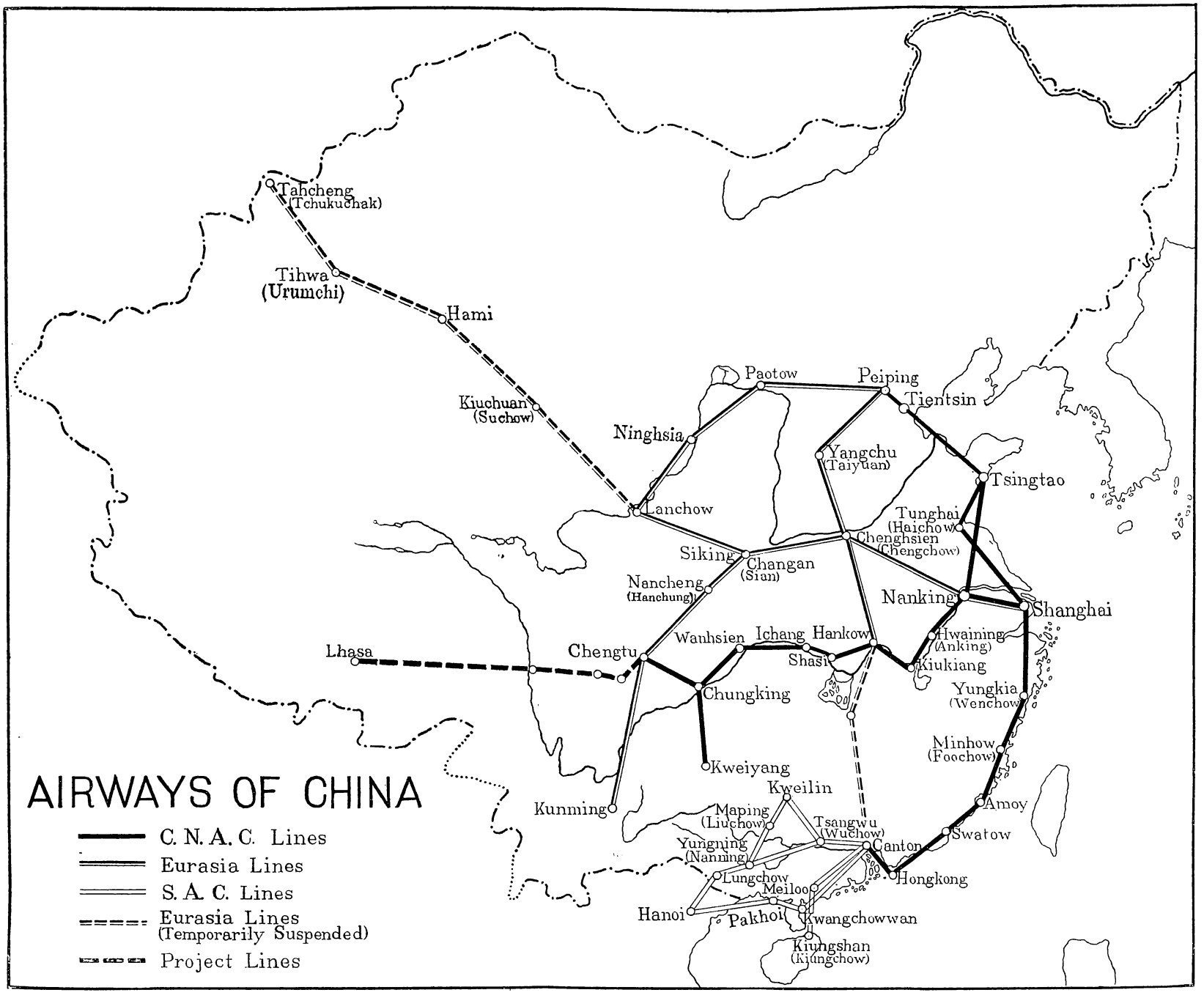
While the Ministry of Communications was directing its efforts towards the promotion of the air-mail services mentioned above, a parallel development took place along the line of commercial aviation. On April 15, 1929, an ordinance was issued by the National Government directing that an independent institution responsible to the Government, designated as the China National Aviation Corporation, be organized and authorized for the operation of air transportation. The corporation was further authorized to make a contract with an American concern known as Aviation Exploration, Inc. to collaborate in operating three air lines, namely, the Shanghai-Hankow, Nanking-Peiping, and Hankow-Canton lines. It was provided in the contract that the American concern should undertake to supply the necessary technical personnel and equipment of aircraft etc. for the operation of the air lines, and that the corporation should pay the American concern compensation for its service on a basis of mileage flown, provided that the corporation would guarantee a minimum of 3,000 miles flown every day.

The corporation began to operate the line between Shanghai and Hankow, with stops at Nanking and Kiukiang, on October 21, 1929, three months after the inauguration of the Shanghai-Nanking line operated by the Administration of the Shanghai-Chengtu Air Line. A service of three days a week was operated with Loening amphibians and was adhered to regularly for a period of several months. But it soon found that the basis of compensation was unworkable, and that two competitive lines operating at the same time would tend to hamper the development of commercial aviation in its infancy. At the same time difficulties arose in connection with the problem of jurisdiction over this new enterprise. Hence, after the situation had been carefully studied, the Ministry of Communications was authorized to take over the corporation and amalgamate it with the Administration of the Shanghai-Chengtu Air Line, and to make a new contract with the China Airways Federal Inc. U. S. A., the successor to the Aviation Exploration Inc., to collaborate in the operation, on a new basis of the reorganized institution, which, it was agreed later, was to keep its original title of China National Aviation Corporation.

According to the new contract, the China National Aviation Corporation was to be organized jointly by the Ministry and the American concern. The capital of the Corporation was fixed at $10,000,000 of which 55% was to be subscribed by the Ministry of Communications and the remaining 45% subscribed by the China Airways Federal Inc. The agreement was to be valid for a period of ten years, on the expiration of which period an extension of five years might be effected with the agreement of both parties. The Corporation was granted the right to operate certain air lines.

The reorganization of the China National Aviation Corporation undoubtedly opened up a new chapter in the history of commercial aviation in China, as it was only after its amalgamation with the Administration of the Shanghai-Chengtu Line, and its operation on the basis of the new contract that the company began to play the leading rôle in the development of the nation's civil aviation, which was thus enabled to attain its present status.

At the same time the Eurasia Aviation Corporation was founded jointly by the Ministry and the German Lufthansa Company with the object of operating an international line from Shanghai to Berlin. In the year


AIRWAYS OF CHINA
C. N. A. C. Lines
Eurasia Lines
S. A. C. Lines
Eurasia Lines (Temporarily Suspended)
Project Lines
Tahcheng (Tchukuchak)
Tihwa (Urumchi)
Hami
Kiuchuan (Suchow)
Ninghsia
Paotow
Peiping
Tientsin
Yangchu (Taiyuan)
Tsingtao
Lanchow
Tunghai (Haichow)
Chenghsien (Chengchow)
Siking
Changan (Sian)
Nancheng (Hanchung)
Nanking
Shanghai
Lhasa
Chengtu
Wanhsien
Ichang
Hankow
Hwaining (Anking)
Shasi
Kiukiang
Chungking
Yungkia (Wenchow)
Minhow (Foochow)
Kweiyang
Kweilin
Kunming
Maping (Liuchow)
Tsangwu (Wuchow)
Amoy
Swatow
Yungning (Nanning)
Canton
Lungchow
Hongkong
Meiloo
Hanoi
Pakhoi
Kwangchowwan
Kiungshan (Kiungchow)

1934 the Southwestern Aviation Corporation was organized by the Southwestern provincial governments for the purpose of establishing air services in those provinces. Both companies contributed much to the development of air transportation and deserve the attention of the public.

II. AVIATION COMPANIES

A. The China National Aviation Corporation.—The new contract made between the Ministry of Communications and the China Airways Federal Inc. U. S. A., providing for the establishment of the China National Aviation Corporation, was signed on July 8, 1930, and became effective on ratification by the National Government on July 17 of the same year. The management of the company was vested in a board of seven directors, four appointed by the ministry and three by the American shareholders. A president and two vice-presidents were to be elected by the directors from among the members of the board. The president and one of the vice-presidents were to be nominated by the ministry and the other vice-president was to be nominated by the American interests. The board was to elect the persons so nominated. The president was to act concurrently as the managing director of the company and chairman of the board. Under the board of directors three departments were to be operated, viz. the business department, the finance department and the operations department. All department managers and assistant managers were to be appointed by the board of directors.

Of the total of $10,000,000 of the authorized capital, a sum of $4,027,000 was paid up by both parties at the time of the establishment of the company. It was agreed that the remainder of the capital should be paid on a decision to that effect being carried by not less than 80% of the shareholders. In the year 1931 an increase of capital totaling $133,000 was collected from the two parties, making the total paid-up capital $4,160,000. As the development of the company's business makes an expansion of the service necessary, the board of directors has adopted from time to time resolutions urging that a further payment of capital should be effected. But every time such a resolution was submitted for the consideration of the shareholders, it was stubbornly opposed, for reasons unknown, by the American interests, and eventually rejected. Hence the paid-up capital of the company has remained at the sum mentioned above for the last several years.

B. The Eurasia Aviation Corporation.—At the same time as the reorganization of the C. N. A. C. was taking place another contract was concluded between the Ministry of Communications and the German Lufthansa Company. This provided for the joint formation of an air company, under Chinese law, to operate air lines between Shanghai and Berlin. The company thus founded is known as the Eurasia Aviation Corporation. Negotiations for the carrying out of this plan had been started as early as the middle of 1928, but a program of mutual co-operation, along lines agreeable to both parties was not worked out until February 21, 1930. The draft of the contract was signed on that date and was finally ratified by the National Government on April 9, in the same year. Fully eight months had then to be devoted to the necessary preparatory work before the company was formally inaugurated in February, 1931.

This company was originally capitalized at $3,000,000 but the amount was increased to $5,100,000 in 1933, to $7,500,000 in 1935 and to $9,000,000 in 1936. Two-thirds of the authorized capital was subscribed by the Chinese Government and the remaining one-third by the German Lufthansa Company. The company is administered by a board of nine directors, of whom six are appointed by the Ministry of Communications and three by the German shareholders. The organization of the company's executive staff is more or less the same as that of the China National Aviation Corporation.

C. The Southwestern Aviation Corporation.—The Southwestern Aviation Corporation was developed mainly under the sponsorship of the Kwangtung and Kwangsi provincial governments. On September 15, 1933, a meeting was held in Canton for the purpose of discussing the establishment of an institution to operate air lines in the southwestern provinces. Five provincial governments, namely, those of Kwangtung, Kwangsi, Fukien, Yunnan and Kweichow, were represented at this meeting, and resolutions were adopted to the effect that a Preparatory Committee for the Southwestern Aviation Corporation be organized to take charge of all preliminary work, and that a capital of two million dollars be raised and subscribed partly by the five provincial governments and partly by the public for the undertaking of the enterprise. Three standing commissioners were elected by the members of the committee during its first session, held immediately after the meeting of the representatives. A managing staff, consisting of the departments of general affairs, operation, business and finance, and a purchasing committee were organized under the control of the standing committee.

Since commercial aviation was only in its infancy in this country, it was natural that at first it should have won little confidence from financial circles. A campaign to urge the public to invest in the enterprise was organized in vain. At the end of 1933, however, a portion of the subscribed capital, amounting to $300,000 was received from the Kwangtung and Kwangsi provincial governments. Through the efforts of the managing staff, the first air service between Canton and Lungchow was opened to the public on May 1, 1934. The paid-up capital of the company was increased to $565,000 in 1935, and to $750,000 in 1936.

D. Total Capital Investment in Commercial Aviation.

Fiscal Year	*C. N. A. C.*	*Eurasia C.*	*S. A. C.*	*Total*
1930..	$4,027,000	$ 400,000	—	$4,427,000
1931..	4,160,000	1,254,000	—	5,414,000
1932..	,,	2,347,500	—	6,507,500
1933..	,,	3,495,000	—	7,655,000
1934..	,,	4,845,000	300,000	9,305,000
1935..	,,	6,237,600	565,000	10,962,600
1936 (31 Dec.)..	,,	6,912,600	750,000	11,822,600

III. AIRWAYS AND AIRPORTS

A. Air Lines.—The air lines operated in China have been increasing rapidly since the fiscal year 1930–31. By the end of that year three air routes, covering a total distance of 4,832 km., had been established, while by April, 1937, both the number and length of the nation's air lines had been tripled, totaling 11 lines and 13,292 km. not including the deviating parallel airways of the Canton-Hanoi and Shanghai-Peiping services. The increase of kilometers flown in successive years has been even more important. In the fiscal year 1930 a total of 557,163 km. was flown by the commercial aircraft in operation, while in the first six months of the fiscal year 1936, a total of 1,878,547 km. was flown—nearly eight times the figure for the same period in 1930. From the difference between the percentage of progress made in kilometers flown and total distance of lines, it will be easily perceived that the number of flights each week along all of the lines has been greatly increased since their inauguration. In order to convey a general idea of the lines now in operation, a brief sketch of each will be given in the following paragraphs.

1. *C. N. A. C. Air Routes:* (*a*) SHANGHAI-CHENGTU LINE.—This line, as indicated by its name, begins from Shanghai and ends at Chengtu, the provincial capital of Szechwan, covering a distance of 2,037 km., with stops at the intermediate cities, Nanking, Anking, Kiukiang, Hankow, Shasi, Ichang, Wanhsien and Chungking, all of them along the Yangtze River.

Before the establishment of the C. N. A. C., now in being, two regular air services along this line had already been in operation, one from Shanghai to Nanking and the other from Shanghai to Hankow, operated by the Administration of the Shanghai-Chengtu Air Line and the defunct C. N. A. C. respectively. When these lines were taken over by the C. N. A. C. in August, 1930, a reorganization of the service was carried out, and six round trips a week were run between Shanghai and Hankow. On March 31, 1932 the line was extended to Ichang, and on October 21 the same year, it was further extended westward to Chungking. Owing to local disturbances experienced in Szechwan Province at that time the last section of the line from Chungking to Chengtu was handicapped in operation and this delayed the completion of through flying on the line as a whole. It was not until June 1, 1933 that the situation in that province was improved and operation of the Chungking-Chengtu section was made possible.

The establishment of this line marked an important step in the nation's progress, as it eliminated the dangerous passage of the Yangtze Gorges, and made Szechwan province more accessible to the other parts of the country. A daily service is now operated along this line, bringing Chengtu within eight hours' reach of Shanghai —a journey which takes more than three weeks by steamship.

(*b*) SHANGHAI-PEIPING LINE.—According to the contract made between the Ministry of Communications and the American interests concerned, the second line to be operated by the company was to be the Nanking-Peiping line, via Hsuchow, Tsinan and Tientsin. This line the company did establish in April, 1931, covering a distance of 1,140 km. But as a good system of transportation was already supplied by railways along the line, it failed to compete with the latter and sustained much loss, resulting in the suspension of the service in December of the same year. After an investigation by the ministry, the company was instructed to change the route to run along the coastline from Shanghai to Peiping via Haichow, Tsingtao and Tientsin. In comparison with the former line this has the advantage of serving more busy commercial centers and having less convenient means of transportation with which to compete. As the equipment of the former line could be partly utilized, the new line was soon established and regular flights along it, with a length of 1,235 km., began from January 11, 1933.

Stinson planes were first employed on this line and the trip between Shanghai and Peiping took nine hours. Since the adoption of Douglas EC–2 machines in the service in May, 1935, the time for the journey has been greatly reduced, and by making a detour flight the line also serves Nanking as one of its intermediate stations. A regular daily service is maintained both ways.

(*c*) SHANGHAI-CANTON LINE.—This line was at first inaugurated on February 14, 1933, running from Shanghai, Wenchow, Foochow, Amoy and Swatow to Canton and covering a distance of 1,543 km. After two casualties had occurred on November 24, 1933 and April 10, 1934, in which one machine crashed on the Chusan mountain cliffs and another was totally lost during its flight over the South Sea on its southbound trip, the service was suspended and was not resumed till November 10, 1934, when precautionary measures were adopted. Since the resumption of service a schedule of four round trips a week has been operated with regularity and security. The good performance of the Douglas Dolphin amphibians employed on this line brings the two terminals within eight hours' reach whereas by steamship it takes at least three days to cover the distance.

On November 5, 1936 the line extended its service to Hongkong, linking up the Chinese airway network with that of the British Empire. Since then the quantity of mails and number of passengers carried have increased by leaps and bounds. On April 27, 1937, the first through traffic with America was inaugurated when the new Sikorsky S43 plane took off from Shanghai with passengers and an enormous first flight air-mail bags. A weekly service between Hongkong and San Francisco has been in operation since that date.

(*d*) CHUNGKING-KWEIYANG LINE.—On May 4, 1935, the airline linking up Chungking, Kweiyang, and Kunming, with a distance of 780 km., was inaugurated. A service of two round trips a week was operated for several months until the establishment of the Sian-Chengtu-Kunming and Kweiyang was dropped and only the section between Chungking and Kweiyang is being operated for the time being.

2. *Eurasia Air Routes:* (*a*) SHANGHAI-LANCHOW LINE.—The Eurasia Aviation Corporation was established to operate air lines between Asia and Europe, and consequently its activities were directed mainly toward this goal. In 1931, the year of its inauguration, an air line was established between Shanghai and Manchuli, with stops at Nanking, Tientsin, Peiping and Linsi, with the total length of 2,510 km. If this line could have been extended further to the Soviet border, connecting with a proposed Siberian air line, an intercontinental air service would easily have been realized. But the Japanese invasion of Manchuria made the realization of the plan impossible, and the Shanghai-Manchuli line was compelled to suspend operations. In order to accomplish its aim of establishing safe and rapid air communication with Europe, the company attempted to find a way over the northwestern border. After several trial flights a route along the line of Shanghai, Loyang, Sian, Lanchow, Suchow, Hami, Urumchi, Tchukuchak was selected. On April 1, 1932, a regular air mail service along the Nanking-Sian section was opened to the public. On May 8 of the same year, the line was extended westward to Lanchow, and four months later, an extension eastward to Shanghai was made. The section between Lanchow and Urumchi, a distance of 1,675 km., is the most dangerous part of the line, being covered with high mountains and long stretches of desert. In order to construct the necessary ground works fuel and equipment had to be carried to Urumchi by camel caravan, a journey of many months. In spite of all these difficulties air service was extended to Urumchi, on December 5, 1932, through the persistent efforts of the company. One step further and it would have reached the border of Soviet Russia, but in November, 1933, political developments in Sinkiang raised a new obstacle. Hence the company was obliged for the time being to limit its service to Lanchow, and since then two round trips a week have been flown regularly between Shanghai and Lanchow.

(*b*) PEIPING-CANTON LINE.—When the Shanghai-Sinkiang line was established, the company was instructed to operate a Peiping-Loyang line and a Canton-Sian line simultaneously, meeting the former at Loyang and Sian respectively, in order to link up the South and North with the northwestern provinces of the country. After several attempts and much rerouting the line running through Peiping, Chengchow, Hankow, Changsha and Canton came into being in the year 1934, with a distance of 2.050 km. In July, 1935, floods damaged the airdromes at Changsha, Hankow and Canton and the service along the section between Chengchow and Canton had to be suspended. At the end of the following year the service was again re-routed, the line now running through Peiping, Taiyuan, Chengchow and Hankow. Since that time two round trips a week have been operated.

(*c*) PEIPING - LANCHOW LINE. — North of Lanchow is Ninghsia province, which is rich in natural resources but has little commerce with the outside world owing to lack of transportation. Calm weather is experienced in the province as a rule and

topographical conditions are convenient for aviation. In accordance with the policy of developing the resources of the northwestern regions, the ministry instructed the company to operate an air line between Lanchow and Ninghsia. After one month of necessary preparation, the line, 400 km. in length, was inaugurated on June 20, 1934. The trip by air from Lanchow to Ninghsia takes less than two hours, a fact which radically revolutionizes communications with that province. In November of the same year, the line was extended to Paotow and on December 25, 1936, it was further extended to Peiping under the new name of the Peiping-Lanchow Line, with a total length of 1,350 km. Two round trips per week are operated along this line.

(*d*) SIAN-KUNMING LINE.—Air service between Sian and Chengtu via Hanchung began on September 25, 1935, and was extended to Kunming on April 1, 1936. At present two round trips a week are made by Junkers Ju52 machines; each takes six and half hours, covering a distance of 1,300 km.

3. *Southwestern Aviation Corporation Air Routes:* (*a*) CANTON-HANOI LINE.—This is the first line ever established for the purpose of operating an international air service in this country. Negotiations had been under way for several years before an agreement was reached between the Chinese and French Governments to the effect that an air line should be operated by the Chinese Ministry of Communications, from Canton to Hanoi in French Indo-China, connecting with the Marseilles-Hanoi air line operated by French interests. A contract was signed by representatives of the Chinese Ministry of Communications and the French Air Ministry on September 30, 1935.

As a chain of airways connecting Kwangtung and Kwangsi Provinces had already been established by the Southwestern Aviation Corporation the latter was instructed to operate the Sino-French Line on behalf of the ministry. At the request of the company, it was further agreed between the two ministries, after notes had been exchanged, that the company should operate first on the Canton-Wuchow - Nanning - Lungchow - Hanoi line, and, at such time as was considered fit by the company, it should begin to operate a parallel line running through Canton-Kwangchowwan-Pakhoi-Hanoi at the same time.

The first, or western line, covering a distance of 838 km., was inaugurated on July 10, 1936, and the second or southern line, covering a distance of 101 km., was inaugurated on April 4, 1937. Along each of these lines a weekly service is provided by Stinson planes. A new tri-motor giant Stinson plane with all modern equipment has been purchased by the company and is expected soon to be placed in the service.

(*b*) CANTON-NANNING LINE.—Air service between Canton and Lungchow via Wuchow and Nanning was first opened to the public on May 1, 1934, and since then two round trips a week have been flown, taking four hours and twenty minutes per trip. After the establishment of the western route of the Canton-Hanoi line, a re-routing of the former was effected. Under the new arrangement it begins at Canton and ends at Nanning, with stops at Wuchow, Kweilin and Liuchow, covering a distance of 777 km.

(*c*) CANTON-KIUNGCHOW LINE.—On September 1, 1934, an air line linking up Canton, Meiloo, Kiungchow, and Pakhoi was established by the company. A weekly service was operated until the inauguration of the southern route of the Canton-Hanoi line on April 4, 1937, when the service along the Kiungchow-Pakhoi section was dropped. The distance from Canton to Kiungchow is 505 km.

4. *Projected Lines.*—Recognizing the importance of commercial aviation, the Ministry of Communications has spared no effort in pushing it forward, and a project for completing the network of airways throughout the country has long been mapped out. A few of the projected airlines that will commence their operation in the immediate future are as follows:

(*a*) Chengtu-Lhasa Line, an extension of the Shanghai-Chengtu Line westward to that provincial capital of Tibet, with a length of

about 1,400 km., bringing that distant city within two days' travel from Shanghai.

(*b*) Chungking-Chengtu Riverside Air Line, a feeder line running through Kiating, Tzuliuching, Iping, Siuchow to meet the Shanghai-Chengtu trunk line at Chengtu and Chungking.

(*c*) Canton-Kunming Line, serving Wuchow, Kweilin and Kweiyang, with Canton and Kunming as its terminals.

(*d*) Kunming-Hanoi Line.

(*e*) Lanchow-Sining Line, an extension of the Shanghai-Lanchow Line, rendering the capital of Chinghai province accessible by air.

B. Airports.—The aviation companies are furnished by the government with airdromes at every scheduled stop, and several supplementary airdromes are provided at emergency points along the different lines mentioned above. A complete list is given as follows:

LIST OF CIVIL AIRDROMES

Airdromes	*Geographical Position*	*Radio Call Sign*	*Meteo.*	*Repairs*	*Hangars*
Shanghai	N 31°14′– E 121°30′	XSA3–5	yes	yes	yes
Nanking	N 32°03′– E 118°48′	XSA6	yes	yes	yes
Anking	N 30°31′– E 117°02′	XSA–7	yes	—	—
Kiukiang	N 29°43′– E 116°03′	XSA–8	yes	—	—
Hankow	N 30°33′– E 114°17′	XSA–9	yes	yes	—
Shasi	N 30°16′– E 112°17′	XSB3–4	yes	—	—
Ichang	N 30°42′– E 111°17′	XSB–5	yes	—	—
Wanhsien	N 30°19′– E 108°24′	XSB–6	yes	—	—
Chungking	N 29°34′– E 106°35′	XSB7–9	yes	yes	—
Chengtu	N 30°40′– E 104°04′	XSC–4	yes	yes	—
Kweiyang	N 26°35′– E 106°43′	XSC–9	yes	—	—
Haichow	N 34°34′– E 119°12′	XSD–5	yes	—	—
Tsingtao	N 36°04′– E 120°19′	XSD–6	yes	—	—
Tientsin	N 39°08′– E 117°12′	XSD–8	yes	—	—
Peiping	N 39°56′– E 112°25′	XSD–9	yes	yes	—
Wenchow	N 28°01′– E 120°38′	XSF–5	yes	—	—
Foochow	N 26°05′– E 119°19′	XSF–6	yes	—	—
Amoy	N 24°27′– E 118°05′	XSF–7	yes	—	—
Swatow	N 23°22′– E 116°39′	XSF–8	yes	—	—
Canton	N 23°07′– E 113°16′	XSF–9	yes	—	—
Suining	N 30°31′– E 105°33′	XSC–3	yes	—	—
Nantung	N 32°02′– E 120°52′	XSD–4	yes	—	—
Yangkiokow	N 37°16′– E 118°53′	—	—	—	—
Ansi	N 40°20′– E 96°00′	XRJ	yes	—	—
Changsha	N 28°00′– E 113°05′	—	—	—	—
Chengchow	N 34°38′– E 113°37′	XRC	yes	yes	—
Hanchung	N 33°10′– E 107°05′	XRA–5	yes	yes	—
Kunming	N 25°02′– E 102°42′	XRE	yes	yes	—
Lanchow	N 36°02′– E 103°50′	XRF	yes	yes	—
Liangchow	N 37°55′– E 102°50′	—	—	—	—
Ninghsia	N 38°30′– E 106°16′	XRA–2	yes	yes	—
Paotow	N 40°36′– E 110°02′	XRA–3	yes	yes	—
Sian	N 35°00′– E 108°30′	XRD	yes	yes	yes
Suchow	N 39°48′– E 99°34′	XRI	yes	yes	—
Taiyuan	N 37°55′– E 112°30′	XRQ	yes	—	—

C. Comparative Statistics:

KILOMETERS OF AIRLINES AND NUMBER OF AIRPORTS, 1930-36

End of Fiscal Year	*Airlines Operated Km.*	*Index Number*	*Airports Called**	*Index Number*
1930	4,832	100	13	100
1931	5,537	115	17	131
1932	7,507	155	22	169
1933	9,429	195	24	185
1934	11,841	245	32	246
1935	12,711	263	33	254
1936	13,292	275	37	285

*Any port called at by more than one line is counted as one.

IV. AIRCRAFT AND OTHER EQUIPMENT

Coinciding with the growth of the nation's commercial aviation during the last few years, an increase in the quantity as well as an improvement in the quality of the aircraft on service has been witnessed. At the end of the fiscal year of 1930, the fleet owned by the C. N. A. C. consisted of four Loening amphibians, six Stinson planes, while that of the Eurasia Aviation Corporation consisted of two Junkers F13, and two Junkers W33, making a total of fourteen machines. By the end of the calendar year 1936, the fleet of the C. N. A. C. had increased to four twin-motor Douglas DC–2 giant planes, one tri-motor Sikorsky S43 giant airliner, two tri-motor Ford planes, two Douglas Dolphin amphibians, five Stinson planes, and five Loening amphibians, while the Eurasia fleet now consists of five tri-motor Junkers Ju52 giant planes, two Junkers W34, two Junkers W33, one Junkers F13, and the Southwestern Corporation had five Stinson planes, making a total of 34 machines, or a gain of 140% over the number in the year 1930. If a comparison be made between the planes employed by the companies in the year 1930 with the new giant planes employed recently, the superior quality of the latter is still more notable:

Year	*1930*		*1936*	
Type of Machine	Junkers F13	Loening	Junkers Ju 52	Douglas DC–2
Type of Motor	Junkers L5 water cooled	Hornet air colled	P & W Hornet air cooled	Cyclone SGR–1820 F2 air cooled
Number of Motors	1	1	3	2
Horse Power	280–310	525–575	1980	1420
Cruising Speed per Hour	165–168 km.	169 km.	260 km.	322 km.
Range	900 km.	845 km.	500 km. (with a load of 9,200 kg.)	1973 km.
Ceiling	3,500 m.	4,206 m.	6,500 m.	7,174 m.
Net Weight Capacity	800 kg.	948 kg.	2,800 kg.	2,818 kg.
Seating Capacity	4	6	16	15

Since the safety and security of the commercial flying depends much upon the intelligence system kept up between the ground stations and the aircraft, radio transmitters and receivers have been installed by the companies on the machines as well as at different stations along the air routes. In order that full and complete meteorological information may be obtained and precautionary steps be adopted during flight, radio stations have also

been established at emergency fields and at such points where a sudden change of weather would be likely to occur. The introduction of a homing device by the Eurasia Company recently marked another important improvement in its safety equipment. Wireless beacons have been erected on junctions along air routes; and direction finders installed on aircraft. Through the functioning of this equipment, the flying machines are enabled to fly in bad weather affording poor visibility without the danger of running astray. Following the example of the Eurasia Company, experimentation with the homing device has been conducted on several of their airplanes by other companies, and it is expected that all commercial planes and airports will be equipped with this innovation in the immediate future.

V. VOLUME OF BUSINESS

Air services offered by the aviation companies chiefly comprise scheduled air lines to carry passengers, mails and freight. Since private aviation in this country is rare, the companies also offer sight-seeing flights and chartered flying by special arrangement.

The volume of business developed by the commercial air services in China has increased rapidly in the past several years. During the fiscal year of 1930, when the China National Aviation Corporation and Eurasia Aviation Corporation began to operate, 2,915 passengers were carried along different lines; while in the fiscal year of 1935 the number of passengers flown was 19,875, nearly seven times as many. During the first half of the fiscal year of 1936, the total, not including passengers carried by the Southwestern Corporation, was 14,132 —a gain of more than 50% as compared with the same period of the preceding fiscal year.

During the fiscal year of 1930, air mails carried by the companies totaled 25,955 kg. net weight. The total increased steadily in the following few years, reaching 77,205 kg. in the fiscal year of 1935, this being triple the amount carried in 1930. The total excluding mails carried by the Southwestern Corporation was 50,040 kg., for the first half of the fiscal year of 1936, representing a gain of more than 50% as compared with the same period of the preceding year.

Among the most important factors which contributed to the increase of air passengers and mails may be cited improvement of the service, increase of interest in air communication and travel on the part of the pubilc and decrease of passenger fare and air-mail postal tariff. Passenger fares have been lowered by the companies on several occasions, and by canceling the system of whereby the flying zone was taken as a basis for postal charge, the air mail tariff was greatly reduced. Originally charges on air letters and postcards were collected according to the distance flown. Every thousand kilometers or fraction thereof flown was taken as a flying zone and a unit of postal fee was charged accordingly. Thus the length of the Shanghai-Chengtu line is 2,073 km. and it was therefore divided into three flying zones. This meant that for a letter sent from Shanghai to Chengtu by air, not being over the weight of 20 grams, an extra air-mail postage of 75 cents was charged in addition to the ordinary postage. Since the cancelation of this system air postage of 25 cents only has been charged for every unit sent anywhere within the country. The result is that the air postage charged on a letter sent from Shanghai to Chengtu has been reduced to one-third of the old rate. With the reduction of passenger fare and mail tariff it is expected that many people who have reason to use airlines either for the purpose of making a journey or else to send mails, but who could not afford to do so formerly, will now be attracted to this new means of communication, thus increasing the volume of business done.

The increase of business has resulted in an increase in the operating revenues of the companies, a fact which significantly illustrates the progress of the industry. The revenue derived from air services was only a little more than $500,000 in the fiscal year of 1930, while that for the fiscal year of

1935 amounting to $3,745,595, or more than seven times the 1930 figure. For the first half of the fiscal year of 1936 the total revenue, excluding that of the Southwestern Aviation Corporation, was $2,471,239, representing an increase of 50% as compard with the preceding year, or eleven times the revenue in 1930.

The increase of operating revenue is further reflected in the financial condition of the companies. During their early years both the China National Aviation Corporation and the Eurasia Aviation Corporation sustained substantial losses. As returns in respect of passengers, freight and mails increased, however, their financial status were materially improved. Since the year 1934 the C. N. A. C. has been able to show a profit without receiving any subsidy from the government, an accomplishment rarely found among air transportation companies anywhere in the world. The financial condition of the Eurasia Corporation is not so promising as that of the C. N. A. C., but it is improving and revenue and expenditure are expected to balance in the near future.

The progress made by the companies as regards volume of business is illustrated in the following table:

Fiscal Year	*Km. Flown*	*No. Of Passengers Carried*	*No. of Passenger km. Flown*	*Net Weight in Kilos of Mail Carried*	*Operating Revenue*
1930	557,163	2,915	1,245,749	25,955	$ 517,124
1931	1,090,129	3,725	1,323,119	44,486	777,556
1932	1,135,446	3,067	1,706,128	41,705	1,161,294
1933	1,730,260	5,220	2,720,945	48,083	1,840,780
1934	2,347,192	8,260	4,383,392	56,819	2,063,093
1935	2,861,962	19,875	10,642,538	77,205	3,745,595
1936* .. .. .. (Jan.-June)	1,878,547	14,133	8,322,188	50,040	2,471,239

*Not including Southwestern Aviation Corporation.

VI. PILOTS AND MECHANICS

As commercial aviation is a comparatively new development in China, difficulty has been experienced in the matter of recruiting technical workers such as pilots and mechanics. When the C. N. A. C. and the Eurasia Corporation began their operations several years ago their machines and workshops had to be manned mainly by foreign crews and mechanics. In order to cope with this situation, steps were taken to train Chinese technical workers, and by the end of the year 1936 a dozen Chinese pilots and a larger number of co-pilots were working on different services. The workshops of the companies are now staffed mainly by Chinese workers. With continuance of training work by the companies and the recruitment of men from amongst students returning from abroad as well as those graduating from the different aviation schools in this country, the organization of a technical staff consisting entirely of Chinese nationals is expected shortly to become an accomplished fact.

VII. INTERNATIONAL AIR SERVICES

The year 1936 witnessed many important events connected with the air in this part of the world, of which the most notable was probably the trial flight made by an American trans-Pacific air liner from Manila to Hongkong after having concluded its regular cross-ocean flight.

The European air services such as the British Imperial Airways line, the French Marseilles-Saigon line and the Netherlands', Amsterdam-Bandoeng line connect Europe and the Far East, while the American trans-Pacific air line links up the Orient and the Americas. Only the gap between

Manila and Hongkong remained to be bridged to provide a round the world air service. This was supplied on April 27, 1937 when the first China-America through passage commenced from Shanghai, completing the circuit.

The interest displayed by China in the promotion of international air communications is evidenced by the inauguration of the Sino-French air line between Canton and Hanoi, on July 10, 1936, and the extension on November 5, of the same year of the air service to Hongkong by the Shanghai-Canton Line, which paved the way for through traffic with America. As a result of these arrangements London and Paris may now be reached from Shanghai by air within eleven days and San Francisco within seven days.

APPENDICES

I. REGULATIONS GOVERNING TRAVELING BY AIR

(Revised in March, 1936)

Article 1. Persons suffering from neurosis, contagious diseases or under the influence of liquor, and unescorted children are not allowed to travel by air.

Article 2. Passengers are not allowed to carry contraband goods, goods of dangerous character, surveying instruments, cameras or telescopes.

Article 3. Passengers are not allowed to make surveys, or to draw maps during the course of flight.

Article 4. Passengers are not allowed to drop any article from the airplane during the course of flight.

Article 5. Passengers are not allowed to smoke, to drink liquor or create a disturbance during an air trip.

Article 6. Passengers must submit to legitimate inspection carried out by the proper authorities or by employees of the aviation company.

Article 7. Passengers are not allowed to carry letters for others.

Article 8. Any passenger violating Articles 2 or 3 of this regulation is liable to have the goods in question detained and handed over to the appropriate authorities for disposal; any passenger violating Articles 4 or 5 shall be expelled from the airplane at the next landing; any passenger not complying with Article 6 shall not be permitted to board the airplane; any passenger violating Article 7 shall be compelled to pay double postage on letter or letters carried and the same shall then be dispatched by the regular channels of the post office.

Article 9. Any passenger who violates Articles 4, 5 or 6 and is thereby expelled from an airplane or is prevented from boarding an airplane shall not be entitled to refund of the fare paid.

Article 10. In case criminal conduct is suspected in connection with violation of Articles 2, 4 or 6, the employee of the aviation company may turn over the offending passenger to the appropriate authorities for prosecution.

Article 11. These regulations shall come into force on the date of promulgation.

II. STATIONS AND OFFICES

A. China National Aviation Corporation:

Offices	*Locality*	*Telephone*
Shanghai (H. O.)	Post Office Building, corner of North Szechwan and North Soochow Roads	40040
(Booking Office)	No. 57, Nanking Road	12955
Nanking	11, 12 Hsing-Kai-Kou, Chung Shan Road	22174
Anking	51, Tai Ping Sze, West Gate	47
Kiukiang	147, Yi Mah Loo	192
Hankow	Astoria Building, French Bund	21096
Shasi	China Merchants' Steamship Co., Erh Mah Tao	122
Ichang ..	No. 18, Bing Kiang Road	93
Wanhsien	Shi-Shan-Li, Kiang-Tu Sze Street Erh Mah Loo	210
Chungking	No. 5, Huang Shao Street	156
Chengtu	30, Hsin Yu Sha Street	271
Kweiyang	Yee Hong Road	—
Haichow	286, Lung-Shi-Hiang, Hsing-Pu-Cheng	—
Tsingtao	68, Chung Shan Road	4911
Tientsin	100, Rue Pasteur, French Concession	30980
Peiping	16, Tung Chang An Chieh	4260
Wenchow	41, Hwa Liu Tang, Near Chung Shan Park	78
Foochow	Foochow Motor Sales Co., 123, Chung Ping Road	2890
Amoy	Paramount Motors Co., Amoy Waterworks Building	989
Swatow ..	San Shing Co., 30, Chi Ping Road	1352
Hongkong	3 Peninsula Hotel Arcade, Kowloon	50605
	King's Building, 8, Connaught Road	33131
Canton	37, Taiping Road South	15004

B. Eurasia Aviation Corporation:

Offices	*Locality*	*Telephone*
Shanghai (H. O.)	97, Jinkee Road	15788
Nanking	11, Hsing-Kai Kou, Chun Shan Road	22961
Chengchow	11, South Teng Mo Road	234
Sian	West Suburban	450
Hanchung	77 North Street	—
Chengtu	1, Chung Hsi Road (North End)	64
Kunming	Shion Nei Kai	Eurasia
Hankow	—	—
Lanchow	9, Tao Sen Hong	39
Ninghsia	33, Me Liang Sze, Inside City	79
Paotow	7, Ta Wen Ming Hong	45
Peiping	3, Morrison Street	*East* 3539
Taiyuan	Tseng Dah Hotel	
Suchow	98, Pei Ta Kai	

C. Southwestern Aviation Corporation:

Offices	*Locality*	*Telephone*
Canton (H. O.)	226, Man Fuk Road	—
Wuchow	86, Upper Chu Kee Road	—
Nanning	7, Min Sheng Road	—
Lungchow	52, Lung Han Street	—
Kiungchow	9, Tack Shing Road	—
Pakhoi	Lim Pak Road	—

SHIPPING

LOH HAN-CHIN (陸翰芹)

I. ADMINISTRATIVE ORGANIZATION AND REGULATION

A. The Highest Administrative Organ. — With the establishment of the National Government at Nanking in 1927 many innovations in the machinery of the government were made, and among them was the organization of a department of navigation administration within the Ministry of Communications to control and supervise navigation, shipping, seamen and other maritime affairs. But in order to make the innovation effective and workable, the jurisdiction of the ministry over navigation, in relation to the authority exercised by the Ministry of Navy, the Maritime Customs and the local governments, had to be further defined and confirmed. It was to this end that in June, 1929, a resolution was adopted by the Central Executive Committee of the Kuomintang, during its second plenary session, to the effect that, "The administration of marine affairs should be controlled by the Ministry of Navy, and the administration of navigation by the Ministry of Communications. A detailed scheme for the demarcation of their respective fields of jurisdiction should be elaborated by the Executive Yuan and submitted to the Central Political Council for approval." In accordance with this resolution, an outline drafted by the Ministry of Communications demarcating navy and navigation affairs was adopted by the Executive Yuan in August of the same year and was approved by the Central Political Council. According to this outline, the navigation affairs, or the scope of the jurisdiction over navigation that should be exercised by the Ministry of Communications, includes: "The control and supervision of navigation routes and navigation signals; control and operation of state shipping companies; supervision of private shipping companies; registry of mercantile vessels and issuance of certificates and licenses thereto; projection and construction of harbors; water conservation works along navigation routes; control and supervision of shipping, seamen and shipbuilding; care for the welfare of seamen; and other navigation affairs."

In July, 1929, another resolution was adopted by the Central Political Council as a directing principle for the nation's policy toward navigation. It reads as follows: "For the sake of unification and co-ordination, the administration of all harbors shall be controlled by the Ministry of Communications; while harbor business such as the operation and management of wharves, warehouses godowns, docks, navigation signals within the harbors etc., shall be carried out by local governments, under the supervision of the ministry. The part of the navigation administration formerly consigned to the control of the Maritime Customs shall maintain its status quo for the time being, but it must be executed under the supervision of the ministry. Codes of maritime law are to be enacted and promulgated by the National Government as soon as possible. The right of foreign vessels to navigate along the Chinese coasts and inland waterways must be abolished at the earliest opportunity."

B. Navigation Bureaus.—Since the directing principle of the national policy toward navigation and the demarcation between navigation and marine administration were confirmed by the Central Political Council, the preparatory work for establishing navigation bureaus was started by the Ministry of Communications as early as February, 1930. The Law for the Organization of Navigation Bureaus was promulgated by the

National Government in December of the same year. In June, 1931, four navigation bureaus were inaugurated, situated at Shanghai, Hankow, Tientsin and Harbin respectively. The Shanghai bureau was to supervise the navigation affairs for Kiangsu, Chekiang, Anhwei provinces; the Hankow bureau for Hupeh, Hunan, Szechwan and Kiangsi provinces; the Tientsin bureau for Hopei, Shantung and Liaoning provinces; and the Harbin bureau for the Amur and Sungari Rivers. The bureau at Canton for Fukien, Kwangtung and Kwangsi provinces was established on September 1, 1936. The Harbin bureau was compelled to cease operation after the Japanese occupation of Manchuria on September 18, 1931.

C. Organization of Suboffices. — At first the navigation bureaus at Shanghai, Hankow, Tientsin and Harbin all had under them several suboffices and registry stations, situated at important navigation ports to execute the work of shipping registry, inspection and survey. As those suboffices and registry stations were not properly situated and difficulties were met with in handling them, they were finally abolished in August, 1932. In their stead a reduced number of shipping registry stations were established under different bureaus. The stations under the Shanghai bureau were Woosung, Chinkiang, Hangchow, Ningpo, Wenchow, Wuhu, Soochow, Minhong, Haichow, Tsinkiangpu, Wusih, Shihpu, Wushin, Hwayang and Tsunyang. Those under the Hankow bureau were Kiukiang, Chungking, Changsha, Ichang, Shasi, Yuehyang, Hukow, Hsia-ma-chi, Wang-chin-tang, Hsia-sin-ho, Nanchang, Changteh, Iyang, Yingyang, Hechwan and Luhsien. Those under the Tientsin bureau were Chinwangtao, Tsingtao, Chefoo, Tah-hung-chiao, Chiehyuan, Ting-tzu-ku, Shiao-wang-chong, Tangtah, Lungkow, Weihaiwei, Tehchow and Tsinan.

When the regions under the jurisdiction of navigation bureaus were strictly confined to important rivers and the coasts, a second reorganization of the bureaus was carried out. In February, 1933, all of the registry stations were abolished and in their stead navigation offices were established at Ningpo, Wenchow, Chinkiang, Haichow and Wuhu under the Shanghai bureau; offices at Kiukiang, Changsha, Ichang and Chungking were put under the Hankow bureau; offices at Tsingtao, Chefoo, Weihaiwei, Chinwangtao were under the Tientsin bureau; offices at Foochow and Amoy were under the direct control of the ministry. When the Canton bureau was inaugurated on September 1, 1936, the offices at Foochow and Amoy were transferred to its control and meantime three offices at Swatow, Haikow and Kiangmen, respectively, were also established under it.

D. Maritime Laws and Ports of Registry.—Between the years 1929 and 1931, codes of Maritime Law, Shipping Law, Law of Registry of Ships, and Law of Load Line of Ships were all enacted and promulgated by the National Government; in accordance with these laws, Regulation of Ship-surveying, Regulation of Ship Inspection, and Regulations for Issue of Nationality Certificate were also promulgated by the Ministry of Communications.

To facilitate the control of vessels, ports of registry were named in June, 1933, in a ministry order. Totaling 46 in number they were as follows: Nanking, Shanghai, Haichow, Chinkiang, Nantung, Ningpo, Haimen, Wenchow, Wuhu, Anking, Tientsin, Chinwangtao, Luan-ho-kow, Tsingtao, Weihaiwei, Chefoo, Lungkow, Hulotao, Yingkow, Antung, Canton, Samshui, Kiangmen, Swatow, Suiting, Pakhoi, Haikow, Wuchow, Nanning, Foochow, Amoy, Chuanchow, San-tuao, Hankow, Shasi, Hukow, Wanhsien, Chungking, Ichang, Changsha, Yuehchow, Kiukiang, Harbin, Hulin, Lungkiang and Taheiho. Those ports that were not provided with navigation bureaus or navigation offices were to be controlled by the bureaus or offices in their neighborhood.

E. Scope of Maritime Jurisdiction Defined.—According to the Maritime Law, the ships that come under the supervision of the navigation bureaus are divided into four kinds, namely, (1) seagoing steamships

with a registry tonnage of more than 20 tons, (2) seagoing sailing vessels with a load capacity of more than 200 piculs, (3) steamships with a registry tonnage of more than 20 tons, navigating on waters accessible to the sea and navigable by seagoing vessels, (4) sailing vessels except those moved mainly by human power, with a load capacity of over 200 piculs, navigating on waters accessible to the sea and navigable by seagoing vessels.

The meaning of the clause "waters accessible to the sea and navigable by seagoing vessels" is ambiguous, giving rise to the possibility that different interpretations of it would often lead to conflict between the navigation bureaus and local governments regarding their respective scopes of jurisdiction. To eliminate all possibility of conflict, it was definitely laid down by the Ministry of Communications that the said waters should include the section of the Yangtze River from its mouth to Chungking, the section of the Haiho from its mouth to Tientsin, the section of the Pearl River from its mouth to Wuchow, the section of the Siankiang from Hankow to Changsha, the section of the Whangpoo from its mouth to Shanghai, the section of the Menkiang from its mouth to Nantai, and all inlets and bays along the coastline, navigable by seagoing vessels. Since the publication of this regulation, the work of the navigation bureaus and local governments has been properly ordinated.

II. SHIPPING ADMINISTRATION

A. Registry, Inspection and Survey of Ships.—All kinds of steamships as well as sailing vessels governed by the Maritime Law are subject to inspection, survey and registry by the navigation bureaus, as provided in the Regulation of Shipping Inspection, the Regulation of Ship-surveying and the Law for the Registry of Ships. The owners of such vessels must first choose a port of registry for their vessels, and then apply to the navigation bureau or office in charge of the said port for inspection, measurement and registry. After the necessary procedure has been duly carried out, certificates of tonnage and seaworthiness are issued to the vessels concerned by the bureau or office. Duplicate copies of these certificates are sent to the ministry, which, on receiving them issues nationality certificates. In the case of fishing vessels, fishing licenses are issued by the Ministry of Industry and must also be sent to the Ministry of Communications for inspection before nationality certificates are issued.

B. License, Inspection and Survey of Small Steamships.—Before the promulgation of the Maritime Law, there was no difference between the treatment of small steamships and ships having a total tonnage of more than 20 tons. An evil system of double administration over steamships between the Maritime Customs and the Ministry of Communications was also in practice. At that time all kinds of steamships had to have licenses issued by the ministry and "shipping license plates" issued by the Maritime Customs.

When the Regulation for Registry of Steamers was amended and promulgated by the ministry in May, 1931, unification of shipping administration was emphasized and the system of license plates issued by the Maritime Customs was eventually abolished.

Upon the promulgation of the Maritime Law, the method of handling of the steamers of more than 20 tons became different from that of handling those of less than 20 tons, as the former had to have a nationality certificate in accordance with the law, while this was not required of the latter. In order to facilitate the administration of the smaller steamers, a Regulation for License, Inspection and Measurement of Small Steamships was issued by the ministry. According to this regulation, small steamers of under 20 tons must be inspected and measured by the navigation bureaus or offices and must receive certificates from the latter. On receiving duplicate copies of these certificates sent by the navigation organs or directly by the owner of the steamers, the

Ministry of Communications will issue licenses to the steamers.

C. License, Inspection and Measurement of Barges.—Barges are moved neither by engines nor by sails; therefore they are not governed by the Maritime Law and are not required to have nationality certificates. For the supervision of this kind of vessel, a special regulation was published in June, 1933. It provided that all kinds of barges, large or small, must be inspected and measured by the navigation bureaus or offices in order to get certificates of tonnage and seaworthiness. These certificates, or duplicate copies of them together with documents of ownership, stamp and license dues should be sent either through the navigation bureaus or directly by the owners of the vessels to the ministry, which on receiving them, should duly issue licenses.

The regulation for barges is also applicable to those of foreign ownership.

D. License, Inspection and Measurement of Hulks and Pontoons.—In January, 1928, a regulation for the control of hulks and pontoons was issued by the Ministry of Communications. It was amended twice in April, 1928 and April, 1934 respectively. According to this regulation, every hulk must be inspected and measured by the navigation authority before it is legally available for use and a license must be procured from the Ministry of Communications. Pontoons are exempted from these limitations.

III. EDUCATION AND SUPERVISION OF SEAMEN

A. Establishment of the Woosung Mercantile Marine College.—The Woosung Mercantile Marine College was organized in the later years of the Ching dynasty and was soon suspended owing to financial difficulties. During the college's brief existence, more than 30 students were graduated; these are now serving on different merchantmen and all have made good records. But since the suspension of this college nothing of its kind has existed in this country for many years. The resultant lack of competent mariners has been an important factor in the backwardness of the nation's navigation enterprises, and, on perceiving this fact, an endeavor to restore the Woosung College was made by the Ministry of Communications in 1928. After one full year devoted to preparatory works had elapsed, the college was reinaugurated in July, 1929, and one class of students was conscripted for the navigation department. In the next year, an engineering department was established and students were enrolled in both departments. In order that the students should have practical experience as well as theoretical knowledge they have been required to serve apprenticeships either on board navigating ships or in shipbuilding factories for two years besides the usual two years spent in the college, before they can receive diplomas from the school.

During the growth of the college, a blow was received through the Japanese invasion of Shanghai in 1932, during which all of the school buildings together with their equipments were destroyed. The college was compelled to move to Shanghai temporarily and to continue its teaching in a rented house. Because the repair on the college buildings was not completed the school remained in Shanghai till the beginning of 1933.

In June, 1933, the first class of 22 navigation students was graduated. As they all served as acting mates during the end of their apprenticeship on mercantile ships, certificates of first grade mate were conferred upon all of them by the Ministry of Communications. Through the formal introduction of the college they were all engaged by navigation companies. In the summer of 1934 the second class of 21 navigation students and the first class of 13 engineering students were graduated. In 1935 the third class of 14 navigation students and the second class of 16 engineering students, and in the year 1936 the fourth class of 20 navigation students and the third class of 16 engineering

TOTAL SHIPS REGISTERED UP TO THE END OF 1935

Ports	Steamers		Motor Boats		Total	
	Number of Ships	*Tonnage*	*Number of Ships*	*Tonnage*	*Number of Ships*	*Tonnage*
SHANGHAI DISTRICT ..	781	393,698.36	942	34,381.57	1,723	428,079.93
Shanghai	488	376,564.95	295	19,499.98	783	396,064.93
Nantung	11	561.41	13	143.19	23	704.60
Soochow	32	260.51	123	1,040.20	155	1,300.71
Wusih	16	84.27	87	765.43	103	849.70
Chinkiang	134	4,078.60	104	1,186.81	238	5,265.41
Nanking..	10	502.10	10	70.42	20	572.52
Wuhu	39	1,953.18	11	381.75	50	2,335.56
Haichow	—	—	5	127.81	5	127.81
Ningpo	28	4,819.00	70	1,062.94	98	5,881.94
Wenchow	13	4,704.70	91	8,985.84	104	13,690.54
Hangchow	10	169.01	133	1,117.20	143	1,286.21
HANKOW DISTRICT ..	512	33,640.85	156	9,000.31	668	42,641.16
Hankow	298	22,073.73	93	4,628.63	391	26,702.36
Kiukiang	47	1,951.24	6	57.54	53	2,008.78
Nanchang	26	1,066.78	14	504.75	40	1,571.53
Changsha	116	5,439.51	11	302.40	127	5,741.91
Shasi	14	1,084.84	—	—	14	1,084.84
Ichang	2	108.78	—	—	2	108.78
Chungking	9	1,915.97	32	3,506.99	41	5,422.96
TIENTSIN DISTRICT ..	139	116,990.28	264	9,585.87	403	126,576.15
Tientsin	55	26,038.68	10	233.63	65	26,272.31
Chefoo	50	65,155.99	145	5,273.91	195	70,429.90
Lungkow	—	—	6	182.75	6	182.75
Weihaiwei	2	1,008.95	46	1,666.97	48	2,675.92
Tsingtao	32	24,786.66	39	1,854.90	71	26,641.56
Yingkow	—	—	11	322.00	11	322.00
Antung	—	—	7	51.71	7	51.71
CANTON DISTRICT ..	593	48,823.28	463	28,839.65	1,056	77,662.93
Foochow	56	6,606.76	47	2,234.62	103	8,841.38
Amoy	43	6,636.46	106	6,183.56	149	12,819.96
Swatow	15	833.62	97	4,268.99	112	5,102.61
Canton	478	34,722.50	165	11,654.49	643	46,376.99
Wuchow	1	24.00	42	4,168.87	43	4,192.87
Nanning..	—	—	6	329.12	6	329.12
HARBIN DISTRICT ..	108	33,792.64	—	—	108	33,792.64
Harbin	108	33,792.64	—	—	108	33,792.64
OVERSEA DISTRICT ..	—	—	—	—	1	3,200.00
Philippine	—	—	—	—	1	3,200.00
TOTAL	2,134	630,154.41	1,825	81,807.40	3,959	711,952.81

TOTAL SAILING VESSELS REGISTERED UP TO THE END OF MARCH, 1936

Ports	*Number of Vessels*	*Tonnage*
SHANGHAI DISTRICT	3,289	1,962,435.3
Shanghai	1,186	926,235.7
Nantung	1	323.4
Soochow	27	32,573.3
Wusih	7	1,853.8
Chinkiang	23	9,250.0
Wuhu	497	166,436.0
Haichow	247	105,540.2
Ningpo	886	443,481.8
Wenchow	415	276,741.1
HANKOW DISTRICT	6,674	2,888,068.1
Kiukiang	1,005	558,721.7
Hukow	598	224,171.8
Hankow	3,890	1,742,004.2
Changsha	569	168,631.5
Yochow	356	110,283.8
Yiyang	62	23,798.6
Ichang	194	60,456.5
TIENTSIN DISTRICT	4,027	1,634,754.3
Tientsin	1,394	532,698.1
Chinwangtao	141	51,651.6
Chefoo	827	349,479.3
Lungkow	372	130,281.8
Weihaiwei	625	315,346.9
Tsingtao	661	253,232.8
Tsinan	7	2,063.8
CANTON DISTRICT	427	172,184.2
Foochow	69	35,002.5
Amoy	356	136,760.3
Chuanchow	2	421.4
TOTAL	14,417	6,657,441.9

SHIPS INSPECTED, MEASURED AND REGISTERED DURING 1932–JUNE, 1935

Year	*Inspected*		*Measured*		*Registered*	
	Number of Ships	*Tonnage*	*Number of Ships*	*Tonnage*	*Number of Ships*	*Tonnage*
1932	1,420	324,950.58	647	135,615.81	697	156,744.34
1933	1,678	561,513.68	335	87,007.02	340	137,602.18
June, 1934	836	364,747.42	112	31,123.20	177	88,098.56
December, 1934 to June, 1935 ..	1,799	625,683.94	105	79,322.33	367	187,878.34
TOTAL	5,737	1,776,895.62	1,199	333,068.33	1,581	570,323.42

SAILING VESSELS INSPECTED, MEASURED AND REGISTERED DURING 1932–JUNE, 1935

Year	*Inspected*		*Measured*		*Registered*	
	Number of Ships	*Tonnage*	*Number of Ships*	*Tonnage*	*Number of Ships*	*Tonnage*
1932	8,316	3,748,319.06	8,362	3,919,406.80	8,276	3,604,484.81
1933	4,688	1,868,866.73	4,744	1,918,935.68	4,757	1,923,562.45
June, 1934	1,735	595,727.92	1,747	603,209.40	1,654	567,897.01
December, 1934 to June, 1935 ..	7,341	3,339,484.20	4,817	1,873,494.44	4,485	1,766,926.81
TOTAL	22,080	9,552,397.19	19,670	8,315,046.32	19,172	7,862,871.08

INCREASE OF SHIPS REGISTERED DURING 1928–1935

Year	*Number of Ships*	*Tonnage*	*Increase in the Year*	
			Number	*Tonnage*
1928	1,294	284,174.45	—	—
1929	1,691	324,713.96	397	40,539.51
1930	2,626	402,638.82	935	77,924.86
1931	3,115	482,013.78	489	79,374.96
1932	3,298	561,670.50	183	79,656.72
1933	3,528	616,112.01	230	54,441.51
1934	3,802	668,069.27	274	51,957.26
1935	3,959	711,952.81	157	43,883.54

students were graduated. The aggregate number of past graduates as well as those who will be graduated in coming years will no doubt begin to meet the dire need of the navigation enterprises of this country.

The equipment of the Woosung College is far from complete, but endeavors have been made to improve its physical condition during the last several years. It is also planned by the ministry to offer a course of shipbuilding at the college. When this project materializes the college will contribute not only to the development of navigation enterprise but to the reconstruction of the shipbuilding industry in China.

B. Examination of Seamen.— In the year 1929 a regulation for the licensing of seamen was promulgated by the Ministry of Communications. According to this regulation, a license was to be granted by the ministry to any seaman then in active service on application if he would only produce satisfactory record of service. As this method of licensing was not adequate to guarantee the safety of navigation, this regulation was repealed. In its stead the Regulation for Examination of Seamen was issued in 1933. This measure provided that all seamen, classified as captain, first mate, second mate and third mate in the case of a navigator, or as master engineer, first engineer, second engineer and third engineer in the case of an engineer, must be examined by and receive certificates from the ministry before they were allowed to discharge their respective duties. The navigators of different ranks were further divided into three grades, according to the educational standing and practical experience of the applicants as well as the vessels on which they serve. Engineers of different ranks were further divided into two grades. Every applicant may receive an examination for classification, promotion or for recognition of his original rank in service as demanded by himself. The recognition examination is to make sure that the applicant is competent for the job in which he has been in service. The classification examination is to find the proper rank of different grades the applicant may be competent for, according to his knowledge and skill. The promotion examination is to give the applicant a chance to rise from a lower rank to a higher rank or from a lower grade to a higher grade. When the examination is duly passed a certificate will be granted by the ministry to the applicant.

During the first year after the promulgation of the above mentioned regulation, periodical examinations have been given four times to seamen in active service. For the convenience of the applicants, it was later decided that examination would be given at any time after the applicants should have reported. The date of June 30, 1935, was also given as the time limit for seamen in service to receive examination. Anybody who did not receive examination before that date was to be prohibited from serving on navigating ships. This date was postponed to the end of the same year on the demand of seamen from

different quarters; since then, it is believed, seamen in service in Chinese waters or on Chinese vessels have all been duly examined by authorities.

As to application for promotion made by the seamen now in service, or for classification by the graduates from school as well as apprentices on ships, examination will be given at any time by the ministry upon candidates reporting themselves.

Regarding the examination of personnel on steamboats and motor boats of not more than 50 tons, another regulation was promulgated in April, 1934. Three periodical examinations were carried out in April, October and November, 1935 respectively. By the end of the same year the regulation had been revised to govern all personnel on steam and motor ships of less than 200 tons. According to the revised regulation, the navigators on these vessels are divided into two classes—the rudder operator and the assistant rudder operator. The engineers are divided into mechanics and assistant mechanics.

STUDENTS AND GRADUATES OF WOOSUNG MERCANTILE MARINE COLLEGE, 1929–1935

Year		*Students*	*Graduates*	
			Navigation	*Engineering*
1929	1st term 2nd term	82 78	—	—
1930	1st term 2nd term	161 158	—	—
1931	1st term 2nd term	219 194	—	—
1932	1st term 2nd term	185 175	22	—
1933	1st term 2nd term	210 186	21	13
1934	1st term 2nd term	250 256	14	16
1935	1st term 2nd term	248 238	20	16

NUMBER OF MARINE OFFICER CERTIFICATES ISSUED FROM 1929 TO JUNE 30, 1936

Year	A Class		B Class		C Class		served in ships below 200 tons		Total
	Navigator	Engineer	Nav.	Eng.	Nav.	Eng.	Nav.	Eng.	
1929 ..	124	90	214	311	—	—	—	—	739
1930 ..	128	100	269	370	—	—	—	—	867
1931 ..	37	14	301	287	—	—	—	—	639
1932 ..	31	4	105	120	—	—	—	—	260
1933 ..	42	12	138	130	17	—	—	—	339
1934 ..	76	18	194	350	50	—	—	—	688
1935 ..	69	16	233	380	67	—	23	34	867
1936 ..	49	7	122	175	35	—	32	58	478

IV. SUPERVISION OF PRIVATE NAVIGATION COMPANIES

A. Private Navigation Companies in Operation.—Up to the date of compilation of the *Chinese Year Book*, there were more than 90 steam navigation companies operating ships of more than 1,000 tons. These companies have a fleet of more than 200 steamships in all, with a total tonnage of 230,000 tons. The following is a complete list of shipping companies in different districts.

SHIPPING COMPANIES IN DIFFERENT DISTRICTS, 1936

Districts	Number of Companies	Property	Number of Ships	Total Tonnage
Shanghai District ..	57	13,682,000	170	233,942.44
Hankow District ..	2	1,000,000	33	13,856.68
Tientsin District ..	29	5,030,000	90	153,955.19
Canton District ..	11	—	23	15,662.82
Harbin District ..	5	—	19	8,159.91
Oversea	1	—	1	3,200.00

B. Organization of Shipping Merchants' Associations.—According to the Supplementary Rule for the Organization of Shipping Merchants' Association promulgated by the National Government, the Ministry of Communications is the highest authority in the supervision and control of these bodies. Their organization and dissolution must be reported through the local governments to the ministry for approval. Up to June, 1936, the following shipping merchants' association have been legally organized and approved by the ministry:

The steamship merchants' associations of Shanghai, Nanking, Tientsin, Tsingtao, Nanning, Huangsien, Lungkow, Chefoo, Wusih, Soochow, Liyang, Kaoyu, Nanchang, Kiukiang, Huangshihkong, Hankow, Pinghu, Wenchow, Foochow, Tsaoan, Lungchi, Shihma, Tungshan, Wuhu; the native ship owners' associations of Tsingtao,

Whaiying, Haimen, Changsu, Shasi, Hsishui, Paho, Kingmen, Hurkong, Kwonghwa, Lauhokow, Chinkiang, Fengsin, Kweichi, Ihuang, Kingchi, Huwan, Yiyang, Kaoan, Yuetu, Chiakiang, Puyang, Nanchang, Hukow, Tsichun, Chuchi, Wuhu, Tongying, Lungchi, Shihma, Chiangloh; the Navigation Merchants' Association of Foochow; and the Ferry Boats Association of Wuchow.

Since the establishment of these associations, the work of supervision and control of shipping companies has been much facilitated.

C. The Registry of Steamship Concerns.—To facilitate the administration and supervision of the steam navigation business, a Rule for Registry of Steamship Concerns was issued by the Ministry of Communications on December 9, 1936. The important points of this rule are as follows:

(1) The establishment of any steamship concern must be reported to the Ministry of Communications and registered. In the case of a company, a registry certificated issued by the Ministry of Industry must be sent to the Ministry of Communications accompanied by its report.
(2) Whether the line operated is a scheduled or an irregular one as ratified by the ministry, it shall not be modified before the ministry's permission is acquired.
(3) Change of title, increase or decrease of capital, floating of company loans, and modification of navigation lines by any steamship concern must be reported to the ministry for its approval.

D. Co-ordination of the Steam Navigation Business.—In order better to control the business of the private steamship concerns, the Regulation for the Supervision of Steamship Business was issued by the Ministry in December, 1936. The main points of the regulation are as follows:

1. *Navigation Lines.*—The demand on the market for steamship tonnage on different lines shall be investigated by the navigation bureaus, and statistics be compiled and reported to the ministry. In case the supply of the steamships is over the demand on the market, a limit on the number of the steamships to be operated may be temporarily laid down by the ministry so as to eliminate waste and unnecessary competition. When a limitation is necessary, provisional passports will be issued to both scheduled liners and tramps; without such passports all kinds of steamers are prohibited from operation.

2. *Scheduled Voyages.*—The scheduled voyages of different liners must be arranged so that they may connect with each other as well as with trains and buses on land. Once the schedule is fixed, it should not be changed, unless the reason for modification is reported to the authority and approval is given by the latter.

3. *Addition of New Steamers.*—Any steamer added to any line must be reported to the authority for approval. It is also hoped that the newly added steamer shall be a newly built one. The age of the vessels purchased is also strictly limited. It was at first stipulated that the age of all passenger steamers purchased must not be more than 15 years, while the age of the freighters must not be over 20 years. But, on the demand of the navigation merchants, the age limitation has been lifted to 20 and 25 years respectively, provided that the ship purchased is one of more than 500 tons and is purchased before the end of the year 1942. In the case of ships of not more than 500 tons the original observation must be observed.

4. *Business.*—Steamship concerns operating on the same line must come to an agreement in setting a maximum rate of passenger fares and freight charges which shall be reported to the authority for approval. Steamship concerns must not appropriate dividends and bonuses among their partners or shareholders before general reserves and capital depreciation reserves are adequately allocated. A complete list of employees, statistics of passengers and freight transported, a report on business, a balance sheet, etc. are also required by the ministry from every steamship concern at the end of each financial year.

After the promulgation of the above regulation, cases of long-lived dis-

putes on operation of lines were smoothly settled by the ministry in accordance with the stipulation. It is hoped that better co-ordination between shipping concerns will continue hereafter.

E. Promotion of Co-operation Among Shipping Concerns.—The decline of the nation's shipping trade in the past several years has been due mainly to financial deficiency of the shipping concerns on the one hand and unnecessary competition among themselves on the other. In recognition of this fact, measures have been taken by the Ministry of Communications to promote co-operation among shipping concerns. Amalgamation of small firms with a meager capital is also encouraged.

According to the outline of shipping co-operation approved and issued by the ministry, all steamship concerns operating on the same route and registered by the ministry must co-operate with one another and rules must be stipulated among themselves to be observed by all members. In the case of the disobedience of any steamship concern its license may be canceled by the ministry as a punishment. When the addition of a new ship on a line is considered necessary by the ministry, priority is given to the co-operative members. When opportunity offers, the ministry may instruct the members to amalgamate into one company.

F. Subsidizing of Shipbuilding.—Up to the present China has a fleet of more than 4,000 steamers with a total tonnage of more than 700,000 gross tons, more than two-thirds of these vessels being old ships of more than 30 years of age. In order to encourage the building of new ships, the Ordinance of Shipbuilding Subsidy was drafted by the ministry and was promulgated by the National Government. This ordinance went into force on July 1, 1937 and its main points are as follows:

(1) Steamships built of steel with a total tonnage of 500 tons will receive shipbuilding subsidy in accordance with this ordinance.
(2) The sums of shipbuilding subsidy is divided into five classes:
  (*a*) ships from 500 to 1,000 tons, at $12 per ton.
  (*b*) ships from 1,000 to 2,000 tons, at $16 per ton.
  (*c*) ships from 2,000 to 3,000 tons, at $20 per ton.
  (*d*) ships from 3,000 to 5,000 tons, at $24 per ton.
  (*e*) ships over 5,000 tons, at $28 per ton.
(3) Designs for building a ship must be submitted to the Ministry of Communications and the Ministry of Navy for inspection and approval.
(4) The ship must be built in a Chinese shipyard.
(5) The navigation merchant to receive subsidy must be of Chinese nationality.
(6) Old ships scrapped for building new vessels will receive a subsidy on the basis of "two tons of old ship as one ton on new ship," in which case the subsidy on new shipbuilding will be granted as usual.

V. IMPROVEMENT AND REORGANIZATION OF STATE NAVIGATION ENTERPRISE

China Merchants' Steam Navigation Company.—The China Merchants' Steam Navigation Company was organized in 1872 jointly by the people and the Government. Owing to mismanagement of the company, its affairs reached a crisis in 1926. Its business was going from bad to worse, its encumbrance of debts was heavy and bankruptcy was impending. In view of the importance of the company to the nation's system of transportation and in an endeavor to save its fortune, a committee was appointed by the National Government to look into the difficulties of the company, in accordance with a decision adopted by the Central Political Council during its 85th session, held on March 30, 1927. The committee began its work of investigation on May 20 the same year, and, after months of strenuous work, a report with suggestions for the improvement of the company was submitted to the Government. The suggestions were adopted and the Ministry of Communications was instructed to put them into execution. In 1931 the company was formally put under the control of the ministry by the resolution of the Central Political Council. But so long as the company kept its legal status of a

DESCRIPTION OF THE SHIPS OF CHINA MERCHANTS' STEAM NAVIGATION COMPANY, LIMITED

Name of Ship	Classification	Length	Breadth	Depth	Second Deck	Draft		Tonnage		Horse Power (Indicated)	Speed (Knots per Hour)	Consumption (Coal) (Every 24 Hours)	Tonnage of Bunkers	Type of Engine	Wireless	Route	Passengers' Accommodation								No. of Holds	No. of Hatchways	Size of Hatchway	No. of Boats	No. of Seamen	Built	
																	Saloon		1st Class		2nd Class		3rd Class							When	Where
						Laden	Light	Gross	Net								Rooms	Beds	Rooms	Beds	Rooms	Beds	Rooms	Beds							
S.S. HAIYUAN	1	343'	47'	25'	7'6"	17'0¾"	7'0"	3,364	2,078	2,500	13.6	39	498	Triple	With	N. & S. Waters	7	14	6	18	13	52	—	56	4	4	(1) 20'10"x16'0" (1) 12'0"x16'0" (1) 18'9"x14'0" (1) 16'8"x14'0"	8	82	1934	Newcastle
„ HAIHENG	1	343'	47'	25'	7'0"	17'0¾"	7'0¼"	3,415	2,065	2,500	13.6	39	498	„	„	„	7	14	6	18	13	52	—	56	4	4	(1) 20'10"x16'0" (1) 12'0"x16'0" (1) 18'9"x14'0" (1) 16'8"x14'0"	8	82	1934	Glasgow
„ HAILI	1	343'	47'	25'	7'6"	17'0¾"	7'0"	3,305	2,055	2,500	13.6	39	498	„	„	„	7	14	6	18	13	52	—	56	4	4	(1) 20'10"x16'0" (1) 12'0"x16'0" (1) 18'9"x14'0" (1) 16'8"x14'0"	8	81	1934	Newcastle
„ HAICHEN	1	343'	47'	25'	7'0"	17'0¾"	7'0¼"	3,407	2,060	2,500	13.6	39	498	„	„	„	7	14	6	18	13	52	—	56	4	4	(1) 20'10"x16'0" (1) 12'0"x16'0" (1) 18'9"x14'0" (1)16'8"x14'0"	8	82	1934	Glasgow
„ HAIYUN	3	333'	47'	24'10"	—	21'4½"	—	3,077	1,871	1,500	9	28	400	„	„	Shanghai-Hnichow	—	—	—	—	—	—	—	—	4	5	(1) 24'x10' (1) 20'x10' (1) Small	4	43	1910	Stockton
„ HAIJUI	3	261'	43'6"	20'	—	17'10½"	12'6"	2,040	1,185	1,475	9	20	447	„	„	„	—	—	—	—	—	—	—	—	2	4	22'x18'	2	46	1918	Cleveland Ohio
„ HAISIANG	3	261'	43'6"	20'	—	17'10½"	12'6"	2,040	1,185	1,475	9	20	447	„	„	„	—	—	—	—	—	—	—	—	2	4	22'x18'	2	43	1918	Superior Wis
„ HAIAN	2	251'	33'	18'	8'	13'6"	9'0"	1,378	860	880	11.2	18	115	„	„	Shanghai-Wenchow	7	14	6	15	14	60	—	—	3	6	27'x6' 210'x5' 110'x10' 110'x5'	6	81	1873	Glasgow
„ HSIN KIANGTIEN	1	310'	48'	14'5"	8'	12'6"	7'0"	3,645	2,013	2,000	11½	42	190	„	„	Shanghai-Ningpo	12	24	26	104	70	280	—	254	2	3	13'6"x11'10" (2) 15'10"x11'10" (1)	6	337	1921	Shanghai
„ HSINMING	1	276'	41'	22'4"	7'	13'9"-15'0"	8'9"	2,133	1,428	1,605	12	32	245	„	„	N. Waters	8	16	21	44	19	42	—	40	3	9	12'x0'10" (4) 8'x0' (3) 8'x8' (2)	6	122	1906	Glasgow
„ HSINFUNG	1	260'	37'	21'3"	—	14'6"	8'4"	1,707	1,062	900	10	22	362	„	„	„	3	6	8	24	26	60	—	—	—	6	16'x10'	6	85	1891	Glasgow
„ TAISHUN	3	275'	38'	21'4"	7'	15'3"	6'8"	1,902	1,216	860	9½	22	283	„	„	„	4	8	8	18	14	48	—	—	2	5	15'10"x12'0" 8'2"x12'0" 15'10"x12'0" 8'2"x12'0" (2)	7	46	1896	Glasgow
„ YUSHUN	3	272'	40'	18'3"	5'	14'6"	7'6"	1,606	1,079	950	9½	24	280	„	„	S. Waters	2	2	4	8	4	12	—	30	2	4	10'11"x10'0" 16'x11'10" 9'6"x11'10" 12'x11'10"	6	46	1900	Grung moth
„ KUNGPING	3	335'	46'	191'0"	4'6"	15'9"	6'7"	2,705	1,472	2,020	9½	30	387	„	„	„	—	—	—	—	—	—	—	—	4	4 Upper Deck 4 Lower	20'x0'6"	6	55	1894	Glasgow
„ TUNGWAH	3	225'	33'7"	18'	7'3"	15'9"-16'6"	5'3"-6'6"	1,176	746	685	9	15	210	„	„	Uncertained Lay up	—	—	—	—	—	—	—	—	4	3	13'x0'8" 22'9"x11'0" 18'11"x11'10"	4	40	1906	Christiania Norway
„ KWANGLEE	3	280'	30'9"	—	—	17'0"-17'6"	7'3"-10'3" 90 ton coal	2,300	1,504	1,150	11	30	350	„	„	„	—	—	—	—	—	—	—	—	—	3	19'11"x7'0" 19'10"x7'0"	—	—	1883	Glasgow
„ KAHO	3	247'	38' 47'	20'4"	7'3"	13'4"	6'7"	1,733	1,076	900	9	20	240	Triple Converted	„	Yangtze R.	—	—	—	—	—	—	—	—	3	3	12'x7'13'6" 15'6"x16'3" 17'4"x18'3"	6	—	1892	Glasgow
„ KIANGAN	1	340'	58' (over G) 47'	14'6"	9'6"	12'-12'6"	6'-9'6"	4,327	3,141	1,800	12½	41-45	213	Triple	„	„	8	16	14	28	54	116	—	164	3	4	17'x8'	6	67	1921	Shanghai
„ KIANGSHUN	1	340'	50' (over G)	15'	9'6"	12'-12'6"	6'-9'6"	4,327	3,141	1,800	12½	41-45	213	„	Without	„	8	16	14	28	57	114	—	164	3	4	17'x8'	6	65	1921	„
„ KIANGWAH	1	340'	47'	13'4"	9'2"	12'6"	6'6"-8'0"	3,693	2,321	1,560	12-13	48	200	„	with	„	8	16	14	28	55	123	—	148	—	4	17'x8'	6	70	1912	„
„ KIANGHSIN	1	333'	44'	15'5"	9'	12'6"	5'6"-9'0"	3,373	2,101	2,200	12-13	36	346	„	Without	„	8	16	12	24	59	134	—	164	2	4	7'x16'0"	5	68	1905	„
„ KIANGTA	3	247'7"	30'	11'5"	7'5"	10'6"	6'5"	1,682	1,151	750	9	21	120	„	„	„	6	12	6	12	6	24	—	192	2	4	F.8'x8'6" 2M.8'4"12"	4	49	1900	„
„ KIANGCHIXG	3	247'7"	30'	11'9"	7'7"	10'6"	7'4"	1,682	1,151	750	9	20	120	„	„	„	5	10	6	12	6	24	—	190	2	4	F.8'x8'6" 2M.8'4"x12"	4	132	1900	„
„ KIANGTIEN	3	273'3"	40'6"	14'	9'	11'8"	9'0"	2,012	1,435	900	9½	28	225	(Vertical Inclined Compound	„	„	—	12	—	35	—	61	—	134	2	3	8'2"x14'3"	7	54	1870	Glasgow
„ KIANGYU	3	300'	42'3"	20'	5'6"	10'-10'3"	5'10"-7'1"	3,084	2,262	1,750	12	42	158	Compound diagonal	„	„	—	10	—	32	—	96	—	178	2	3	12'x8'	6	55	1883	„
„ KIENKUO	2	278'2"	42'9"	16'9"	—	12'6"	8'0"	2,770	1,588	1,000	10½	34	270	Triple	„	„	8	16	16	32	35	70	—	129	2	3	10'0"x10'4"	4	57	1905	Dunkirk
„ KWEILEE	2	250'	40'	10'	8'	7'6"	3'3"-5'3"	1,293	879	800	8½	24	158	2 Triple in 3 sets	Without	„	—	8	—	—	—	38	—	80	2	4	6'x8'	5	49	1803	Glasgow

BUDGET OF SHIPBUILDING SUBSIDY FOR SIX YEARS

Ships of / No. & Amount / Year	500 Tons		1,000 Tons		2,000 Tons		3,000 Tons		4,000 Tons		5,000 Tons		Subsidy of Scrapping	Total Subsidy Per Annum
	No. of Ships	Subsidy	No. of Ships	Subsidy	No. of Ships	Subsidy	No. of Ships	Subsidy	No. of Ships	Subsidy	No. of Ships	Subsidy		
1st Year	10	60,000	4	64,000	2	80,000	1	72,000	1	96,000	1	140,000	128,000	640,000
2nd Year	8	48,000	4	64,000	2	80,000	1	72,000	1	96,000	1	140,000	125,000	625,000
3rd Year	6	36,000	3	48,000	2	80,000	1	72,000	1	96,000	1	140,000	118,000	590,000
4th Year	5	30,000	2	32,000	2	80,000	1	72,000	1	96,000	1	140,000	112,500	562,500
5th Year	3	18,000	2	32,000	1	40,000	2	144,000	2	192,000	1	140,000	141,500	707,500
6th Year	3	18,000	2	32,000	1	40,000	2	144,000	2	192,000	1	140,000	141,500	707,500
TOTAL	35	—	17	—	10	—	8	—	8	—	6	—	—	3,832,500

private enterprise, any drastic measures of improvement taken by the Government would return little or no result.

In October, 1932, it was decided by the Government that the company should be nationalized, its legal rights and obligations should be succeeded by the Government, and the Ministry of Communications should take over its management. The decision was carried out immediately. To take over the company's management, a board of directors, a board of supervisors and the office of the general manager were organized by the ministry. The original designation of the company as the China Merchants' Steam Navigation Co. was also changed into the China Merchants' State Line.

The first step after the transfer of management was the purchase of all of the company's stock in order to establish the Government's ownership.

A thorough re-organization of the business staff was also effected. Under the office of the general manager four sections, namely, the section of general affairs, business, accounts, and shipping, were established. Other subordinate organs such as the China Merchants' Factory, China Merchants' Inlandwater Line, branch offices at Hankow, Ichang, Shasi, Anking, Kiukiang, Wuhu, Nanking, Chinkiang, Ningpo, Wenchow, Foochow, Swatow, Hongkong, Canton, Haichow, Tsingtao, Chefoo, Tientsin, Chinhai, Chungking, and Changsha were also taken over separately. Besides the re-organization of business staff, a committee for adjusting old debts, and a purchasing committee were organized within the company.

Since the nationalizing of the company, considerable progress has been made in its business. But owing to the encumbrance of old debts and accumulated interest the receipts of the company were still hardly sufficient to meet its expenditures. In order to improve this condition, efforts were made to cut down business expense as well as to increase efficiency of operation. In 1936 the board directors and supervisers were abolished. One general manager and two assistant managers were appointed by the ministry; the general manager was to be directly responsible to the latter. Under the managers, three section directors of general affairs, business, and shipping respectively and a chief treasurer were to be appointed by the general manager. The rest of the personnel has also been greatly reduced in number. It includes two secretaries, from two to four engineers, from 60 to 70 clerks, and 12 accountants.

Endeavors to eliminate the evil compradore system were made soon after the company was nationalized, but owing to other complications, the reform was only carried out on a few ships. After the re-organization of the company was effected in 1936, a firm policy was resumed this line. All of the compradores on coasting ships were finally abolished from April 1 in the same year and those on river ships were abolished one month later. Since then all of the passenger business has been handled directly by the company. The old practice of booking passenger tickets on board the ships was abolished; instead every passenger must book his ticket on land. In order to keep good order on the ships, gendarmes and inspectors appointed by the New Life Movement head office are now sent to travel with them.

When the company was taken over by the ministry, it had only 20 vessels in operation. In May, 1933, it was decided by the government that the company might borrow a sum not exceeding £360,000 from the British Boxer Indemnity Fund to build new ships. With this fund in its disposal, the company was enabled to build four coasting steamships in England. They were completed and delivered before the end of 1934, all being added to the Shanghai-Hongkong-Canton Line.

After the re-organization of the company in 1936 another program of shipbuilding was formulated. A steamer name the *Ching-Kiang* has been reconstructed out of an old damaged ship. Five steam vessels are under construction, among which are two shallow-draught steamers for

the upper Yangtze and three freighters of 975 tons each for the middle Yangtze. Besides those mentioned above, three more freighters will be built with the remainder of the money borrowed from the British Boxer Indemnity Fund, after the building of four coastal steamers.

The management of the company's wharves in the past can only be described as deplorable, but in order to protect the passengers from any trouble, measures to enforce order have now been taken by the company. Post and rail fences provided with separate exits and entrances have been erected; gendarmes and policemen have also been stationed on different wharves. Owing to bad maintenance in the past, most of the godowns owned by the company have fallen into a ruinous condition. Besides the building of a new godown in Canton and the repair of the Yangtze and other godowns that have already been completed, reconstruction and repair work are going on at different wharves, hulks, and godowns owned by the company.

During the 15th through-service conference convened by the Ministry of Railways, twelve principles of land and water through service were formulated; during the next conference, detailed rules governing through service were agreed between the Ministry of Railways and the company. In accordance with these principles and rules, through service contracts have been made by the company separately with all of the national railways.

Among the through service now in operation, the largest volume of freight transportation comes from the Lung-Hai Railway. The native products along that line were formerly transported to Hankow or Pukow through the Pinghan or Tsinpu line, thence to be shipped to Shanghai. The arrangement for through service between the company's vessels and the Lunghai Railway which connect at the railway's eastern terminus at Lienyuenkang, has facilitated freight transportation to a large extent. It is only natural that the business along this line should be very prosperous.

Another factor that has contributed to the prosperity of this line is the low rate of freight charges, which are less than $5 per ton, including all dues from Shanghai to Chengchow, Lanfeng and Tungkuan or *vice versa.*

The China Merchants' Inlandwater Line was a subsidiary of the company. Its predecessor, the Utility S.S. Company, was purchased and re-organized by the company in 1903. Its operation was confined to the inland waterways within Kiangsu and Chekiang provinces. Since more convenient means of transportation are available in those districts, the business along these lines decreased year after year and an enormous loss was sustained. To save unnecessary waste, the company was instructed by the Ministry of Communications to close the subsidiary before the end of 1936.

Chinese emigrants to the South Seas make up a large population. They are economically inter-related with their mother country, and the hope of establishing a better system of communication and transportation from China to the South Seas has long been expressed by them. To answer their urgent need the company was instructed by the Ministry of Communications to open a scheduled service between Amoy and Manila as a first step toward the development of South Seas transportation. The service formally began in April, 1937, with the Manila S. S. Co. acting as agent in the Philippine Islands. The service was greeted enthusiastically by the overseas Chinese population, and its business has been very prosperous.

The business of the China Merchants' S. N. Co. after the establishment of the Republic may be divided into four periods. The first period beginning from the lst year to the 10th year of the Republic or from 1912 to 1921, was the golden age of the company. Due to the Great War then going on, big gains were made by the company during this period. Only to mention the profits made in the years 1917 and 1918, the large sum of $3,000,000 was netted.

The years from 1921 to 1926 were the depression period of the company. Owing to the mismanagement a loss totaling $4,000,000 was sustained during that time.

From 1927 to 1932 the company's total loss reached the amount of $10,253,225. If a liquidation of all the company's debts had been made with all its properties, a deficit of more than $1,600,000 would have remained unsettled. This was the most difficult period of the company's existence.

After the company was taken over by the Government at the end of 1932 its management was greatly improved and an increase of annual business receipts amounting to more than $1,000,000 was recovered. In comparison with the average of the years from 1929 to 1932, freight earnings of the company in 1933 made an increase of 29%, passenger receipts increased by 44%, receipts from godowns rose by 33% and the total of all receipts increased by 31%.

After the re-organization in 1936, another stride in business progress was made. The total receipts in that year were more than $11,100,000, a gain of more than $1,800,000 in comparison with the preceding year. Among the total receipts mentioned above, the receipts from freight were $6,968,000, a gain of $700,000 in comparison with the year 1935, and the receipts from passengers were $2,014,000, making a gain of $460,000.

Taking these facts into consideration, since its nationalization the company has doubtlessly entered upon a period of recovery. With new ships added to its fleet, and new services expanding overseas another golden age should be in store.

ELECTRICAL COMMUNICATIONS

Y. C. WEN (溫毓慶)

Owing to stable political conditions, the position of electrical communications in China has considerably improved on the whole during the past year. The general review given hereunder covers such topics of general interest as development of electrical communications in China, administration of electrical communications, conditions of the electrical communication services and financial conditions of electrical communications.

I. DEVELOPMENT OF ELECTRICAL COMMUNICATIONS IN CHINA

A. Inland Telegraphs : 1. *Telegraphs.*—As a result of the tireless efforts made by the Ministry of Communications in the past year, great strides have been made in the various branches of telegraphs ; there has been an increase in the number of telegraph offices, existing lines have been extended and machinery and equipment have been improved.

The following table gives some idea of telegraphic development during the past few years :

TABLE 1.

Year	*No. of Offices*	*Length of Lines (Km.)*	*No. of Instruments*
1931	1,127	98,879.50	2,550
1932	1,094	100,002.50	1,914
1933	1,103	102,161.00	2,069
1934	1,239	96,969.40	1,855
1935	1,346	98,865.10	2,443
1936	1,404	102,346.10	3,050

From the above figures it can be seen that during the past year the number of telegraph offices has increased by 58.

The following table shows the number of telegraph offices in the various districts.

TABLE 2. NUMBER OF TELEGRAPH OFFICES IN CHINA, 1936

Telegraph Areas	*Telegraph Office*								*Total*	*Suboffice*	*Agency*	*Total*
	District Head Office	*Special Class Office*	*First Class Office*	*Second Class Office*	*Third Class Office*	*Fourth Class Office*	*Branch Office*	*Unclassified Office*				
Kiangsu	1	1	2		6	8	45		63	19	44	126
Chekiang	1			1	1	4	10		17	36	6	59
Anhwei	1		1	1		4	26		33	18	9	60
Kiangsi	1		1		1	3	56		62	16	3	81
Hupeh	1			2	2		46		51	22	6	79
Hunan	1				4	1	25		31	30	2	63
Shantung	1		2		2	4	25		34	33	27	94
Hopei	1	1			3	2	20		27	21	6	54
Honan	1		1		2	4	14		22	18	25	65
Shansi	1					2	7		10	13	9	32
Shensi	1				1		14		16	40	3	59
Kansu-Ninghsia ..	1					6	18		25	10		35

Fukien	1		1	1	4	2	23		32	20	11	63
Kwangtung	1		3		1	8	71		84		1	85
Kwangsi	1		1		4	5	42		53			53
Yunnan	1				2	4	29		36			36
Kweichow..	1					7	21		29	6	2	37
Liaoning-Kirin.. ..												
Heilungkiang								161	161			161
Szechwan-Tibet ..	1		1	1		2	28	33	66	22	4	92
Sinkiang-Chinghai ..	1				3	2	16	4	26			26
Inner Mongolia and Outer Mongolia ..	1			1	1		4	22	29	10	5	44
TOTAL	20	2	13	7	37	68	540	220	907	334	163	1,404

The telegraph network of China consists of aerial lines, underground lines and submarine cables. Of these lines the most popular in use is the aerial. Table 4 (p. 967) shows the length of the telegraph lines in the various districts.

New telegraph wires laid totaled more than 3,500 kilometers in length, while those repaired totaled more than 4,000 kilometers. A total of more than 2,500 kilometers of new wires was erected on existing telegraph poles. The progress of wired telegraphy was particularly rapid in 1936.

The new telegraph lines laid in 1936 were as follows:

1. Lungyen-Yungting
2. Lichwanki-Shaowu
3. Sinhwa-Sihkwanshan
4. Juiking-Waichang
5. Tuiking-Changsha
6. Pahsiensze-Hingjen
7. Chengtu-Kwanhsiensze
8. Yungting-Waichang
9. Laifeng-Lungshan
10. Tsaoshih-Shayang
11. Wenshan-Makwan
12. Shanghsien-Kingtzekwan
13. Yungan-Lienchengfu
14. Loyang-Yuhsienho
15. Wanhsien-Lichwan
16. Kaifeng-Sinsiang
17. Yutu-Weichang
18. Yunghsien-Lienhwa
19. Hwokiu-Kushihho
20. Szehsien-Chunghingku
21. Yungan-Dartien
22. Lungyen-Sinchwang
23. Chowkiakow-Pehsien
24. Kwangping-Pucheng
25. Kweiyang-Tingfeng
26. Shihcheng-Hokow
27. Yinkiahwei-Kimen
28. Wuhu-Yukikow
29. Shankao-Yiping
30. Szekwei-Kwangning
31. Canton-Szekwei
32. Ani-Tsungan
33. Tungshan-Yunho
34. Tsingyang-Yuting
35. Suiningku-Szeyang
36. Siaoyi-Lushan
37. Tanyang-Kingtang
38. Linan-Chengyangkwan
39. Kingteh-Kimen
40. Kingteh-Hukow
41. Kaifeng-Chowkiakow

Regarding equipment, the administration has also made rapid strides. In Chenghsien and Hankow, Creed Duplex Automatic Instruments have been installed. In Nanking, Hankow, Peiping, Tientsin and Chefoo, Creed teleprinter sets are used. High-speed repeater equipments have been established in Lanchi, Icheng and Wanhsien. In order to increase the efficiency and speed of telegraphic communications, vibrating relay equipments have been put into operation in Shanghai, Wuhu, Kiukiang and Hankow. In Shanghai and Tientsin air-pump instruments for facilitating the transmission of telegrams have been used. Table 5 (p. 968) shows the distribution of telegraph instruments in the whole country.

2. *Wireless Telegraph.*—In the direction of wireless telegraphy the progress made has been particularly rapid in the past few years. In 1931 there were only 32 wireless stations for communication within the country. At the present time the number has increased to 65. In connection with the domestic telegraph, besides a 2,000-watt short-wave wireless transmitter installed at Shanghai, a large number of wireless sets, varying in capacity from 100 watts to 500 watts, have been set up at Nanking, Hankow, Amoy and other cities.

TABLE 3. TABLE SHOWING PROGRESS MADE IN WIRELESS TELEGRAPHS, 1931–1936

Year	*No. of Stations*	*No. of Transmitters*	*No. of Receivers*
1931	32	73	101
1932	38	89	120
1933	36	99	123
1934	47	117	154
1935	60	143	207
1936	65	173	260

TABLE 4. MILEAGE OF TELEGRAPH LINES IN 1936 (in Kilometers)

Telegraph Areas	Aerial Lines					Underground Lines			Submarine Cables		
	Bare Wires		Cables		Number of Poles	Length of Cables	Number of Cores	Number of Offices	Length of Cables	Length of Cores	Number of Offices
	Length of Lines	Length of Wires	Length of Lines	Length of Cores							
Kiangsu	3,806.10	12,341.70	1.84	92	43,583	121.08	751.36	2	25.66	921.46	13
Chekiang	3,112.80	7,549.90			37,100				7.04	18.48	2
Anhwei	3,163.80	6,269.60			36,851				2.31	5.54	3
Kiangsi	5,982.60	8,661.00			71,491				16.22	42.50	3
Hupeh	5,075.80	10,334.90			56,286				10.97	25.30	6
Hunan	4,639.40	8,130.00			60,584				7.38	7.38	2
Shantung	4,119.20	11,949.90			53,656	.10	1.23	1	.56	5.08	1
Hopei	2,800.60	9,866.60			36,583	6.34	125.17	5	2.92	6.31	2
Honan	2,505.30	6,597.10			30.047						
Shansi	1,768.00	2,554.00			16.603						
Shensi	3,287.70	3,721.30			31,175						
Kansu-Ninghsia	4,586.50	5,637.80			46,837						
Fukien	2,973.50	5,781.40			35,445				12.00	18.25	4
Kwangtung	5,971.40	10,685.90			59,014				2.31	4.77	3
Kwangsi	5,498.30	6,562.60			51,027						
Yunnan	4,181.80	5,520.00			33,801						
Kweichow	4,384.90	6,298.60			45,429						
Liaoning-Kirin-Heilungkiang	14,260.00	19,963.00			185.763				1.10	3.40	2
Szechwan-Tibet	7,642.90	12,108.40			67,648						
Singkiang-Chinghai	7,238.50	9,409.50			94,863						
Inner Mongolia	5,347.00	6,938.50			60,445						
Special Districts									3,339.77	3,339.77	7*
TOTAL	102,346.10	176,881.70	1.84	92	1,154,451	127.52	877.76	8	3,428.24	4,398.24	48

*Represents the Shanghai-Chefoo, Chefoo-Tangku, Chefoo-Dairen, Tsingtao-Sasebo and Chefoo-Weihaiwei Cables.

TABLE 5. NUMBER OF TELEGRAPH INSTRUMENTS, 1936

Telegraph Instruments / Telegraph Areas	Creed			Teleprinters	Wheatstone			Morse			Sounders	Telephones			Wheatstone Repeater	Morse Repeater
	Total	Simplex	Duplex		Total	Simplex	Duplex	Total	Simplex	Duplex		Total	Special for Telegraph	For Both Telegraph and Telephone		
Kiangsu	11	1	10	7	15	14	1	128	126	2	48	30	6	24	4	2
Chekiang					2	2		86	86		12	15	15		3	
Anhwei					3	3		91	91		5	11		11	2	
Kiangsi					8	8		140	140		2	78		78	3	
Hupeh	3	1	2		10	8	2	81	81		7	79		79	2	
Hunan					8	7	1	88	88			93		93	2	
Shantung	5	1	4		7	2	5	116	116		9	60		60	1	
Hopei	4	1	3		6	4	2	70	70		10	51	11	40		
Honan	1		1		7	4	3	58	58			95		95	2	
Shansi					1	1		39	39			67		67		1
Shensi					2		2	43	43			50		50		
Kan-Ning					1		1	52	52			32	5	27		
Fukien					5	5		96	96		1	16	6	10		
Kwangtung ..					6	6		159	157	2		57		57	1	
Kwangsi					1	1		95	95							
Yunnan					2	2		53	53		1	43		43		4
Kweichow.. ..					3	3		47	47						1	
Liao-Ki-Hei ..					12	11	1	344	344							
Szechwan-Tibet					7	7		28	28			60		60	1	
Sin-Chinghai ..								54	54							
Je-Cha-Sui-Mon.								57	57		3	22		22		1

TABLE 6. INLAND SHORT-WAVE RADIO STATIONS UNDER THE MINISTRY OF COMMUNICATIONS, 1936

Location	*Call Signal*	*Power (in Watts)*	*Frequency (in Meters)*	
			Day	*Night*
Kiangsu Province				
Nanking	XHA	100	33, 45, 74	95
,, ...	XHB	100	33, 41	66, 88
,, ...	XHB2	250		
,, ...	XHC	100	54, 72	92, 140
,, ...	XHD	100	31, 50, 70	92
,, ...	XHE	500	31, 52, 62	
Shanghai	XHF	500	26, 32, 45, 42	
,, ...	XHG	500	33	60
,, ...	XHI	500	83, 61, 74	90
,, ...	XHJ	100	26, 31, 60, 77	86
,, ...	XHK	500	42	74
,, ...	XHL	500	25	
,, ...	XHM	100	50, 75	90, 105
,, ...	XHN	500	29	58, 80
,, ...	XHO	100	38	76, 96
,, ...	XHP	500	40	82
,, ...	XHQ	250	50, 72	96, 106
,, ...	XHR	100	29	60
,, ...	XHS	500	32, 64	74, 80
,, ...	XHT	100	33	70, 92
,, ...	XHU	500	35, 38	75
,, ...	XHW	500	38	76
,, ...	XHX	100	25	
Tsungming	XHY	15	72	100
Yangchung	XHZ		80	
Hupeh Province				
Hankow	XJA	500	33, 58, 68	80, 110
,, ...	XJB	100	32	74
,, ...	XJC	100	41	90
,, ...	XJD	250	34, 70	70, 115
,, ...	XJE	100	38	85
,, ...	XJF	100	46, 55	83, 100
,, ...	XJG	250	34, 65	65, 98
,, ...	XJK	1,500	35	76
,, ...	XJH	500	37	87
,, ...	XJJ	1,000	38	70
Ichang	XJI	250	50, 32, 58	58
Hanchwan	XJY	15	55	55
Kienli	XJZ	15	64	75
Chekiang Province				
Tinghai	XIO	100	67	100
Hunan Province				
Changsha	XJS	100	38, 58	70, 76, 90
,, ...	XJT	100	38	45
Kiangsi Province				
Nanchang	XJL	75	42. 50, 64, 83	64, 83, 89, 92, 100
,, ...	XJM	100	48	83
Kanhsien	XJO	15	39	83
Shantung Province				
Tsingtao	XKM	75	40, 47	62, 85, 92
,, ...	XKN	100	34, 58	75
,, ...	XKO	250	51, 60	69, 87, 92
Tsinan	XKJ	100	48, 57, 63, 73	73, 85, 92
Chefoo	XSC	250, 100	47, 52	52, 76
Honan Province				
Chenghsien	XKT	100	37, 62	74, 80
Fukien Province				
Amoy	XGU	500	40	80
,, ...	XGT	250	33	33

Amoy	XIA	500	30, 58	58, 82
,, ...	XIF	250, 100	38	61, 90
Foochow	XIB	500	40	58, 83
,, ...	XIC	100	35	70, 195
,, ...	XID	100	35, 49	70
,, ...	XIG	500	35, 49	70
Changting	XIL	50		
Kinmen..	XIM	minu		
Lungyen	XIN	15	54	68
Nanping	XIP	15		
Kwangtung Province				
Canton	XLA	500	25	38, 66, 82
,, ...	XLB	500	38	68
,, ...	XLC	100	39	68
,, ...	XLD	2,000	24	
,, ...	XGY	100	68	82
,, ...	XLH	200	33	65
Swatow..	XLG	150	32, 39	63, 68, 79
,, ...	XGZ	100	45	58
,, ...	XLF	500	33	81
,, ...	XLI	150		
Pakhoi	XLJ	75	37	55
Hoihow..	XLK	150	43	50
Szechwan Province				
Pahsien..	XMC	250	44, 68	88
,, ...	XMD	250	29, 34	60, 69
,, ...	XMI	100	28	59
,, ...	XMJ	100	39	64
,, ...	XML	150	37	57, 60
Chengtu..	XMA	250	32, 55	55, 70
,, ...	XMM	500	31, 46	46, 70
,, ...	XMN	500	31	70
,, ...	XMW	250		
Wanhsien	XMF	100	44	85
Iping	XMG	100	35	50
Kweichow Province				
Kweiyang	XMK	250	35	61, 65
,, ...	XMR	100	36	64
Sikang Province				
Kangting	XMO	50	40	73
Kantze	XMP	50	42	68
Paan	XMQ	15	50	50
Tungko	XMU	15	51	
Kansu Province				
Tiensui	XKR	100	40	80
Lanchow	XKW	100	35, 60	60, 70, 80
,, ...	XKX	500	42	70
Pingliang	XNJ	100	39	72
Chiuchien	XNZ	15	44	44
Ninghsia Province				
Ninghsia	XKS	100	34, 38	38, 78
Erhlitzeho	XKU	100	37	50
Shensi Province				
Changan	XNB	100	37, 47	60, 74
,, ...	XNC	100	42, 60	82
Yenchang	XND	15	51	
Nancheng	XNH	40	48	95
Yulin	XNI	100	38	74
Ningchiang	XNN	15	90	90
Chowchih	XNS	15	41	85
Shanghsien	XNT	15		
Lochwan	XNY	15	72	72
Hopei Province				
Tientsin..	XKC	150	38	74
,, ...	XKD	500	78, 62	62, 65
,, ...	XKE	500	38	66, 84
,, ...	XKF	250	36, 64	64, 79

Tientsin..	XKG	500	32, 38	66, 74
,, ...	XKH	250	37, 58	58, 65, 76
,, ...	XKI	500	38	66
Peiping	XKA	250	28, 39, 33	70
,, ...	XKB	100	26, 62	62
,, ...	XUA	100	41	66
Chahar Province ..				
Tushihkow . ..	XKL	40	48, 60	60, 78
Chihcheng	XKV	40	48, 60	60, 78
Kalgan	XKZ	100	55	70
Suiyuan Province				
Tungsheng	XKK	40	42	42
Kweisui..	XKY	150	44	71
Tibet				
Lhasa	XMH	100	54	62
Kwangsi Province				
Yungning	XLM	100	36	
Tsangwu	XLN	100	38	40
Chinghai Province				
Sining	XNQ	50	50	
Shansi Province				
Yangku	XNO	250	57, 62	74, 80

In order to increase the safety of coastal and inland navigation, considerable improvement has been made in coastal and riverine communications with Shanghai, Tsingtao, Foochow, Amoy and Hankow. In each of these cities a long-wave coast station is in operation.

TABLE 7. CALL SIGNALS OF THE RADIO STATIONS ON THE VARIOUS STEAMBOATS

Name of Ship	*Call Signal*	*Name of Ship*	*Call Signal*
Hsinyangtze	XNNA	Chung Ho..	XNBD
Feng Chiang	XNAB	Yu Tsi	XNBE
Ho Shing	XNAC	Yuan Shun	XNBF
Chao Shing	XNAD	Ho Shun	XNBG
Kun Shing	XNAE	Lung Shun	XNBH
Tien Shing	XNAF	Jih Chang..	XNBI
Yu Shing	XNAG	Sze Ho	XNBJ
Pei Hwa	XNAH	Kwang Li..	XNBK
Pei Tai	XNAI	Mo Li..	XNBL
Pei Fu	XNAJ	Feng Li	XNBM
Pei Ching	XNAK	An Li..	XNBN
Saucy	XNAL	Shun Li	XNBO
St. Dominic	XNAM	Chien Li	XNBP
St. Sampson	XNAN	Chiung An..	XNBQ
St. Aubin	XNAO	Sheng Li	XNBR
Hwa An	XNAP	Chung Hwa	XNBS
Yuan An	XNAQ	Sin Ning Shing..	XNBT
Pei Chang..	XNAR	Ning Shing	XNBU
Pei Kang	XNAS	Wan Shiang	XNBV
I Li	XNAT	Chun Ho	XNBW
Yu Ta	XNAU	Kian	XNBX
Kung Ping	XNAV	Sin Ning Shao	XNBY
Tung Hwa	XNAW	Yung Shing	XNBZ
Sin Tsi	XNAX	Tu Nan	XNCA
Kwang Ta	XNAY	Sheng An	XNCB
Tai Shun	XNAZ	Sin Chang..	XNCC
Sui Kang	XNBA	Sin Ming	XNCD
Lung Shan	XNBB	Sin Feng	XNCE
Kwang Li..	XNBC	Chia Ho	XNCF

Kwang Chi	XNCG	Sin Fu Tai	XNFD
Hai Yen	XNCH	Feng Pu	XNFE
Yu Shun	XNCI	Hwa An	XNFF
Shun Li	XNCJ	Sin Tai Ping	XNFG
Tai Li, 1	XNCK	Ying Ping	XNFH
Chang Shing	XNCL	Yu Lung	XNFI
Hwa Ping	XNCM	Hwa Sheng	XNFJ
Chang Tai	XNCN	Sung Pu	XNFK
O Mei	XNCO	Chang Li	XNFL
Cheng Li	XNCP	Kuan Heng	XNFM
Hai Ping	XNCQ	Kuan Chuan	XNFN
Yung Lun	XNCR	Hwei Kang	XNFO
Foo Li	XNCS	Kiang Hwa	XNFP
Liang Shing	XNCT	Tung Shun	XNFQ
Yin Li	XNCU	Li Shun	XNFR
Yu Tung	XNCV	An Shing	XNFS
Sin Li	XNCW	Yung Yuan	XNFT
Sin Kiang Tien	XNCX	Shun Yuan	XNFU
Fei Hu	XNCY	Li Cheng	XNFV
Cheng Li	XNCZ	Foo Nan	XNFW
Hai Shun	XNDA	Fu Lung	XNFX
Tai Li	XNDB	Tung Cheng	XNFY
Tung Li	XNDC	Hwa Shan	XNFZ
Ming Ho	XNDD	Hwa Tung	XNGA
Shun An	XNDE	I Sun	XNGB
Tai Shan	XNDF	Ping Tsi	XNGC
Sin Ping An	XNDG	Kuan Wei	XNGD
Hwa Wu	XNDH	Kowloontsai	XNGE
Cheng Chow	XNDI	San Shing	XNGF
Teh Li	XNDJ	Hai Shang	XNGG
Hsu Chow	XNDK	Shing Ping	XNGH
Ta Lai	XNDL	Ta Lu	XNGI
Yuan Ta	XNDM	Yung Heng	XNGJ
Ta Shing	XNDN	Pei An	XNGK
Heng Shan	XNDO	Ning Shao	XNGL
Tung Teh	XNDP	Shing Shih	XNGM
Hai Chow	XNDQ	Hwa Mo	XNGN
An Ning	XNDR	Hai Hwa	XNGO
Ching Ning	XNDS	Ping Shun	XNGP
Yuan Li	XNDT	Ching An	XNGQ
Chun Ning	XNDU	Chung Shing	XNGR
Kien Sin	XNDV	Tung Ho	XNGS
Wu Yang	XNDW	Hai Kuang	XNGT
Li Tung	XNDX	Hai An	XNGU
Yung Sheng	XNDY	Hai Cheng	XNGV
Chang An	XNDZ	Hai Ching	XNGW
Liu Shing	XNEA	Hwa Sin	XNGX
Hai Shing	XNEB	Hai Yen	XNGY
Li Kin	XNEC	Tung Hui	XNGZ
Ping Cheng	XNED	Hai Yuan	XNHA
Chuang Tiao	XNEE	Hai Heng	XNHB
Chang Keng	XNEF	Hai Li	XNHC
Yang Cheng	XNEG	Hai Cheng	XNHD
Chun Shing	XNEH	Chou Shan	XNHE
Ching Ling	XNEI	Min Chuan	XNHF
Hwa Shing	XNEJ	Li Liang	XNHG
Fei Shing	XNEK	Kien An	XNHH
Ho Shing	XNEL	Yuan Shing	XNHI
Hai Sui	XNEM	Hwei Chang	XNHJ
Hai Ping	XNEN	Sin Pu	XNHK
Lien Shing	XNEO	Ting An	XNHL
Teh Shing	XNEP	Ming Shan	XNHM
Pei Tou	XNEQ	Hai Jui	NXHN
Hai Hwei	XNER	Tao Chu Kung	XNHO
Lung Ching	XNES	Lu Shing	XNHP
Hai Ching	XNET	Ta Sheng	XNHQ
Kong Moon	XNEU	Kiao Tsi	XNHR
Yun Shing	XNEV	Hwa Ta	XNHS
Kwan Lui	XNEW	Yuan Cheng	XNHT
Wen Shing	XNEX	Hai Yu	XNHU
Shu Shing	XNEY	Chun Hwa	XNHV
Cha Shing	XNEZ	I Shing	XNHW
Ning Ching	XNFA	Kien Shih	XNHX
Sheng An	XNFB	Hai Hsiang	XNHY
Tung Li	XNFC	Yung Chi	XNHZ

Hwa Chiang	XNIA	Hai Yun	XNIM
Tien Hsin	XNIB	Min Kang	XNIN
Min Feng	XNIC	Min I	XNIO
Min Chen	XNID	Min Hsien	XNIP
Hwa Shun	XNIE	Min To	XNIQ
Hai Chang	XNIF	Min Lien	XNIR
Shun Feng	XNIG	Min Su	XNIS
Min Peng	XNIH	Sheng Ping	XNIX
Min Kwei	XNII	Tien Li	XNIY
Min Yuan	XNIJ	Yi Li	XNIZ
Fu Kwang	XNIK	Ting Hai	XNJA
Kuen Li	XNIL	Customs Cruiser	XNUU

B. International Telegraphs : 1. *Wired Telegraph.*—The wired telegraph routes of China may be classified into two groups ; namely, the cables and the land lines, as shown in the following tables :

TABLE 8. CABLES

Name of Cables	*Points Connected by the Cable*		*Route Indication*
	Chinese-Side	*Foreign-Side*	
Tsingtao-Sasebo (Sino-Japanese)	Tsingtao	Sasebo (Japan)	Via TT-Ssb
Shanghai-Hongkong (G.N.) ..	Shanghai	Hongkong	Via No
Shanghai-Nagasaki (G.N.) ..	,,	Nagasaki (Japan)	Via No
Shanghai-Hongkong (E.E.) ..	,,	Hongkong	Via Ex
Shanghai-Manila (C.P.)	,,	Manila	Via CPC
Shanghai-Nagasaki (Japanese) ..	,,	Nagasaki	Via Sh-Ng
Foochow-Tamsui (Japanese) ..	Foochow	Tamsui (Formosa)	Via LL-Fch

TABLE 9. LAND LINES

Name of Land Lines	*Points Connected by the Lines*		*Route Indication*
	Chinese-Side	*Foreign-Side*	
Kwangtung-French Indo-Chinese Line	Tunghing	Monkai	Via Tunghing
Yunnan-French Indo-Chinese Line	Hokow	Laokai	Via Hokow
Kwangsi-French Indo-Chinese Line	Nankwan	Dongchang	Via Nankwan
Yunnan-Burmese Line	Tengchung	Bhamo	Via Tengchung

2. *Radio-Telegraph.*—The International Radio Station CGRA of the Ministry of Communications, situated at Shanghai, operates 13 international radio-telegraph circuits. The telegraph offices at Tientsin, Shanghai, Foochow, Swatow and Kunming each operates one circuit ; the Amoy office operates two and the Canton office three ; all of these serve to form direct tele-communication links with the important countries in Europe, America and Asia, and through these countries other points all over the world may be easily reached.

In the field of international wireless telegraphy, the installation at Tientsin of a 1,000-watt wireless set has made possible direct communication with Tokyo since June 1, 1936. To facilitate tele-communication between China and France, an agreement was reached with the Central Postal and Telegraph Office of French Indo-China whereby direct radio communication has been possible between Canton and Hanoi since February 15, 1936.

The international wireless telegraph routes of China are shown in the following tables :

TABLE 10. CIRCUITS OF CGRA

Name of Circuits	*Places Linked*	*Route Indication*
Shanghai-San Francisco	U.S.A. and all places in America	Via CGRA-RCA
Shanghai-San Francisco	U.S.A. and all places in America	Via CGRA-Mackay
Shanghai-London	Great Britain and all countries in Europe and Africa	Via CGRA-Imperial Wireless
Shanghai-Paris	France and all countries in Europe and Africa	Via CGRA-RF
Shanghai-Berlin	Germany and all countries in Europe and Africa	Via CGRA-Transradio
Shanghai-Rome	Italy and all countries in Europe and Africa	Via CGRA-Itlo
Shanghai-Geneva	Switzerland and all countries in Europe	Via CGRA-Radio Nations
Shanghai-Moscow	U.S.S.R. and all countries in Europe	Via CGRA-Moscow
Shanghai-Tokyo	Japan, Korea and Formosa	Via CGRA-Tokyo
Shanghai-Batavia	Netherland India, Straits Settlements, India and Australia	Via CGRA-DEI
Shanghai-Manila	Philippine Islands and Siam	Via CGRA-RCA
Shanghai-Saigon	French Indo-China ..	Via CGRA-TSF
Shanghai-Hongkong ..	Hongkong	Via CGRA-HK

TABLE 11. OTHER CIRCUITS

Name of Circuits	*Places Linked*	*Route Indication*
Shanghai-Macao	Macao	Via Sh Radio
Tientsin-Tokyo	Japan, Korea and Formosa	Via Ti Radio
Amoy-Manila	Philippine Islands . ..	Via Ay Radio
Amoy-Hongkong	Hongkong	Via Ay Radio
Foochow-Hongkong ..	,, ...	Via Fch Radio
Swatow-Hongkong . ..	,, ...	Via Sw Radio
Kunming-Hanoi	French Indo-China ..	Via Km Radio
Canton-Hanoi	,, ,, ,, ...	Via Cn Radio
Canton-Hongkong . ..	Hongkong	Via Cn Radio
Canton-Macao	Macao	Via Cn Radio

TABLE 12. DATES OF THE OPENING OF THE VARIOUS INTERNATIONAL TELEGRAPH LINES AND CIRCUITS

Cables & Land Lines	*Date of Opening*	*Radio Circuits*	*Date of Opening*
Shanghai-Nagasaki, 1st Cable (G.N.)	1871	Shanghai-Manila	1929
Shanghai-Nagasaki, 2nd Cable (G.N.)	1883	Shanghai-Hongkong	1929
Shanghai-Hongkong Cable (G.N.)	1871	Shanghai-Batavia	1930
Shanghai-Hongkong Cable (E.E.)	1883	Shanghai-San Francisco (RCA)	1930
Shanghai-Manila Cable (Pacific)	1906	Shanghai-Berlin	1930
Shanghai-Nagasaki Cable (Japanese)	1914	Shanghai-Paris	1930
Shanshihchwan-Tamshui Cable (Japanese)	1899	Shanghai-Saigon	1931
Tsingtao-Sasebo Cable (Sino-Japanese)	1915	Shanghai-Geneva	1932
Sino-Russian Borderland Line	1892	Shanghai-Moscow	1933
Sino-Burmese Borderland Line	1895	Shanghai-San Francisco (Mackay)	1933
Sino-Indo-Chinese Borderland Line	1889	Shanghai-London	1934
		Shanghai-Tokyo	1934
		Shanghai-Rome	1935

C. Municipal Telephone.—At first the installation of the telephone service was limited to the treaty ports and only magneto instruments were employed. In accordance with the needs of the different localities, the service has gradually been extended to the various cities, and automatic and common battery sets have been adopted to replace the magneto type.

TABLE 13. PROGRESS IN THE TELEPHONE SERVICE OPERATED BY THE CENTRAL GOVERNMENT, 1931–1936

Year	*No. of Offices*	*Capacity*	*Subscribers*	*Wires (in Km.)*
1931	18	56,092	41,908	249,816
1932	19	56,108	42,962	240,736
1933	19	60,010	44,216	217,117
1934	22	66,049	48,292	289,850
1935	29	68,975	49,329	299,820
1936	36	75,760	55,577	344,590

TABLE 14. MUNICIPAL TELEPHONES OF THE MINISTRY OF COMMUNICATIONS, 1936

Telephone Offices / *Telephone Lines*	*Exchange Instruments*	*Capacity*	*Lines (in Kilometers)*	*Cables (in Kilometers)*	*Wires (in Kilometers)*
Peiping	Common Battery, Magneto..	17,720	688.40	364.29	88,758.73
Tientsin	,, ,, , Automatic and Magento	16,179	319.51	232.19	65,414.46
Wuhan	Automatic	8,500	274.28	155.01	34,215.44
Nanking	,, , Magneto	7,350	343.33	252.73	48,921.66
Shanghai	Common Battery, Automatic, and Magneto	5,850	560.40	243.16	45,569.63
Tsingtao	Automatic, Magneto	5,030	356.07	148.21	21,840.20
Wuhsien	Common Battery, Magneto .	3,100	210.54	58.52	13,087.24
Chinkiang	,, ,, ...	1,340	52.08	23.70	5,539.81
Changsha	,, ,, ...	1,000	78.80	12.30	3,889.81
Nanchang	,, ,, ...	1,000	43.11	18.94	3,185.02
Changan	,, ,, ...	1,000	31.81	14.17	1,878.20
Chefoo	Magneto	800	33.10	13.13	1,942.00
Yangku	,, ...	500	53.63	.46	1,118.04
Wuhu	,, ...	500	35.63	5.51	1,148.99
Tsingyuan	,, ...	500	28.02	6.01	928.26
Kiangtu	,, ...	400	31.27	5.51	634.06
Chengtu	,, ...	400	56.83	12.79	1,630.41
Kiukiang	,, ...	300	22.83	7.13	583.60
Chenghsien	,, ...	300	12.50	2.99	274.90
Tungshan	,, ...	400	22.17	1.88	362.85
Ichang	,, ...	300	20.58	6.39	622.53
Kweiyang	,, ...	100	7.00	—	70.00
Shasi	,, ...	250	16.58	1.97	433.20
Pengpu	,, ...	300	11.44	4.47	590.21
Tungtai	,, ...	200	15.20	2.94	239.75
Lanchow	,, ...	200	13.64	—	85.70
Loyang	,, ...	200	11.50	4.74	627.17
Weihaiwei	,, ...	100	110.47	3.07	321.07
Anyang	,, ...	200	5.69	.89	164.98
Yutze	,, ...	100	7.22	—	90.57
Tungkwan	,, ...	100	4.16	—	65.00
Lunkow	,, ...	100	8.14	—	85.40
Tatung	,, ...	100	7.12	.19	85.20
Siupu	,, ...	185	20.15	.87	127.58
Kanhsien	,, ...	50	i2.25	—	22.50
Kwanyun	,, ...	50	8.30	.26	36.30

With regard to the private telephone systems registered with the Ministry of Communications, considerable progress has been made during the past year.

TABLE 15.

Year	*Number of Companies*	*Instruments*		*Automatic*
		Magneto	*Common Battery*	
1935	43	37	4	2
1936	49	43	4	2

TABLE 16. PRIVATE TELEPHONE COMPANIES REGISTERED WITH THE MINISTRY OF COMMUNICATIONS, 1936

Name of Telephone Companies	*Instruments*	*Capacity*
Kweisui	Magneto	(4 exchanges)
Kaoyu	,,	150
Taitsou	,,	450
Szemin	,,	1,300
Shentseh	,,	200
Kashan	,,	300
Shihmeng	,,	200
Ningtsin	,,	100
Posheng	,,	300
Kiangying..	,,	450
Foochow	Automatic	1,500
Nantung Tatsung	Magneto	570
Wusih	Common Battery	1,400
Sungkiang..	Magneto	300
Wutsin	Common Battery	840
Linshing	Magneto	850
Putien	,,	200
Wuhing	,,	500
Kating	,,	200
Tsinan	Common Battery	3,000
Fengching..	Magneto	100
Kashing Chungshing	,,	550
Yingyang	,,	100
Yuntung	,,	250
Yuteh	,,	100
Kiohchih	,,	150
Chehei	,,	240
Fengcheng	,,	100
Tinghai	,,	200
Kunshan	,,	200
Nanzin	,,	150
Taihsien	,,	200
Paotow	,,	200
Amoy	Common Battery	1,440
Tungming..	Magneto	200
Changshu	Automatic	1,000
	Magneto	50
Shenchiameng	,,	50
Poshan	,,	300
Choutsun	,,	220
Tata	,,	100
Hsuhsien	,,	370
Yunshiao	,,	20
Lili	,,	50
Tungow	,,	500
Weihsien	,,	300
Liyang	,,	100
Tungtah	,,	160
Tsining	,,	300
Kalgan	,,	800

D. Long-Distance Telephones.—During the past year great progress has been made in the long-distance telephone system in this country. The places within call aggregated nearly 800 and stations were established at about 100 places. Altogether 33 long-distance connections were made.

LIST OF PLACES CONNECTED BY LONG-DISTANCE TELEPHONES

1. Foochow-Yungkia
2. Hwaiyin-Kwanyun
3. Nanchang-Yushan
4. Wuhu-Tunki
5. Hankow-Chenghsien
6. Tungshan-Chenghsien
7. Chenghsien-Changan
8. Yushan-Kiangshan
9. Nanking-Hwaiyin
10. Wuhing-Hangchow
11. Nanchang-Changsha
12. Nanking-Kwangteh
13. Kuling-Haiweisze
14. Kuling-Sinfengsze
15. Kian-Kanhsien
16. Nanking-Hankow
17. Chengtu-Kwangyuen
18. Changan-Pingliang
19. Hengyang-Chenhsienhun
20. Wuhsien-Kashing
21. Hengyang-Lingling
22. Changsha-Kweiyang
23. Hankow-Changsha
24. Kwangchang-Ningtu
25. Chiakiang-Loshansze
26. Kaoanki-Changshuki
27. Changan-Kwangyuen
28. Pingliang-Lanchow
29. Chenhsienhun-Kükong
30. Kanhsien-Kükong
31. Canton-Kükong
32. Yukiang-Kingtehchen
33. Wantsai-Pingsiangki

TABLE 17. PROGRESS IN LONG-DISTANCE TELEPHONES, 1931–1936

Year	*Length of Lines (in Kilometer)*	*No. of Calls*
1931	7,956	907,404
1932	9,303	1,054,291
1933	14,864	1,259,055
1934	37,519	1,349,735
1935	41,099	1,887,023
1936	48,799	2,780,713

TABLE 18. MILEAGE OF LONG-DISTANCE TELEPHONE LINES

Connections	*Lines (in Kilometers)*	*Number of Pairs*
Shanghai-Nanking Line (By Highway) ..	370	4
,, ,, ,, (By Railway).. ..	311	3
Shanghai-Hangchow Line (No. A)	190	1
,, ,, ,, (No. B)	206	2
Nanking-Hankow Line	772	3
Nanking-Kwanyun Line	344	1
Tungshan-Tunghai Line..	185	1
Nanking-Tungshan Line	350	1
Hangchow-Ihing Line	187	1
Wusih-Nantung Line	137	1
Kiangtu-Hwaiyin Line	166	1
Wuhu-Tunki Line	268	1
Hankow-Chenghsien Line	520	1
Hankow-Changan Line	480	1
Hankow-Changsha Line..	370	2
Foochow-Kiangshan Line	437	1
Foochow-Yungkia Line	390	1
Foochow-Lungki Line	326	2
Tsinan-Tsingtao Line	401	3
Tsinan-Tientsin Line	357	1
Peiping-Linyu Line..	423	1
Peiping-Tsingyuan Line..	150	1
Tungshan-Chenghsien Line	341	1
Changsha-Kweiyang Line	917	1
Pahsien-Kweiyang Line..	634	1
Pahsien-Chengtu Line	365	1
Nanchang-Changsha Line	389	1
Nanchang-Kiangshan Line	390	1
Nanchang-Ningtu Line	397	1
Changsha-Canton Line	837	1
Nanchang-Kükong Line..	801	1
Yangku-Tungkwan Line	574	1
Chingkiang-Kiangtu Line	23	4
Chengtu-Omei Line..	155	1
Changan-Pingliang Line..	328	1
Tungshan-Tsinan Line	317	1
Chenghsien-Anyang Line	218	1
Wantsai-Pingsiang Line..	105	1
Kiukiang-Nanchang Line	136	2
Wuhsien-Kashing Line	71	1
Changan-Chengtu Line	958	1
Kiukiang-Lushan Line	40	1
Henyang-Lingling Line	157	1

With the completion of the nine-province long-distance telephone network, Nanking has become an important center of telephonic communication. Up to the present the capital has been linked up by direct telephone communication with more than 250 cities in the provinces of Kiangsu, Chekiang, Anhwei, Hupeh, Hunan, Shantung, Honan, Kiangsi and Hopei by direct telephone communication.

Many of the provincial governments have installed their own long-distance telephone systems, particularly during the anticommunist campaigns. The following table gives some statistics for provincial long-distance telephones:

TABLE 19. LOCAL GOVERNMENT LONG-DISTANCE TELEPHONE

Province	*Length of Lines (in Kilometer)*	*Poles (in Meter)*
Kiangsu	2,271.6	40,064
Chekiang	5,089.0	69,400
Fukien	1,185.0	—
Honan	5,167.0	—
Hopei	4,719.0	—
Hunan	1,593.0	26,546
Kiangsi	1,390.0	—
Kiangsi Highway Bureau	3,053.3	—
Hupeh	4,506.4	93,305
Shantung	5,587.9	—
Kwangtung ..	990.1	—

E. Radio-Telephone. — The Ministry of Communications has set up three radiophone circuits in the country; namely, Shanghai-Hankow, Shanghai-Canton and Hankow-Canton. The Shanghai-Hankow circuit, completed on September 1, 1936, has been opened to the public since that date; while the Shanghai-Canton circuit and the Canton-Hankow circuit have also been put into operation. It is expected that some other circuits will soon be available.

With reference to the development of the international radiophone link in this country, a direct circuit has been established between China and Japan. Among those which are now in preparation are the China-Britain, China-America and China-Philippine circuits. The China-Japan circuit was formally inaugurated on February 15, 1936. The places served by this circuit are temporarily limited to Shanghai in China, and to 173 Japanese cities such as Tokyo, Yokohama, Osaka, Kobe, Nagasaki, etc., with Tokyo as the central station.

II. ADMINISTRATION OF ELECTRICAL COMMUNICATIONS

A. Telegraph Organization.—In order to unify the telegraph system and to increase the efficiency of communications wired and wireless telegraph and telephone offices have been amalgamated and brought under one central control. The whole country is now divided into 21 telegraph districts, each having a district head office. In addition to directing and supervising the telegraph administration of its own district, the function of each district head office is to handle the local telegraph business. Tientsin and Shanghai both have a special office which is directly under the control of the Ministry of Communications. All of the other offices, from the first-class offices downwards are put under the charge of their respective head offices. In addition there are suboffices and agencies which conduct telegraphic business as well as handling the long-distance telephone service.

B. Supervision of Non-Ministry Projects.—According to the law, telegraphic projects are to be owned and operated by the Government. However, individuals, public organs or local governments may also operate such projects under the supervision of the Ministry of Communications.

C. Broadcasting Stations.—In November, 1932, the Ministry of Communications promulgated a set of Provisional Regulations for the Control of Private Broadcasting Stations. According to these regulations, a permit must be obtained from the Ministry of Communications prior to the construction of any private broadcasting station. After the construction and equipment have been inspected

and adjudged satisfactory by the Ministry, a license will be issued for the operation of the station. As the wave-length band for the broadcasting stations has already been fully used up, the Ministry has issued a notification that no more permits will be obtainable for construction of broadcasting stations.

On account of their worthless and inefficient equipment about 10 stations have been abolished by the Ministry of Communications. At present there are 82 broadcasting stations in the country, the majority being private-owned and the most powerful being one of 75 kilowatts. The Ministry has also built a 10,000-watt station at Chengtu and at the same time has extended the power of the government-owned Shanghai station to 2,000 watts.

TABLE 20. NUMBER OF BROADCASTING STATIONS IN CHINA, 1936

Province	*Government Stations*	*Private Stations*	*Total*
Kiangsu ..	5	42	47
Chekiang ..	1	9	10
Anhwei ..	—	2	2
Hopei ..	2	6	8
Hupeh ..	1	1	2
Shantung ..	2	—	2
Fukien ..	—	2	2
Kiangsi ..	1	—	1
Hunan ..	1	—	1
Shansi ..	1	—	1
Honan ..	1	—	1
Kwangtung.	1	—	1
Kwangsi ..	1	—	1
Yunnan ..	1	—	1
Szechwan ..	1	—	1
Shensi ..	1	—	1
TOTAL ..	20	62	82

TABLE 21. PUBLIC AND PRIVATE BROADCASTING STATIONS, 1936

Location	*Station*	*Frequency (k/c)*	*Call Sign*	*Power (Watts)*
Shanghai	Hwa Tai ..	560	XLHB	15
	Hwa Mei ..	600	XMHA	500
	Great Continental ..	620	XHHK	100
	Eastern Continental	800	XHHG	100
	Overseas Chinese ..	700	XMHC	500
	Kien Hwa	740	XHHB	100
	Ya Tung ..	760	XLHJ	15
	Sin Sin	780	XLHA	50
	Robertson	820	XQHB	30
	Evangel ..	1420	XMHD	1000
	Yu Lien	880	XHHV	100
	Municipal Government..	900	XGOI	500
	Fu Hsing	920	XHHX	100
	Li Shu Teh Tang ..	940	XHHE	100
	Ming Yuan	960	XHHF	100
	Fu Ying ..	980	XMHB	500
	Eastern ..	1020	XHHG	100
	Chung Si ..	1040	XHHH	100
	Hwa Mei ..	1060	XHHI	100
	Ya Mei	1100	XHHS	100
	Yuan Chang ..	1480	XLHM	50
	Ya Shen ..	1120	XLHN	200
	Great China ..	840	XHHU	100
	Shipping ..	1180	XHHZ	100
	Kuo Hwa	1200	XHHN	100
	Li Li	1240	XHHY	100
	Hwa Shing	1260	XHHP	100
	Ministry of Communications	1300	XQHC	500
	East China	1360	XQHD	200
	Wen Hwa Hsieh Hwei*	1080	*	1000
	Ho Ming ..	1440	XLHQ	15
	Ki Mei	1460	XQHE	250
	Lin Chi	1220	XQHG	250
Nanking	Central	660	XGOA	75000
	Nanking ..	930	XGON	200
Chinkiang	Kiangsu Provincial Government	1150	XGOZ	1000

*Not broadcasting yet.

Soochow	Peh Ling	870	XHIC	75
	Insurance Companies' Guild	1310	XLIP	50
	Kiu Ta	1450	XLIB	15
Wusih	College of Education	1110	XLIJ	50
	Shih Tai Shen Fu Sin	1390	XLIN	50
	Shih Ho	950	XHIB	75
	Kuo Tai	1050	XLIF	15
	Shing Yeh	1250	XLIE	50
Hsuchow	Hsu Chow	1410	XHIA	60
Wutsin	Hsien Party Organ	1330	XLIK	15
Kaoyu	Yang Shih	1110	XLIG	10
Hangchow	Ching Ting	850	XLIQ	50
	Chekiang Provincial Government	990	XGOD	1000
	Hung Shen	1230	XLIR	50
	Asiatic Continent	1370	XLID	50
Kashing	Hsien Party Organ	890	*	15
	Yung Teh Tang	1490	*	10
Shaohing	Yeh Shen	1090	XLIO	25
Pinghu	Yi Fang Tang	1210	*	15
Sinsi	Sinsi	610	*	6
Ningpo	Szeming	770	XHID	75
Wuhu	Heng Ta Li	830	XLII	75
	Ta Yu Feng	1270	XLIH	10
Peiping	Ministry of Communications	950	XGOP	300
	Ministry of Communications	1450	XGOM	15
	Yu Ying	1190	XLKA	150
Tientsin	Y.M.C.A.	750	XQKB	150
	Jen Chang	890	XQKC	200
	Chung Hwa	1050	XHKA	100
	Eastern	1350	XQKA	150
	Nankai	1145	XLKC	12
Hankow	Municipal Government	1010	XGOW	5000
	Central China	1280	XHJA	100
Tsinan	Shantung Provincial Government	860	XGOF	500
Tsingtao	Popular Educational Center	1210	XHKC	100
Foochow	Central Party Organ	1030	XGOL	250
Amoy	Tung Wen	910	XLIM	15
Nanchang	Commission of Military Affairs	1130	XGOC	3000
Kaifeng	Honan Provincial Government	1070	XGOQ	200
Taiyuan	Shansi Provincial Government	1000	XGOF	50
Canton	Municipal Government	750	XGOK	1000
Kunming	Yunnan Provincial Government	697	XGOY	250
Nanning	Kwangsi Provincial Government	1290	XGOE	1000
Chengtu	Ministry of Communications*	560	XGOH	10000
Changan	Central Party Organ*	1220	XGOJ	500

* Not broadcasting yet.

D. Regulations Concerning Applications for Huchao for Importing Radio Materials.—Recognizing the importance of importing radio materials, the Ministry of Communications has promulgated the following regulations concerning applications for *Huchao* for importing radio materials.

REGULATIONS CONCERNING APPLICATION FOR HUCHAO FOR IMPORTING RADIO MATERIALS

Article 1.—For the importation of radio materials, the importer must, in accordance with Article 7 of the Telecommunication Act (August 5, 1929), apply to the Ministry of Communications for a *Huchao.* In case the radio materials to be imported are for the use of army, navy or air force, the application shall be submitted to the Ministry of Military Affairs, the Ministry of Navy or the Commission on Aeronautical Affairs for consideration, the case may be, and permission to pass it to the Ministry of Communications for a *Huchao.*

Article 2.—For importing materials for radio-receiving purposes, the importer, when applying for a *Huchao,* shall fill in an application form and submit it with the original invoice and three copies of it, $1.00 for stamp duty and the sum necessary to cover the *Huchao* fee.

Article 3.—For importing materials for radio-transmitting purposes, the importer, when applying for a *Huchao,* shall, besides acting in accordance with the preceding article, give a detailed statement of how such materials will be used. In case the materials are purchased on behalf of another person or persons, it is necessary for the importer to attach to his application a certificate of the purchaser, stating how the materials will be used.

Article 4.—For the sale of materials for radio-transmitting purposes, the firm which sells them shall secure from the purchaser an application and submit it to the Ministry of Communications for a Permit. Unless such a Permit has first

been obtained on sale of the said materials shall be transacted. The present paragraph is also applicable to resales of the same materials.

The preceding paragraph applies *mutatis mutandis* to the transfer of the ownership of materials for radio-transmitting purposes by a means other than sale.

Article 5.—For the importation of radio materials the value of which does not exceed $50.00, a *Huchao* fee of $4.00 shall be charged. If the value exceeds $50.00, the *Huchao* fee shall be increased by $2.00 for each additional $50.00 or less.

For the importation of radio materials for military use, $1.00 only will be collected for stamp duty, the *Huchao* fee being exempted.

Article 6.—In applying for a *Huchao*, the original invoice to be submitted shall bear the signature and stamp of the manufacturer, giving the particulars of the materials, viz., names, kinds, quantities, types, unit prices, total price, etc. This invoice shall be submitted together with descriptions (or instructions), catalogs and schematic diagrams of the materials.

If such descriptions, etc., have already been submitted on previous occasions, it is not necessary to send them again except in the case of alternations having been made therein.

Article 7.—If it is urgently required to import radio materials but the invoice of the same has not yet been received by the applicant, he may apply for a *Huchao* by sending in a statement of the particulars of such materials, viz., names, kinds, types, quantities, prices, etc. The invoice must, however, be furnished within 20 days following the date of issuing the *Huchao*, failing which the applicant shall be deprived of this facility in future.

Article 8.—The applicant who desires to follow the procedure as specified in the preceding article, must beforehand deposit, as guarantee money, a sum of $500.00 (with the Ministry of Communications). Upon the receipt of the invoice, the Ministry will deduct from the deposit the *Huchao* fee and stamp duty, and refund the balance. In the event of the deposit being insufficient to cover the *Huchao* fee and stamp duty, the applicant must make good the deficiency. If the applicant needs frequently to obtain *Huchao*, an account may be opened with him in regard to his deposit and shall be settled at the end of each month when he is required to make up any deficiency in the fixed sum of $500.00.

Article 9.—Application forms for a *Huchao* or for a Permit may be obtained free of charge from the Ministry of Communications.

Article 10.—For the transportation of the radio materials already imported, it is necessary to apply for a transportation *Huchao* in accordance with the regulations fixed by the Ministry of Communications.

III. CONDITIONS OF THE ELECTRICAL COMMUNICATION SERVICES

A. Domestic Telegraphs : 1. *Types of Telegram.*—Domestic telegrams are divided into the following five classes :

1. Government and military telegrams
2. Telegraph office service telegrams
3. Private telegrams
4. Telegrams concerning public welfare
5. Special telegrams

Each of these classes of telegram is subdivided into two or more kinds, as shown in the following list :

1.	Government and Military Telegram	(*a*) Government telegrams (*b*) Full-rate government telegrams (*c*) Military telegrams
2.	Telegraph Office Service Telegram	(*a*) Service telegrams (*b*) Paid service advices
3.	Private Telegram	(*a*) Ordinary telegrams (*b*) Urgent telegrams (*c*) Social telegrams (*d*) Press telegrams (*e*) Urgent press telegrams
4.	Telegrams Concerning Public Welfare	(*a*) Telegrams relating to the safety of marine and air navigation (*b*) Meteorological telegrams (*c*) Relief telegrams (*d*) Water-mark telegrams
5.	Special Telegram	(*a*) Telegrams transmitted through the post (*b*) Telegrams transmitted by the railway telegraph lines (*c*) Inland radio-telegrams exchanged with ships (*d*) Special contract reduced rate telegrams

Besides these 18 types of telegraph service, special services are provided, such as :

1. Delivery through indirect address
2. Distribution of multiple messages
3. Notice of delivery
4. Prepaid return message
5. Proof reading
6. Special delivery
7. Registered address
8. Change of address
9. General delivery
10. To be opened by addressee or open message
11. Care of telegraph offices
12. Reception of delivery through telephones
13. To collect by special messenger
14. Reception and delivery through special lines
15. Receipt

2. *Telegram Rates.*—When the first telegraph line was opened in 1879, the rates for plain language Chinese telegrams were fixed at 10 cents per character, while a 20% charge on each character was made for each province through which the message was sent. This system was changed after the establishment of the Republic.

Heavier charges were made during the years from 1899 to 1927, when the provincial and interprovincial systems were abolished. However, beginning from September, 1936, a system similar to the old one was reinstated, rates being thereby reduced in comparison with the former schedule.

The rates per character for all classes of domestic telegrams, whether transmitted by wire or by wireless, are shown in the following tables:

TABLE 22. RATES FOR INTERPROVINCIAL TELEGRAMS

Classes of Telegrams	*Language Used in the Telegrams*		
	Chinese Plain Language (Cents)	*Chinese Code Language (Cents)*	*Foreign Plain or Code Language (Cents)*
Ordinary	10	20	20
Urgent	20	40	40
Government and Military	5	5	10
Full-Rate Government	10	10	20
Press	2½	—	5
Urgent Press	10	—	20
Social	2	—	4

TABLE 23. RATES FOR PROVINCIAL TELEGRAMS

Classes of Telegrams	*Language Used in the Telegrams*		
	Chinese Plain Language (Cents)	*Chinese Code Language (Cents)*	*Foreign Plain or Code Language (Cents)*
Ordinary	7	14	14
Urgent	14	28	28
Government and Military	3½	3½	7
Full-Rate Government	7	7	14
Press	2	—	4
Urgent Press	7	—	14
Social	2	—	4

The minimum charge for a social telegram in Chinese plain language is on the basis of 20 characters, that for a social telegram in English plain language is on the basis of 10 characters. If the sender wishes to have his social telegram accompanied by a Postal Savings Bank gift order, he has to pay an additional charge of 10 cents.

Beginning from January, 1934, Chinese addresses of less than 15 characters were charged on the basis of five characters, but this was again changed in September, 1936, when every two characters in the address were charged as one. This is believed to have reduced the cost to the senders and to have encouraged the sending of telegrams.

3. *Increase of the Service.*—Since 1935 all radio stations have been amalgamated with the local telegram offices. At present these two services are co-operating so closely that each may avail itself of the circuit of the other in case of need, thus enabling messages to be transmitted as speedily as possible.

Because the telegram rate was much less than the former schedule, the number of messages and words transmitted during the last year has been greatly increased.

TABLE 24. DOMESTIC PRIVATE TELEGRAMS TRANSMITTED, JANUARY–AUGUST, 1935 AND 1936

Date	Urgent				Charges	Ordinary				Charges
	Chinese Plain		Chinese Code and Foreign Language			Chinese Plain		Chinese Code and Foreign Language		
	Message	Word	Message	Word		Message	Word	Message	Word	
January, 1935	3,956	75,510	6,698	60,182	$39,174.80	233,731	4,031,560	63,109	675,673	$538,290.60
February	3,351	65,968	6,078	54,831	35,126.20	158,787	2,698,783	48,633	521,614	374,201.10
March	2,758	56,120	8,946	64,979	37,215.60	204,308	3,439,066	64,957	654,949	474,896.40
April	2,582	50,221	7,683	59,727	33,935.00	190,971	3,162,174	59,844	581,624	432,542.20
May	2,435	46,833	7,551	62,804	34,488.20	191,079	3,194,065	63,843	639,590	447,324.50
June	2,729	54,870	7,983	75,801	41,294.40	186,527	3,111,728	67,928	709,316	453,036.00
July	3,750	73,903	7,823	67,868	41,927.80	178,431	3,084,035	56,503	600,744	428,552.30
August	2,781	51,747	8,537	65,838	36,684.60	181,372	3,066,372	56,885	572,086	421,054.40
TOTAL	24,342	475,172	61,299	512,030	299,846.40	1,525,206	25,787,783	481,702	4,955,596	3,569,897.50
January, 1936	2,832	51,728	4,410	39,730	26,237.60	219,143	3,663,867	54,071	578,388	482,064.30
February	2,464	40,160	4,104	46,803	26,753.20	200,502	3,226,638	49,323	548,561	432,376.00
March	2,943	45,445	5,158	43,019	26,296.60	249,976	3,942,416	61,059	634,844	521,210.40
April	2,246	37,679	3,880	27,806	18,658.20	207,834	3,245,636	54,429	554,737	435,511.00
May	2,096	36,022	4,630	33,285	20,518.40	199,539	3,135,561	50,988	551,317	423,819.50
June	3,617	56,250	4,610	39,422	27,018.80	211,832	3,533,361	58,409	641,594	481,654.90
July	5,541	97,094	3,765	35,853	33,760.00	224,474	3,651,233	57,385	600,040	485,131.30
August	4,206	74,329	3,725	39,719	30,753.40	209,395	3,752,883	54,116	684,622	492,212.70
TOTAL	25,945	438,707	34,282	305,637	209,996.20	1,722,695	28,151,595	439,780	4,694,103	3,753,980.10

TABLE 24. DOMESTIC PRIVATE TELEGRAMS TRANSMITTED, JAN.–AUG., 1935 & 1936 (Continued)

Date	Press				Charges	Social				Charges	Total		Charges
	Chinese Plain		Foreign Language			Chinese Plain		Foreign Language			No. of Messages	No. of Words	
	Message	Word	Message	Word		Message	Word	Message	Word				
Jan., 1935	5,565	577,336	1,541	64,411	$17,653.95	3,466	116,759	465	6,332	$2,588.46	318,531	5,607,763	$597,707.81
Feb.	4,507	481,947	1,578	50,072	14,552.275	2,035	70,041	160	2,216	1,489.46	225,129	3,945,472	425,368.835
March	5,536	563,748	1,816	55,860	16,886.70	2,298	83,437	197	2,760	1,779.14	290,816	4,920,919	530,777.84
April	4,667	471,659	1,758	56,975	14,640.225	2,686	94,699	316	3,995	2,053.78	270,507	4,481,074	483,171.205
May	5,010	512,970	1,801	64,946	16,071.55	2,281	83,288	165	2,518	1,766.48	274,165	4,607,014	499,650.73
June	5,862	603,068	2,991	106,953	20,424.35	2,051	85,590	202	2,979	1,830.96	276,273	4,750,305	516,585.71
July	6,730	750,991	1,483	63,771	21,963.325	2,354	86,752	239	3,104	1,859.20	257,313	4,731,168	494,302.625
August	6,680	735,180	1,317	55,250	21,141.50	2,147	74,614	190	2,828	1,605.40	259,909	4,623,905	480,485.90
TOTAL	44,557	4,696,899	14,285	518,228	143,333 875	19,318	695,180	1,934	26,732	14,972.88	2,172,643	37,667,620	4,028,050.655
Jan., 1936	3,739	395,682	923	36,010	11,692.55	8,311	274,324	737	10,256	5,896.72	294,166	5,049,985	525,891.17
Feb.	3,733	379,329	895	33,579	11,162.175	7,745	115,759	246	3,340	2,448.78	269,012	4,394,169	472,740.155
March	4,161	399,662	1,024	37,949	11,889.00	3,708	119,599	359	4,770	2,582.78	328,388	5,227,704	561,978.78
April	4,781	491,756	936	27,904	13,689.10	3,554	131,164	455	7,058	2,965.60	278,115	4,526,740	470,823.90
May	4,476	422,325	998	52,495	13,182.875	3,565	134,926	350	4,493	2,878.24	266,642	4,370,424	460,399.015
June	4,502	462,341	1,355	66,552	14,886.125	4,313	142,760	466	6,041	3,096.84	289,104	4,948,321	526,656.665
July	4,661	420,899	580	47,627	12,903.825	4,692	159,684	443	6,060	3,436.08	301,541	5,018,490	535,231.205
August	4,306	473,234	448	34,506	13,556.15	5,525	182,556	770	5,868	3,885.84	282,491	5,147,717	540,408.09
TOTAL	34,359	3,445,228	7,159	336,622	102,961.80	41,413	1,263,772	3,826	47,886	27,190.88	2,309,459	38,683,550	4,094,128.98

The following table shows the increase in domestic telegrams from 1931 to 1936:

TABLE 25

Year	No. of Messages	No. of Words
1931 ..	4,290,605	177,964,676
1932 ..	3,974,085	164,271,050
1933 ..	3,869,211	151,033,653
1934 ..	4,039,676	148,183,878
1935 ..	4,280,217	156,703,735
1936 ..	4,575,192	178,507,682

B. International Telegraphs: 1. *Kinds of International Telegrams.*—International telegrams are divided into the following 10 classes:

1. Ordinary Telegram
2. Urgent Telegram
3. Press Telegram
4. Urgent Press Telegram
5. Government Telegram
6. Greeting Telegram
7. Service Telegram
8. Deferred Telegram
9. Letter Telegram
10. Meteorological Telegram

2. *Rates of International Telegrams.*—For rates of international telegrams see Tables 30 and 31 on page 987.

3. *International Telegrams Transmitted.*—The following table gives the number of messages and words transmitted by international telegraph and cable during the last six years:

TABLE 26. INTERNATIONAL TELEGRAMS TRANSMITTED, 1931–1936

Year	By Cable		By International Tel.		Total	
	No. of Mes.	Wordage	No. of Mes.	Wordage	No. of Mes.	Wordage
1931	1,413,226	14,220,894	158,665	2,118,877	1,571,891	16,339,771
1932	1,227,334	13,983,064	192,450	2,767,370	1,419,784	16,750,434
1933	1,326,395	13,797,631	472,876	5,007,968	1,799,271	18,805,599
1934	1,178,988	14,970,213	607,277	8,453,239	1,786,265	23,423,452
1935	1,043,228	13,013,697	684,620	8,933,088	1,727,848	21,467,785
1936	773,759	9,332,372	699,967	9,100,844	1,474,716	18,433,216

C. Municipal Telephones: 1. *Kinds of Services.*—In the past the business of the municipal telephone companies under the Ministry of Communications was limited to: (1) ordinary telephones, (2) extension phones and other installations, (3) private small exchange switch boards, and (4) special phones.

However, the scope of business has been increased during the past few years to include the following: (1) two phones in parallel, (2) party line phones, (3) public telephones, (4) temporary stations, (5) wharf phones, (6) interphone systems for residences, (7) extra-settlement phones, (8) burglar alarms, and (9) electric clocks or timepiece.

2. *Number of Subscribers.*—During the last nine years, the telephones of the Republic have increased by leaps and bounds. The following table shows the number of telephone subscribers year by year since 1928:

TABLE 27. NUMBER OF TELEPHONE SUBSCRIBERS, 1928–1936

Year	No. of Subscribers
1928	37,713
1929	39,290
1930	39,861
1931	41,908
1932	42,962
1933	44,216
1934	48,292
1935	49,329
1936	55,577

D. Long-Distance Telephones and Radiophones.—Of toll calls there are three classes, namely, station-to-station calls, person-to-person calls and *avis d'appel* calls. Each of these is further classified into two categories: viz., "ordinary" and "urgent."

TABLE 28. NUMBER OF LONG-DISTANCE TELEPHONE CALLS DURING THE PAST SIX YEARS

Year	Number of Calls
1931	926,732
1932	1,094,878
1933	1,285,984
1934	1,855,523
1935	2,615,071
1936	2,780,713

TABLE 29. NUMBER OF LONG-DISTANCE TELEPHONE CALLS DISTRIBUTED IN THE VARIOUS AREAS, 1936

	Jan.	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Total*
Kiangsu	61,571	56,411	70,670	67,546	67,499	74,420	79,058	75,894	85,100	100,329	84,610	100,896	924,004
Shantung	14,990	14,322	20,595	19,012	19.950	16,321	20,343	17,740	21,591	28,935	28.252	29,148	251,199
Hopei	46,476	42,660	52,263	51,585	53,498	49,428	49,238	49,139	50,270	60,837	53,023	60,060	618,477
Fukien	16,400	13,904	15,352	14,952	15,079	14,219	16,717	17,773	17,103	20,213	18,658	21,768	202,138
Kiangsi	7,025	6,086	6,807	7,181	7,520	9,484	10,187	13,214	11,886	13,920	9,333	13,771	116,414
Hunan..	6,276	6,924	2,860	7,075	6,783	7,756	7,818	8,575	7,881	12,563	10,645	11,845	102,010
Hupeh..	4,003	2,843	4,529	5,303	5,679	5,490	5,632	6,423	9,580	15,101	13,835	15,060	93,478
Anhwei	6,568	6,088	9,503	7,953	8,560	10,484	12,388	12,351	11,672	14,872	14,544	14,664	129,647
Honan..	7,311	6,482	8,235	6,891	7,339	5,686	7,194	7,963	9,366	14,482	10,632	13,288	104,869
Shansi	4,609	5,382	5,776	3,941	3,718	3,361	4,351	4,082	9,211	13,383	8,886	9,330	76,030
Shensi	4,557	4,448	7,052	4,496	4,468	4,505	5,045	4,562	5,444	8,069	7,509	4,016	64,171
Je-Cha-Sui-Mon.. ..	1,710	1,700	2,158	1,885	1,777	1,589	1,840	2,946	2,694	3,276	2,852	2,887	27,314
Kan-Ning	1,761	1,956	2,439	2,119	2,393	2,306	2,454	2,424	2,645	3,086	2,865	1,433	27,881
Szechwan	—	581	1,877	1,439	2,110	2,681	2,610	2,593	4,112	5,332	5,186	5,445	33,966
Kweichow	694	232	598	559	606	581	979	442	580	1,226	1,396	1,222	9,115
TOTAL	183,951	170,019	215,714	201,937	206,979	208,311	225,854	226,121	249,135	315,624	272,235	304,833	2,780,713

TABLE 30. TABLE SHOWING RATES PER WORD FOR INTERNATIONAL TELEGRAMS (ORDINARY TELEGRAMS)

Destination	*Rates Per Word (in Gold Francs)*
FRENCH INDO-CHINA:	
From Yunnan	0.84
,, Kwangtung	0.84
,, Kwangsi	0.84
,, Offices Along or South of the Yangtze	1.09
,, Offices North of the Yangtze	1.34
SIAM:	
From Yunnan	1.25
,, Kwangtung	1.25
,, Kwangsi	1.25
,, Offices Along or South of the Yangtze	1.50
,, Offices North of the Yangtze	1.75
BURMA:	
From Yunnan	0.60
,, Offices Along or South of the Yangtze	0.10
,, Offices North of the Yangtze	1.60
INDIA:	
From Yunnan	0.85
,, Offices Along or South of the Yangtze	1.55
,, Offices North of the Yangtze	1.85
CEYLON:	
From Yunnan	0.95
,, Offices Along or South of the Yangtze	1.45
,, Offices North of the Yangtze	1.95

TABLE 31. RATES PER WORD FOR INTERNATIONAL RADIOGRAMS AND CABLEGRAMS (ORDINARY TELEGRAMS)

Destination	*Rates per Word (in Gold Francs)*
ASIA:	
French Indo-China	2.59
Dutch East Indies	3.20
India, Burma and Ceylon	2.90
Philippine Islands	1.50
Straits Settlements	2.25
U. S. S. R. in Asia	1.50
Siam	2.50
Japan	1.25
Turkey in Asia	3.45
EUROPE:	
All Countries Except Russia and Turkey	3.45
Russia in Europe	2.00
Turkey in Europe	3.45
AFRICA:	
Egypt (Cairo)	4.40
South African Union	5.00
Algeria, Tangier and Tunis	3.45
French Somali Coast	6.225
OCEANIA:	
Australia and Tasmania	3.625
New Zealand	4.025
Hawaiian Islands	3.47

NORTH AMERICA:	
Canada:	
Vancouver	4.27
Ottawa	4.58
United States:	
San Francisco	3.75
Seattle	4.01
Chicago	4.32
Kansas City	4.14
New York	4.50
Mexico	5.05
CENTRAL AMERICA:	
Panama	6.16
Cuba (Havana)	4.89
SOUTH AMERICA:	
Argentina	6.68
Brazil	6.68
Bolivia	8.39
Paraguay	6.68

The rate charged for radiophone calls between China and Japan is 15 yen for the first three minutes and five yen for every additional minute. The calls also are divided into the three classes mentioned in page 985.

TABLE 32. NUMBER OF SINO-JAPANESE RADIOPHONE CALLS, 1936

Month	*No. of Calls from China to Japan*	*No. of Calls from Japan to China*
February	26	38
March	67	88
April	58	62
May	66	86
June	57	80
July	64	53
August	72	87
September	67	90
October	62	113
November	82	94
December	91	231
TOTAL	712	1,022

IV. FINANCIAL CONDITIONS OF ELECTRICAL COMMUNICATIONS

In 1936 the Ministry of Communications was faced with the greatest problem in the administration of telecommunications—financial difficulty.

Added to an already precarious financial position was the vast accumulation debts owed to the Ministry by the Kuomintang, the military and other official organizations through nonpayment of telegram charges. The Ministry had no means of collecting this money at a time when funds were urgently needed for new enterprises which could not be delayed.

Indeed the year 1936 was one of particular financial stringency. Outstanding debts previously incurred had to be cleared. Expansion projects, purchases of machinery, adjustment of old loan obligations, and payment of principal and interest due each month on loans which had to be met in accordance with agreements, required about $470,000 per month, excluding differences to be covered through fluctuations in foreign exchange.

Moreover, there were previous projects which had to be continued, and there were also projects, ordered by the Government, which had to be completed within a specified time. Postponement was out of the question, as it was imperative to proceed with all of the schemes on hand. It was estimated that the Ministry's expenditure on telecommunications would far exceed its income.

Under these circumstances the Ministry found it necessary to adopt other measures to meet this huge deficit. The first step was to devise ways and means of insuring the collection of telegram charges from civil and military officials.

Since the enforcement by the Executive Yuan as from July 1, 1936, of regulations and restrictions governing the sending of telegrams by government organizations and as a result of the action taken by the Ministry in petitioning the National Military Council to redemarcate the areas designated as those for bandit-suppression and to adopt new arrangements for sending urgent telegrams in code, some measure of satisfaction has been obtained and the monthly receipts have increased by $40,000 or $50,000.

On the other hand, the appropriation for all telegraph and telephone administrations was reduced by 20%, thereby saving more than $1,100,000 per year. Purchases of materials were also reduced from more than $2,000,000 to some $1,600,000 per year.

All radio stations have been amalgamated with the local telegraph offices. Other subsidiary organizations of the Ministry have likewise been combined into one unit. These and other economics have effected a saving of more than $2,000,000 per year.

On the other hand, the revenue from telegraphs, radio, long-distance telephones and municipal telephones rapidly increased during the past year. The long-distance telephone service especially showed financial improvement, the revenue received ($1,677,318) increasing by 43% in comparison with the figure for 1935.

In 1935 receipts from international radio-telegraphs amounted to $5,000,000, but in 1936 the sum rapidly increased to $6,000,000, representing a 25% increase.

The revenue from municipal telephones has also shown a gratifying increase of 5% in comparison with the figure for 1935. The figure has increased to more than $6,000,000.

With regard to inland telegraphs, the revenue received has increased by 2% in comparison with 1935. The total amounted to more than $14,000,000.

TABLE 33. BUSINESS REPORT OF THE TELEGRAPH ADMINISTRATION, 1931–1936

Year	*Telegraphs*	*Radio*	*Long-Distance Telephones*	*Municipal Telephones*
1931 ..	$13,254,381.95	$3,262,605.06	$618,231.90	$4,214,060.61
1932 ..	12,320,195.78	3,717,871.44	590,683.15	4,219,396.56
1933 ..	11,591,112.345	4,778,666.83	653,358.60	4,484,323.74
1934 ..	13,072,948.235	4,211,031.88	919,282.70	5,354,344.31
1935 ..	13,982,352,295	4,661,736.38	1,176,759.00	5,697,619.74
1936 ..	10,915,599,665*	4,343,835.16	1,677,318.36	6,036,848.45

*January–September only.

TABLE 34. REVENUES FROM ELECTRICAL COMMUNICATION SERVICE, JULY–DECEMBER, 1935 AND 1936

Kind of Service \ *Date*	*July–December, 1935*	*July–December, 1936*
Inland Telegraphs	$6,438,347.35	$6,620,521.61
International Telegraphs ..	3,296,160.36	3,614,880.00
Municipal Telephones	2,841,291.45	2,923,797.76
Long-distance Telephones ..	649,786.98	984,499.63
TOTAL	13,225,586.14	14,143,699.00

TABLE 35. REVENUE FROM LONG-DISTANCE TELEGRAMS IN THE VARIOUS TELEGRAPH AREAS, 1936

	January	*February*	*March*	*April*	*May*	*June*	*July*
Kiangsu	41,919.80	37,153.65	44,858.35	44,278.25	46,655.65	50,093.97	50,656.69
Hopei	24,979.15	22,591.20	29,085.50	29,181.80	30,601.55	27,604.80	27,542.30
Shantung	9,937.15	9,763.21	14,710.59	12,686.58	13,337.07	10,954.06	13,029.13
Kiangsi	3,600.55	3,108.55	3,584.45	3,548.70	3,590.95	4,448.75	5,313.70
Hunan	3,124.85	3,595.95	4,272.45	3,603.30	3,363.75	4,098.80	4,555.70
Honan	3,274.15	2,896.45	3,629.65	3,062.60	3,351.65	2,640.95	3,208.80
Fukien	6,716.45	5,648.15	6,450.70	6,260.40	6,388.85	6,185.95	7,007.95
Anhwei	2,896.40	2,674.70	4,316.35	3,624.40	4,082.60	5,191.40	6,080.05
Shansi	2,604.40	2,992.80	3,023.45	2,150.85	2,097.05	1,914.15	2,290.50
Shensi	2,191.25	2,198.25	3,215.95	2,175.10	2,104.05	2,144.65	2,363.65
Hupeh	2,057.10	1,461.40	2,382.00	2,286.40	2,426.05	2,419.35	2,622.20
Je-Cha-Sui-Mon ..	1,181.65	1,211.70	1,518.70	1,331.95	1,220.40	1,115.90	1,254.95
Kan-Ning	1,175.05	1,449.40	1,857.45	1,432.30	1,673.20	1,772.70	1,875.35
Kweichow	237.01	92.32	197.57	222.60	228.60	617.10	477.55
Szechwan-Tibet ..	—	266.35	1,787.20	1,215.25	2,405.25	3,239.65	3,261.00
TOTAL	105,894.96	97,104.08	124,890.36	117,060.48	123,526.67	124,342.18	131,539.52

	August	*September*	*October*	*November*	*December*	*Total*
Kiangsu	45,827.13	57,278.46	64,278.64	59,824.20	78,184.50	621,493.23
Hopei	27,394.80	28,840.45	33,827.65	28,968.65	32,917.40	343,535.25
Shantung	11,107.31	14,481.66	20,050.69	19,883.00	21,258.00	171,098.45
Kiangsi	6,168.45	6,302.40	8,591.75	7,773.40	9,059.05	65,090.70
Hunan	4,572.10	4,299.30	7,216.20	6,230.75	7,095.00	56,028.15
Honan	3,709.75	4,382.10	7,190.27	6,522.60	7,661.45	51,530.42
Fukien	7,412.75	7,159.79	8,461.51	7,810.68	9,112.46	84,615.70
Anhwei	6,197.80	6,162.65	8,208.34	6,899.75	8,279.00	64,613.44
Shansi	2,214.45	4,766.80	6,420.85	6,095.06	6,399.81	42,970.17
Shensi	2,011.55	2,346.80	3,188.60	2,993.25	1,868.35	28,801.45
Hupeh	3,166.30	6,859.80	11,349.00	11,223.60	14,571.00	62,824.20
Je-Cha-Sui-Mon ..	2,110.45	1,923.90	2,270.05	1,923.65	2,016.56	19,079.86
Kan-Ning	1,765.57	1,926.08	2,247.10	2,086.59	1,043.29	20,304.08
Kweichow	514.10	582.40	1,233.50	1,037.10	780.65	6,220.50
Szechwan-Tibet ..	3,092.15	5,057.10	6,547.40	5,971.42	6,269.99	39,112.76
TOTAL	125,264.66	152,369.63	191,565.61	175,243.70	206,516.51	1,677,318.36

TABLE 36. REVENUES FROM MUNICIPAL TELEPHONES, 1935 AND 1936

Month \ Year	1935	1936
January	551,881.33	479,935.45
February	428,545.94	489,544.28
March	436,402.84	488,057.30
April	561,278.38	496,523.44
May	436,669.32	500,033.67
June	437,759.50	502,406.97
July	558,374.70	508,469.79
August	424,399.98	509,630.48
September	436,481.46	512,738.93
TOTAL	4,271,793.45	4,487,340.31

TABLE 37. REVENUES FROM INTERNATIONAL TELEGRAPHS, 1935 AND 1936

Date \ Amount	Via "C G R A"		
	Receiving	Sending	Total
Jan.–Sept., 1935 ..	$1,285,497.85	$1,919,789.84	$3,205,287.69
Jan.–Sept., 1936 ..	1,725,353.80	2,618,481.46	4,343,835.26

Date \ Amount	Via "Cables"			Total
	Receiving	Sending	Total	
Jan.–Sept., 1935..	$ 926,528.85	$ 667,901.20	$1,594,430.05	$4,799,717.74
Jan.–Sept., 1936..	1,020,367.67	616,537.22	1,636,904.89	5,980,840.15

POST OFFICE

VICTOR T. SHEN (沈惟泰)

I. ESTABLISHMENT OF THE POSTAL SYSTEM*

In tracing the origins of the Chinese postal system, we are invariably led back to the government posts of the Chou dynasty, 1122–781 B.C. But it was not until 1896 that the present system was organized. Since then postal establishments have been distributed all over the country. The service maintains well over 500,000 kilometers of courier, steamer and boat, railway, motor car, and air mail lines as well as a working staff of about 40,000 men; annually it handles about 800,000,000 pieces of mail matter, and its income amounts to about $35,000,000.

II. ADMINISTRATION

Forty years (1896–1936) of modern postal service in China have witnessed many changes in its administrative system. When it was first introduced under the direction of Sir Robert Hart, as inspector-General of Customs and Posts, there were neither funds, nor trained staff to start with, and Sir Robert had to use Customs employees and Customs funds to carry on the work. As then organized, the Post Office was by no means the elaborate system found to-day. J. A. Van Aalst was charged with the duties of Postal Secretary and was responsible for much of the pioneer work. He was succeeded in the same capacity by T. Piry who served loyally and ably for many years, and effected many improvements.

When the Postal Service was separated from the Customs in May, 1911, the former was put under the control of the *Yu Chuan Pu* (Ministry of Communications and Posts). Piry was appointed Postmaster-General with executive control of the service, but was subordinate in rank to the Director-General of Posts, which position was occupied by Lord Li Ching-fang.

The system of postal administration remained practically unchanged when in 1911 the Republican Government established the Ministry of Communications to take over the duties of the *Yu Chuan Pu*. By the reorganization of 1913 the postal division in the ministry was changed into the Postal Bureau and the postal districts were modified to coincide with provincial demarcations, with the head office located at the provincial capital. Under the head office, postal establishments were classified as first-class offices, second-class offices, third-class offices and sub-offices. This system was not actually enforced, however, until the following year (1914), when the Postal Bureau was again restored to the status of a "division." By then the country had been divided into 21 posatl districts. The Directorate-General of Posts comprised six departments: general correspondence, domestic development, audit, union, Chinese and supply. In 1919 a savings bank department was added to the organization and marked the beginning of postal savings in China.

With the establishment of the National Government at Nanking in July, 1927, the Postal Administration in China was temporarily split up into two organizations, one in Peiping and the other in Nanking. The

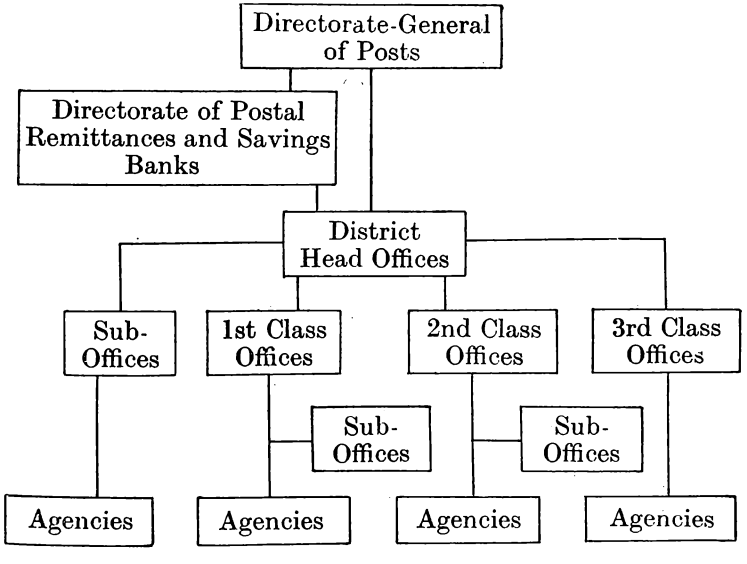
* For a detailed historical survey see the *Chinese Year Book* for 1936–1937, pp. 1126–1130

situation was restored to normalcy, however, upon unification of the country under the Kuomintang control in June, 1928. The headquarters of the Post Office were temporarily established at Shanghai until their removal to Nanking, the national capital, in January, 1934.

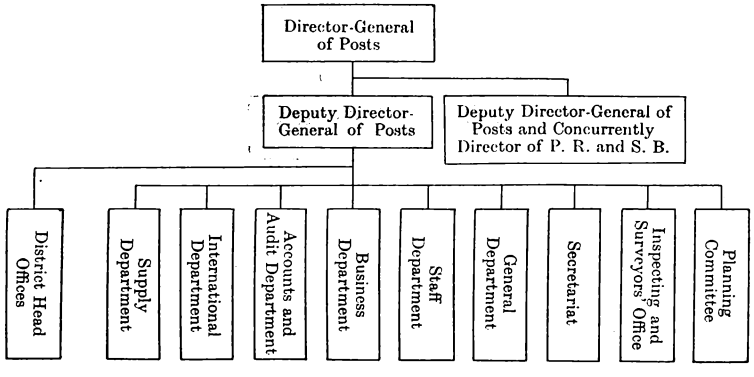
In 1930 a separate Directorate-General was set up for the Postal Remittances and Savings Bank. which was then to be under the direct control of the Ministry of Communications. But later, when it was found desirable to unify the control of postal activities under one directorate-general, the Post Office and the bank were again amalgamated into one organization in July, 1935. The Directorate-General of the Postal Remittances and Savings Bank was changed to a directorate, and made subordinate to the Directorate-General of Posts.

The time-honored postal division or department of the Ministry of Communications was abolished in June, 1935, thus centralizing the Postal Administration in the hands of the Directorate-General of Posts.

The postal administration to-day is therefore vested with the Directorate-General of Posts, which is responsible directly to the Ministry of Communications. Under the Directorate-General, there are the Directorate of Postal Remittances and Savings Banks, the district head offices, the first class, second class and third class offices, the sub-offices, the postal agencies, and other minor establishments. Their relations to each other are shown in the following diagram:



1. The Directorate-General of Posts.—The Directorate-General of Posts controls the postal affairs of the whole country; it directs and supervises all subordinate offices. At the head of the organization is the Director-General of Posts, who is the highest authority of the Postal Administration. Assisting him are two deputy directors-general, one concerning himself with postal matters and the other acting concurrently as the director of postal remittances and savings banks. The directorate-general is divided into eight departments, namely. General, Staff, Business, accounts and audit, international, supply, the secretariat and the inspecting surveyors' office. In addition, there is a planning committee formed by the Director-General (Chairman), the Deputy Director-General for Postal Affairs and the heads of the departments, to lay out plans for the development of the post office. With the exception of the Director-General, the Deputy Directors-General and the secretaries, who are all appointed by the Minister of Communications, all positions are filled by the permanent postal staff. Each department is headed by a postal commissioner, which is the highest rank a postal employee can attain, assisted by a deputy postal commissioner. The departments are divided again into numerous sections. The following diagram summarizes the organization of the Directorate-General of Posts:

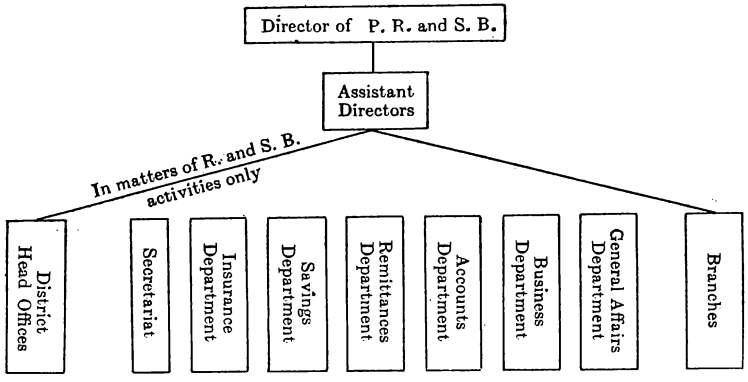


2. The Directorate of Postal Remittances and Savings Banks.—Since the amalgamation of July, 1935, the Directorate of Postal Remittances and Savings Banks, hitherto a sister organization of the Directorate-General of Posts, has become subordinate to the latter. In matters of remittances, insurance, and savings bank activities, however, it is still the real directing force. As already mentioned, the head of this organization is one of the two deputy directors-general in the Directorate-General of Posts. He is supported, in turn, by two assistant directors. The directorate is divided into six departments and a secretariat; the departments are those of general affairs, business, accounts, remittance, savings and insurance. The director and the assistant directors are appointed by the Minister of Communications; the heads of departments or secretaries are nominated by the director and appointed by the Minister. Unlike the practice fol-

lowed in connection with the Directorate-General of Posts, the working staff of the directorate are not all regular postal employees, nor, as a rule, are the departmental secretaries. These non-postal employees do not, of course, receive the same protection and security as regular postal employees; they are appointed and may be removed in the same way as other government employees.

Besides the regular machinery of the directorate, there is also a supervisory committee appointed by the National Government to supervise the accounts of the directorate.

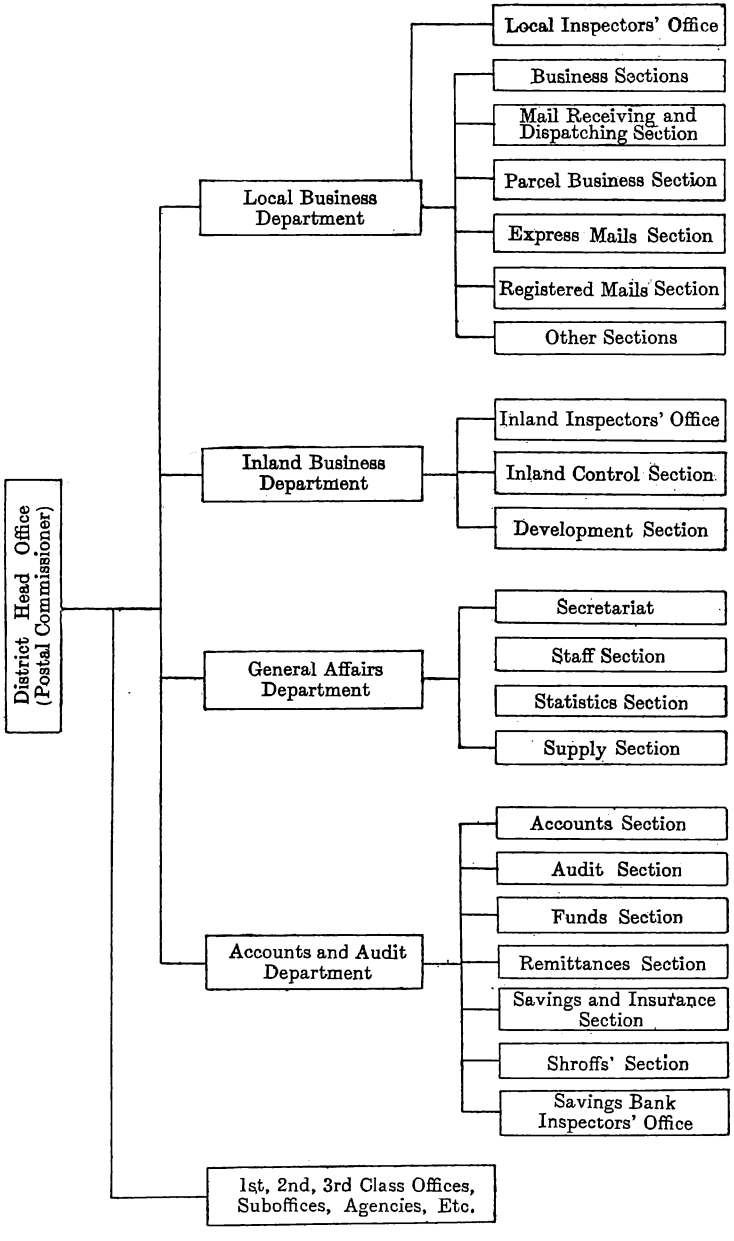
The following is a diagram of the organization of the Directorate of Postal Remittances and Savings Banks:



3. The District Head Offices.—For administrative efficiency and convenience, postal China is divided into 24 districts, (including Liaoning and Ki-Hei, which have suspended operation). These districts conform generally to provincial lines, the exceptions being Shanghai, Peiping (detached from Kiangsu and Hopei, respectively), East Szechwan and West Szechwan (two parts of the Szechwan Province), and Ki-Hei (Kirin and Heilungkiang). In each district there is a district head office, situated usually at the provincial capital. The district head office is the link which connects the directorate-general with the subordinate post offices; it occupies, so to say, a key position in the whole postal administrative system. From the Dircetorate-General of Posts and the Directorate of Postal Remittances and Savings Banks it receives instructions as to policies and on questions of an important nature, and to the subordinate first class offices, second class offices, third class offices, sub-offices, etc., it passes on these instructions and see that they are carried out. Besides its administrative functions, the district head office also does business with the public.

The district head office is put under the charge of a postal commissioner, assisted by one or more deputy postal commissioners. Formerly the organization of these head offices was by no means uniform, but recently (since January, 1936) it has been made to conform generally to the scheme of organization as shown in the following diagram:

POST OFFICE


District Head Office (Postal Commissioner)
Local Business Department
Local Inspectors' Office
Business Sections
Mail Receiving and Dispatching Section
Parcel Business Section
Express Mails Section
Registered Mails Section
Other Sections
Inland Business Department
Inland Inspectors' Office
Inland Control Section
Development Section
General Affairs Department
Secretariat
Staff Section
Statistics Section
Supply Section
Accounts and Audit Department
Accounts Section
Audit Section
Funds Section
Remittances Section
Savings and Insurance Section
Shroffs' Section
Savings Bank Inspectors' Office
1st, 2nd, 3rd Class Offices, Suboffices, Agencies, Etc.

4. First, Second, and Third Class Offices, Sub-Offices, and Agencies.—These post offices may be regarded as branches of the district head office. The first, second and third class offices are all directly under the head office; they are established at different cities or towns of the postal district. The classification of post offices into first, second and third class is based upon the volume of business done by the office concerned. As to sub-offices and agencies, they may be directly under the head office, or under the various classes of office.

III. PERSONNEL SYSTEM

The term "postal employee" denotes a class of individual who entered the postal service by competitive examination, whose promotion is in accordance with merit and length of service, and whose security of position is guaranteed subject to good behavior. In other words, a postal employee stands no danger of being removed when the head of the administration changes. When he reaches the age prescribed by the regulations, he retires on a pension.

Postal employees may be divided into two groups: staff members and other employees. The former include (1) commissioners, (2) deputy commissioners, (3) *chia-teng yu-wu-yuan*, (4) *i-teng yu-wu-yuan, and* (5) *yu-wu-tso*. The last-mentioned include postmen, mail-couriers, *ting-chai*, coolies, boatmen, etc. According to returns for December, 1936, the portal staffs is classified as follows:

Postal Employees	*Chinese*	*Foreigners*	*Total*
Postal Commissioners	9	13	22
Deputy Postal Commissioners	24	13	37
Chia-teng Yu-wu-yuan	1,069	8	1,077
I-teng Yu-wu-yuan	3,808	—	3,808
Yu-wu-tso	4,916	—	4,916
Postmen and below	17,723	—	17,723
GRAND TOTAL	27,549	34	27,583

The increase of the personnel of the Post office since the first year of the Republic is indicated by the following figures:

Year	*Number of Staff Members*	*Number of Postmen, Mail Couriers, Ting-chai, Coolies, Boatmen, etc.*
1912	3,131	9,741
1913	3,473	11,613
1914	4,599	12,944
1915	4,733	12,868
1916	4,871	13,036
1917	5,114	13,425
1918	5,469	13,953
1919	5,863	14,697
1920	6,489	15,795
1921	6,818	16,518
1922	7,004	16,808
1923	7,633	17,696
1924	8,091	18,312
1925	8,474	18,902
1926	9,164	19,850
1927	9,144	28,473
1928	9,188	27,489
1929	9,357	27,959
1930	9,596	28,394
1931	9,735	28,637
1932	9,299	18,006
1933	9,033	17,077
1934	8,997	16,899
1935	9,557	17,278
1936	9,860	17,723

1. Appointment.—Appointment to the positions of *chia-teng yu-wu-yuan, i-teng yu-wu-yuan, yu-wu-tso,* and postmen is all by competitive examination. *Chia-teng yu-wu-yuan,* having reached the highest grade of pay, may become deputy postal commissioners, and deputy postal commissioners may become postal commissioners, without going through any further examination, but not all

chia-teng yu-wu-yuan can become deputy commissioners and not all deputy commissioners can become commissioners. The appointment of commissioners and deputy commissioners is made as a result of careful selection by the directorate-general of posts, with the approval of the Ministry of Communications, based upon ability, intelligence and service record among those who are qualified. *I-teng yu-wu-yuan*, in order to become *chia-teng yu-wu-yuan*, and *yu-wu-tso*, in order to become *i-teng yu-wu-yuan*, must go through the senior and junior *yu-wu-yuan* examinations respectively, together with outsiders.

(*a*) *Senior Yu-wu-yuan Examination.*—This examination is now entrusted to the Examination Yuan of the National Government. Only college graduates and *i-teng yu-wu-yuan* can sit for the examination, which consists of three parts, two of which are written and one oral. The subjects taken include Chinese, one foreign language, teachings of Dr. Sun Yat-sen, history, geography, law, economics, money and banking, accounting, transportation, postal law, etc. One such examination was held in November, 1935, and those who passed were appointed as *3rd chia-teng yu-wu-yuan C* with an initial salary of $100.00 per month each. After the probationary period of 18 months, they will be promoted to *3rd Chia-teng yu-wu-yuan B*, with a rise of $15.00 in salary. Thenceforth, promotions will conform to the regular procedure of the merit system.

(*b*) *Junior Yu-wu-yuan Examination.*—This examination is open to graduates of high schools or of the old style middle school, and also to *yu-wu-tso*. Like the senior *yu-wu-yuan* examination, it is also divided into three parts, the first two written and the third one oral. The subjects taken are Chinese, teachings of Dr. Sun Yat-sen, one foreign language, history, geography, mathematics, elementary economics and law, bookkeeping, and postal law; these subjects are, necessarily, of course, more elementary than those of the senior examination. Those qualified by this examination are appointed as *3rd. i-teng yu-wu-yuan C*, at a salary of $40.00 per month. The probationary period is one year, after which they will be promoted one grade and become regular members of the postal staff.

(*c*) *Yu-wu-tso Examination.*—Middle school graduates or postmen can attend. The subjects taken are: Chinese, San-Min doctrine, elementary foreign language, Chinese history and geography, mathematics, and common sense.

(*d*) *Postmen's Examination.*—Graduates of elementary schools can attend. The subjects examined are simple Chinese and simple mathematics.

As to employees below the rank of postmen, there is as yet no regulation governing their appointment.

2. Promotion.—The promotion of postal employees is according to the merit system. A record is kept for every postal employee as to the quality of his service, and a report is made by the responsible officer on the basis of this record. There are three kinds of Reports: class C or the "normal" report wins promotion after the usual length of time (two years for senior *chia-teng* and *i-teng yu-wu-yuan*, 21 months for junior *chia-teng* and *i-teng yu-wu-yuan* and senior *yu-wu-tso*, and 18 months for junior *yu-wu-tso*); class B or the "good" report wins promotion three months earlier, and class A or the "Exceptionally Good" report brings promotion a further three months earlier. If the service record of an employee is below normal he is put on the "pay sufficient list," which means that he can get no promotion until he is removed from the list.

3. Security.—Security of position for postal employees is well guaranteed by usage. Since the establishment of the National Posts 40 years ago, no postal employee has ever been dismissed without adequate reason. It is reasonable therefore to expect that no such case will be likely occur in future. The guarantee of security for postal employees may well be regarded as part of the unwritten law of the postal service.

4. Retirement.—When a postal employee retires after 25 years of service, or after 15 years of service if he

is more than 50 years old (for postmen, it is more than 45 years old), he is entitled to a pension, the amount of which is to be calculated on the basis of his monthly salary at the time of retirement (the whole sum if his salary is below $270, 95% of the sum if his salary is between $270 and $500, and 90% of the sum if his salary is over $500) multiplied by the number of years of his service. Those whose service amounts to more than 40 years, or whose age reaches 60, are compelled to retire with pension.

Compassionate allowances are paid to those who are "invalided" on account of sickness beyond recovery and also to the "paid off" employees, who "do not possess the necessary qualifications for continued employment." For deceased employees and those who are killed or permanently disabled while in execution of duty, additional compassionate allowances are issued.

IV. POSTAL ESTABLISHMENTS AND MAIL LINES

1. Postal Establishments.—When the modern Post Office was first introduced into China under the Customs Administration, it operated only at the important treaty ports. Gradually, however, the network of postal communications spread to different parts of the country, so that by the time the National Posts were inaugurated in 1896, postal service had reached all of the 18 provinces and Manchuria. The country was then divided into 35 postal districts, with the head office situated mostly at the treaty port of the district. Subsequently sub-district offices were set up in the larger districts.

The present system of keeping postal districts in conformity with provincial areas so far as practicable was adopted during the reorganization of the Post Office in 1914, when 21 districts, with head offices located in provincial capitals, were created. Under the head offices, postal establishments were classified, according to their importance, into first class, second-class, and third-class offices; sub-offices were also established to supplement the business functions of these offices, as well as those of the head offices, in the same localities. In small towns and rural centers, there were established box offices, postal agencies or stations, which were controled by second-cass or third-class offices.

Further changes in the demarcation of postal districts have occurred since 1914, and there are at present 24 districts in the country, of which two, Liaoning and Ki-Hsi, have suspended operation owing to the usurpation of political control in the Northeastern Provinces by the Japanese. Kiangsu and Anhwei were amalgamated into one postal district of Su-Wan in January, 1931, but were again separated in July, 1935. The number of post offices and box offices has increased from time to time. During the 15 years since the establishment of the Republic, the number of minor postal establishments has increased about eight fold. In 1926 and the years immediately following, however, political unrest retarded the development of postal establishments in this country, and a large number of first-class and second-class offices were suspended in 1928.

Since the establishment of the Natinal Government at Nanking, steady progress has been made in the improvement of the postal service. The only setback was the evacuation of the Northeastern Provinces, which was a great blow to the growth of the Post Office. In recent years, however, every effort has been made to elaborate the country's postal network. Attention is directed especially to the interior and to far off border provinces, such as Mongolia, Ninghsia, Sinkiang, Chinghai and Tibet.

A comparison of the postal establishments in the last four years shows a steady increase in the third-class offices, sub-offices, agencies, and other minor establishments, kiosks and town agencies being new varieties under the latter category:

Establishments	*21st Fiscal Year (1932–1933)*	*22nd Fiscal Year (1933–1934)*	*23rd Fiscal Year (1934–1935)*	*24th Fiscal Year (1935–1936)*	*25th Fiscal Year 1st Half Year (End of 1936)*
Major Establishments					
District Offices	23	21	21	22	24
1st Class Offices	37	28	28	31	40
2nd Class Offices	972	833	822	816	897
3rd Class Offices	1,221	1,127	1,230	1,339	1,519
Sub-Offices	282	308	299	300	340
TOTAL	2,535	2,317	2,400	2,508	2,820
AGENCIES	10,293	9,769	10,009	10,864	12,529
GRAND TOTAL	12,828	12,086	12,409	13,372	15,349
Minor Establishments					
Town Box Offices	1,025	989	1,049	301	41
Rural Box Offices	7,408	7,015	7,676	9,596	13,308
Rural Stations	21,740	20,465	22,868	26,045	39,494
Stamp Sales Agencies	2,260	2,131	2,562	3,318	3,898
Town Agencies			31	—	—
Kiosks			3	4	6
TOTAL	32,433	30,600	34,158	39,269	56,747

DISTRIBUTION OF POST OFFICE ESTABLISHMENTS AT THE END OF 1936

Districts	Major Establishments						Minor Establishments					
	District H. Offices	1st Class Offices	2nd Class Offices	3rd Class Offices	Sub-Offices	Agencies	Town Box Offices	Rural Box Offices	Rural Stations	Stamp Sales Agencies	Kiosks	Total
Kiangsu	1	4	67	111	44	846	—	1,012	749	671		3,506
Shanghai	1	—	24	26	34	117	—	297	747	235	1	1,484
Anhwei	1	2	40	82	8	672	—	515	398	160	3	1,878
Chekiang	1	2	53	80	12	667	—	1,098	1,969	484	—	4,370
Kiangsi	1	1	28	57	6	432	—	371	402	143	—	1,441
Hupeh	1	3	41	63	26	669	—	486	694	158	—	2,141
Hunan	1	1	27	60	7	421	—	496	1,093	100	—	2,206
E. Szechwan	1	1	51	27	7	536	—	436	75	75	—	1,209
W. Szechwan	1	1	49	55	11	651	—	516	202	54	—	1,540
Shantung	1	2	72	80	21	881	—	828	7,278	163	1	9,327
Hopei	1	—	33	75	24	661	—	371	4,172	94	—	5,431
Peiping	1	5	52	80	30	886	—	2,744	15,211	253	—	19,262
Honan	1	2	39	97	14	801	—	589	2,356	108	—	4,007
Shansi	1	—	22	75	2	335	—	517	872	73	—	1,897
Shensi	1	—	18	61	4	226	—	144	3	29	—	489
Kansu	1	2	18	40	1	150	—	200	14	27	—	453
Fukien	1	1	33	72	13	393	1	523	1,233	184	1	2,455
Kwangtung	1	2	75	119	28	1731	—	1,103	929	407	—	4,395
Kwangsi	1	1	11	41	1	284	—	219	27	25	—	610
Yunnan	1	—	17	30	3	262	—	153	164	8	—	638
Kweichow	1	—	12	34	1	214	—	157	10	21	—	450
Liaoning*	1	3	44	76	29	344	28	347	815	192	—	1,879
Ki-Hei*	1	6	58	69	14	303	12	185	81	224	—	953
Sinkiang	1	1	13	9	—	47	—	1	—	6	—	78
TOTAL	24	40	897	1,519	340	12,529	41	13,308	39,494	3,898	6	72,096

* Figures of the 20th fiscal year.

2. Mail Lines.—The network of mail lines which now covers this vast country had its first threads woven between Peking and a few treaty ports when courier lines were established for the carriage of mails; these were developed and extended to the interior, and linked together where necessary by junks, hong-boats, post-boats and steam launches on inland waterways, supplemented by rafts, camels, mulecarts and wheelbarrows. Then as railway lines were constructed, the Post Office was quick to avail itself of such facilities, thereby saving much time and trouble in transporting mails between places connected by rail. Steamers and launches were also utilized wherever possible to replace the slow courier lines. Recent years have witnessed a great development in highway construction, and the mileage of motor car lines has increased considerably. Air lines now connect all of the important cities of China.

Mail lines may be classified into the following categories: (1) courier lines, (2) steamer and boat lines, (3) railway lines, (4) motor car lines, and (5) air mail lines. In districts with a well-developed network of transportation facilities, mails are conveyed by various lines at the same time. In the interior and outlying areas, where modern conveyances are not available, only courier lines are maintained; while between distantly located cities air mail lines are operated. The total length of all of the mail lines at the end of December, 1936 was 620,334 km., an increase of 103,044 km. over the last fiscal year and one of 126,576 km. over the fiscal year previous. It is to be noted that during the last few years the length of courier line has actually decreased, while motor car lines and air lines have rapidly increased. The drop from 556,416 km. of mail line in the 21st fiscal year (1932–1933) to 516,808 km. in the 22nd fiscal year was due to the evacuation of the Northeastern Provinces.

Hereunder is a table of comparison of all mail lines in the past five years:

Lines	*21st Fiscal Year (1932–1933)*	*22nd Fiscal Year (1933–1934)*	*23rd Fiscal Year (1934–1935)*	*24th Fiscal Year (1935–1936)*	*1st Half of 25th Fiscal Year (Dec. 1936)*
Courier Lines:	Km.	Km.	Km.	Km.	Km.
Major	289,334	241,397	238,960	238,619	272,639
Minor	106,716	118,121	133,102	147,417	191,403
Steamer and Boat Lines	59,193	60,826	61,722	62,105	63,457
Railway Lines	15,618	9,424	10,026	10,985	17,779
Motor Car Lines ..	27,638	25,890	36,670	43,454	60,346
Air Lines	7,639	10,872	13,278	14,710	14,710
TOTAL	506,138	466,530	493,758	517,290	620,334

The distribution of mail lines at the end of December, 1936, is shown by the table on the next page.

V. BUSINESS

The volume of postal business has increased rapidly since the beginning of the postal service. As recently as 1906 only some 32,000,000 mail articles and 400,000 parcels were sent through the post, but by 1911, the year of the transfer of the Post Office to the *yu chuan pu*, articles posted had exceeded 116 million, while parcels posted reached almost the million mark. Thereafter, the increase has been very steady. Taking the more recent years into consideration, it will be noted that the number of mail articles posted has advanced from 579,857,397 in 1927 to 837,025,200 in the fiscal year 1931–1932, an increase of more than 250,000,000 in four and a half years; during the same period parcels posted

DISTRIBUTION OF MAIL LINES
(Up to the End of 1936)

Districts	*Courier Lines*		*Steamer & Boat Lines*	*Railway Lines*	*Motor Car Lines*	*Air Lines*	*Total*
	Major	*Minor*					
	Km.	Km.	Km.	Km.	Km.		
Kiangsu	1,903	7,429	15,869	664	2,038	—	27,903
Shanghai	1,557	1,288	2,482	203	353	—	5,883
Anhwei	14,067	3,046	1,412	718	1,564	—	20,807
Chekiang	3,940	8,445	12,550	664	3,263	—	28,862
Kiangsi	10,755	3,975	1,063	457	4,644	—	20,894
Hupeh	12,911	1,779	2,456	320	2,966	—	20,432
Hunan	9,565	8,757	2,909	696	2,111	—	24,038
E. Szechwan ..	16,407	3,429	2,701	—	241	—	22,778
W. Szechwan ..	26,737	9,718	1,209	—	1,578	—	39,242
Shantung	9,619	33,564	192	1,154	5,273	—	49,802
Hopei	13,396	7,060	10	704	1,001	—	22,171
Peiping	19,001	44,123	—	1,672	1,890	—	66,686
Honan	13,749	21,502	92	1,516	1,227	—	38,086
Shansi	12,505	1,541	—	934	1,155	—	16,135
Shensi	3,092	6,721	—	224	679	—	10,716
Kansu	7,649	5,488	—	—	609	—	13,746
Fukien	8,291	5,307	4,804	—	2,262	—	20,664
Kwangtung ..	20,400	225	8,745	820	8,589	—	38,779
Kwangsi	10,272	679	3,000	—	3,823	—	17,774
Yunnan	17,247	743	—	640	863	—	19,493
Kweichow	1,132	10,343	—	—	707	—	12,182
Liaoning*	13,107	3,495	—	3,080	2,962	—	22,644
Ki-Hei*	14,888	2,386	—	3,313	7,047	—	27,634
Sinkiang	10,449	360	—	—	3,501	—	14,310
Coast Lines ..	—	—	3,963	—	—	—	3,963
Air Mail Lines ..	—	—	—	—	—	14,710	14,710
TOTAL	272,639	191,403	63,457	17,779	60,346	14,710	620,334

* Figures of the 20th fiscal year (1931–1932).

have increased by a million from 5,548,998 to 6,518,214; and remittances have increased by $230,000,000. The evacuation of the post offices in Manchuria dealt a serious blow to the postal business, however, and the next fiscal year (1932–1933) registered a decrease in the volume of business. Fortunately postal business has again picked up in the last three fiscal years (1933–1936), due to strenuous efforts on the part of the Post Office to expand its activities.

According to recent statistics, every Chinese posts on the average fewer than two mail articles a year. If this figure be compared with the number of articles posted by an average foreigner each year (139 for a Britisher, 136 for a Frenchman, 126 for a Swiss, 88 for a German and 64 for a Japanese), it will be realized at once that the Chinese Post Office will have a great responsibility to develop its business in the future. It is taken for granted, of course, that much will also depend upon the development of education, the betterment of economic conditions, and improvement in the means of communications in China.

1. Mail Matter.—All letters and postcards, as well as newspapers, printed matter, commercial papers, unaddressed trade circulars, samples of merchandise, etc., sent through the post may be grouped under the term "mail matter." Letters and postcards are a postal monopoly, and may not be sent through any other channel but the Post Office, while other mail matter is transmitted through the Post Office by option of the sender.

The following table gives the various quantities of mail matter posted during the past five years:

Mail Matter	*21st Fiscal Year (1932–1933)*	*22nd Fiscal Year (1933–1934)*	*23rd Fiscal Year (1934–1935)*	*24th Fiscal Year (1935–1936)*	*1st Half of 25th Fiscal Year (1936)*
Letters ..	439,128,900	454,807,700	428,717,500	454,076,900	220,384,700
Postcards	39,069,500	38,827,700	38,111,000	36,201,600	18,279,100
Ordinary & Special Mark Newspapers	125,065,800	140,287,500	144,310,100	166,898,600	96,378,800
Bulk Newspapers ..	55,593,700	56,380,300	47,176,400	42,047,900	21,645,000
Printed Matter & Books	72,557,100	87,525,100	98,332,100	111,457,500	66,094,800
Unaddressed Trade Circulars	3,333,100	4,121,500	5,212,800	} 6,520,400	} 4,713,000
Commercial Papers	3,046,000	4,139,600	4,852,100		
Samples of Merchandise	1,183,500	1,474,200	1,623,500	1,528,900	1,146,700
Small Packets	—	—	—	275,050	330,900
Duplicate Copies of Letters Deposited with P. O. for Legal Attest	—	—	—	50	200
TOTAL ..	738,977,600	787,563,600	822,335,500	823,654,300	428,974,000

Mail matter may be classified into "ordinary" and "special," according to whether or not it has been registered. Ordinary or unregistered mail matter may again be divided into light and heavy mail: light mail includes letters, postcards, ordinary and special mark newspapers, and small packets (introduced in 1935), and heavy mail includes bulk newspapers, printed matter and books, commercial papers, unaddressed trade circulars and samples of merchandise. The Post Office is responsible for the delivery of light mails without unnecessary delay, while the delivery of heavy mails is made in such a manner as not to cause any delay or damage to light mails.

Recently a new service, called the ordinary express, has been added to the services of the Post Office. Hitherto all articles sent by express delivery had *ipso facto* been registered; with the introduction of the ordinary express, however, one can send an article by express delivery without having it registered, the fee charged being only five cents more than for ordinary delivery. All that the sender has to do is to draw two red lines at both ends of the envelope and post it in the same manner as ordinary letters, and the Post Office will transmit it with the least possible delay.

Special mail matter includes registered articles (including ordinary registered articles and C. O. D. registered articles), express delivery articles, and insured articles (including insured letters and boxes).

Registered articles are divided into two classifications: simple registration and registration with return receipt (which is usually called "double registration").

As to insured letters, the value insured may not exceed $1,000; furthermore, money or valuable articles which are permitted to be sent through insured boxes, are prohibited in insured letters.

The distribution of ordinary and special mail matter posted during the past five years is given in the following table:

Mail Matter	*21st Fiscal Year (1932–1933)*	*22nd Fiscal Year (1933–1934)*	*23rd Fiscal Year (1934–1935)*	*24th Fiscal Year (1935–1936)*	*1st Half of 25th Fiscal Year (1936)*
Ordinary Mail Matter	706,344,000	753,200,200	785,114,500 1,273,300	785,823,600	407,554,300
Special Mail Matter Registered Articles	29,623,000	25,782,500	27,429,900	29,369,300	16,345,100
Express Delivery Articles ..	7,964,400	8,525,500	8,452,400	8,385,300	5,025,400
Insured Letters	57,100	55,400	65,400	76,100	39,200
Insured Boxes..	—	—	—	—	—
TOTAL	32,644,500	34,363,400	35,947,700	37,830,700	21,419,700
GRAND TOTAL	738,978,500	787,563,600	822,335,500	823,654,300	428,974,000
C. O. D. Registered Articles					
Number	3,636	5,572	4,768	18,122	26,400
Value	$26,211 Yen 403 Frcs. 150	$42,611 Yen 335 Frcs. 600	$33,507 Yen 242 Frcs. 300	$132,393 Yen 332 Frcs. 24 Bot Guilder 44	$203,905 — — —

A tariff schedule of postage for all categories of mail matter is at the end of this chapter (pp. 1017–1023).

2. Parcel Post.—The parcel post system in China consists at present of ordinary and special parcels, with the latter further divided into: parcels insured and parcels taxed with cash on delivery charges.

The ordinary parcel post has gradually grown until today it assumes considerable proportions. Practically all of the major establishments in this country now handle this service. Following the abolition of the parcel post surtax in 1934 the volume of business has been rapidly increasing.

As to special parcels, the C. O. D. service has been extended since last year to all establishments handling ordinary money order business, of which there are now 2,654 (see table on Postal Remittance Offices), but the insured parcel post remains yet to be developed, since only 964 out of the total number of major establishments (13,306 in all, including head offices, first-class offices, second-class offices, third-class offices, sub-offices, and agencies) now offer such facilities.

Offices handling insured parcels are divided into two categories: limit $500 and limit $1,000; offices handling C. O. D. parcels are divided into three categories: limit $200, limit $800 and limit $2,500. International parcels are handled only by offices specially designated by the administration.

The distribution of special parcel post offices in the various postal districts is summarized in the following table, (for distribution of C. O. D. parcel post offices in the districts, see table on Postal Remittance Offices):

DISTRIBUTION OF SPECIAL PARCEL POST OFFICES AT THE END OF 24TH FISCAL YEAR (1935–1936)

Districts	*Insured Domestic Parcels*		*International C.O.D. P'cels and Int. Registered Articles*	*International P'cels and Int. Insured P'cels*
	Limit $500	*Limit $1,000*		
Kiangsu	122	8	81	125
Shanghai	41	1	42	50
Anhwei	46	2	34	48
Chekiang	115	3	73	95
Kiangsi	61	5	23	30
Hupeh	73	8	47	59
Hunan	40	2	19	27
E. Szechwan	30	2	2	3
W. Szechwan	14	—	—	11
Shantung	42	20	49	74
Hopei	37	12	41	48
Peiping	67	8	76	93
Honan	61	1	48	81
Shansi	29	1	30	31
Shensi	2	—	3	3
Kansu	2	—	—	—
Fukien	33	4	35	50
Kwangtung	84	4	76	128
Kwangsi	16	3	19	19
Yunnan	3	7	10	13
Kweichow	—	—	—	—
Liaoning*	38	18	12	61
Ki-Hei*	46	19	19	67
Sinkiang	—	—	—	—
TOTAL	1,002	128	739	1,116

* Figures of the 20th fiscal year.

3. Transmission by Air: *a. Mail Matter.—Par Avion* transmission was first used by the Chinese Post Office in 1929. Unfortunately the occupation of Manchuria occurred two years later, thus retarding air mail development at the very outset. Air mail articles posted in 1931 amounted to over 3,700,000, but in the following year the amount dropped to a little over 3,500,000 and in 1933, it dropped still further. Beginning from the 23rd fiscal year, however, the number of air mail articles posted has again been on the ascending scale, as shown by the following table:

MAIL MATTER POSTED FOR AIR TRANSMISSION

Year	Letters and P'cards		Newspapers		Other Articles		Total		Number of A. R's.
	Number	Weight (Grammes)	Number	Weight (Grammes)	Number	Weight (Grammes)	Number	Weight (Grammes)	
21st F.Y.	3,576,300	43,821,800	8,400	594,500	8,800	489,500	3,593,500	44,905,800	44,100
22nd F.Y.	3,454,700	41,585,000	16,400	1,083,000	7,800	566,700	3,478,900	43,234,700	47,000
23rd F.Y.	4,170,700	49,032,900	55,300	3,009,900	17,000	909,500	4,243,000	52,952,300	50,900
24th F.Y.	2,982,673	33,039,698	45,711	4,093,848	43,659	4,710,523	4,072,043	41,844,069	54,235
1st Half Year of 25th F.Y.	4,565,780	56,871,600	69,230	5,483,800	37,290	4,207,109	4,672,300	66,562,500	62,400

b. Parcels.—Air transmission for parcels is still not very popular in China. Starting from 700 articles in 1930, it has now reached a total of about 3,000 articles a year. The following table gives the figures for parcels posted for air transmission during the past five years:

PARCELS POSTED FOR AIR TRANSMISSION

Year	Number	Value $	Weight (Kilos.)
21st Fiscal Year	1,390	61,700	1,430
22nd Fiscal Year	1,700	42,100	1,582
23rd Fiscal Year	2,100	98,700	1,661
24th Fiscal Year	2,890	117,550	2,559
1st Half Year of 25th Fiscal Year	2,500	322,986	3,384

4. Postal Remittances.—The postal remittance service is classified into domestic remittances and international remittances. In the domestic system it is further divided into ordinary money orders, telegraphic money orders and postal orders.

Ordinary money orders are issued and cashed at all large postal establishments, with the maximum limit of $200, $800, or $2,500, depending upon the size and importance of the establishment.

The telegraphic money order system affords facilities for quicker remittances. All money order offices function as telegraphic money order cashing offices, but telegraphic money order issuing offices are expressly designated by the postal remittances department of the Directorate of Postal Remittances and Savings Banks.

Postal orders, as distinct from postal money orders, are issued by agencies on agencies and offices, and by offices on agencies in the same district. The minimum amount of a postal order is $1 and the maximum amount $10.

International money orders are handled only by the principal post offices expressly designated by the administration.

The distribution of offices engaged in postal remittances in the various postal districts is summarized in the following table:

DISTRIBUTION OF POSTAL REMITTANCE OFFICES AT THE END OF 24th FISCAL YEAR (1935–1936)

Districts	*Domestic*				*International Money Order*
	Ordinary and Telegraphic Money Order and C. O. D.			*Postal Order*	
	Limit $200	*Limit $800*	*Limit $2,500*		
Kiangsu	97	48	75	375	18
Shanghai	13	33	36	98	14
Anhwei	63	32	37	320	2
Chekiang	78	47	25	635	12
Kiangsi	67	18	8	138	3
Hupeh	57	36	36	339	15
Hunan	25	24	47	346	6
E. Szechwan	59	12	16	524	2
W. Szechwan	78	19	18	400	1
Shantung	117	25	33	832	21
Hopei	54	40	30	644	20
Peiping	50	70	53	556	18
Honan	61	48	43	184	10
Shansi	61	18	17	326	1
Shensi	44	16	15	154	2
Kansu	44	9	6	76	1
Fukien	79	31	8	388	14
Kwangtung	156	56	13	530	50
Kwangsi	32	17	6	134	13
Yunnan	24	18	9	255	15
Kweichow	32	10	1	75	1
Liaoning*	87	41	23	143	33
Ki-Hei*	6	44	98	187	24
Sinkiang	22	1	1	—	—
TOTAL	1,406	713	654	7,659	296

* Figures of the 20th fiscal year.

5. Simple Life Insurance.—Simple life insurance, like letters and postcards, is also a Post Office monopoly. This service was started in December, 1935, at first experimenting only at the Postal Remittances and Savings Bank and its branches in Nanking and Hankow. In March of 1936, however, it was extended to the district head offices of Kiangsu, Chekiang, Anhwei, Kiangsi, Hupeh, Hunan and Shanghai, and gradually it will be extended to cover the whole country.

All life insurances between $50 and $500 are within the scope of simple life insurance, and may not be undertaken by any insurance firm. The management of the simple life insurance is in the hands of the insurance department of the Directorate of Postal Remittances and Savings Banks.

6. Other Activities.—The other activities of the Post Office include the transmission of telegrams on behalf of the telegraph service, the purchasing of books and publications on behalf of the public, and the selling of revenue stamps for the Finance Ministry.

The transmission of official telegrams was first undertaken by the Post Office in the early years of the Republic, but this service was later extended to all commercial and personal telegrams.

The following table gives the number of telegrams transmitted by the Post Office on behalf of the Telegraph Office during the past five years:

Source	*20th Fiscal Year (1931–1932)*	*21st Fiscal Year (1932–1933)*	*22nd Fiscal Year (1933–1934)*	*23rd Fiscal Year (1934–1935)*	*24th Fiscal Year (1935–1936)*
Accepted from the Public	5,206	5,300	4,420	3,830	5,300
Received from the Telegraph Office	21,014	25,500	20,450	30,170	40,900
TOTAL	26,220	30,800	24,870	34,000	46,200

A summary of the telegrams transmitted by the Post Office on behalf of the Telegraph Office in the various postal districts during the 24th fiscal year is also furnished here for reference:

SUMMARY OF TELEGRAMS TRANSMITTED BY THE POST OFFICE ON BEHALF OF THE TELEGRAPH OFFICE DURING THE 24th FISCAL YEAR (1935–1936)

Districts	*Accepted from the Public*	*Received from Telegraph Office*	*Total*
Kiangsu..	240	2,120	2,360
Shanghai	40	130	170
Anhwei	180	1,690	1,870
Chekiang	400	1,140	1,540
Kiangsi	40	120	160
Hupeh	90	2,400	2,490
Hunan	470	4,640	5,110

E. Szechwan ..	—	1,010	1,010
W. Szechwan ..	790	—	790
Shantung	40	1,780	1,820
Hopei	440	820	1,260
Peiping ..	790	9,630	10,420
Honan	180	2,780	2,960
Shansi	300	1,360	1,660
Shensi	—	660	660
Kansu	1,020	1,580	2,600
Fukien	170	4,790	4,960
Kwangtung	50	1,640	1,690
Kwangsi	—	160	160
Yunnan	40	1,050	1,090
Kweichow	20	1,400	1,420
Liaoning	—	—	—
Ki-Hei	—	—	—
Sinkiang	—	—	—
TOTAL	5,300	40,900	46,200

The purchasing of books and publications by the Post Office on behalf of the public has for its purpose the promotion of education and the dissemination of knowledge amongst the reading public of China. The service has been experimented with for only a little more than a year, but the result so far has been encouraging.

Since November, 1934, the Post Office has undertaken the selling of revenue stamps for the Finance Ministry. This is a great convenience to the public, as postal establishments exist in all parts of the country.

VI. FINANCES

During the first years of the postal experiment, the business income of the Post Office was extremely low and it could hardly meet its expenditure. Neither was there any government subsidy, even after the formal inauguration of the National Post in 1896. Thanks are due to the Maritime Customs, which rendered great financial assistance to the Post Office in those early years. In 1905, however, an annual subsidy of Hk. Tls. 700,000 was granted by the Government. Although this sum was never paid in full, the financial condition of the Post Office improved from that time on so that it could gradually stand on its own feet.

1. Postal Receipts.—The exact annual receipts of the Post Office before 1907 are not determinable. Early reports state that the total receipts of the postal service amounted to approximately Hk. Tls. 25,858 during the period from 1880 to 1884, and to Hk. Tls. 6,562,236 during the period from 1900 to 1906. From 1907 to 1911, the annual income of the Post Office was as follows:

1907	$1,822,387.37
1908	$2,095,612.16
1909	$2,777,266.31
1910	$3,190,348.73
1911	$3,792,780.24

Postal receipts since the establishment of the Republic in 1912 have increased steadily, as shown by the following table:

Year	Postage Stamps		Special Marks		Publications		Foreign Mails		Miscellaneous		Special Receipts		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1912	3,386,809.62	94.86	56,857.25	1.59	830.03	.02	55,953.57	1.57	69,760.00	1.96	—	—	3,570,210.47	100
1913	5,123,336.59	93.36	60,595.74	1.11	1,241.94	.02	164,398.13	3.00	137,945.43	2.51	—	—	5,487,517.83	100
1914	5,757,474.15	93.52	53,857.58	.88	1,382.69	.02	202,759.36	3.29	141,260.47	2.29	—	—	6,156,734.25	100
1915	6,498,290.38	95.58	67,386.88	.99	1,883.24	.03	89,148.35	1.31	141,871.43	2.09	—	—	6,798,580.28	100
1916	7,151,209.12	93.72	72,270.31	.95	2,151.71	.03	229,177.45	3.01	175,007.65	2.29	—	—	7,630,416.24	100
1917	8,185,356.52	95.46	84,252.69	.98	3,758.55	.04	113,506.20	1.33	187,478.28	2.19	—	—	8,574,352.24	100
1918	9,114,609.03	95.98	78,917.96	.83	4,822.88	.05	66,756.53	.70	231,676.78	2.44	—	—	9,496,783.18	100
1919	10,762,514.43	95.83	93,333.64	.83	6,452.56	.06	50,627.10	.45	318,091.03	2.83	—	—	11,231,018.76	100
1920	12,253,978.91	96.65	112,797.93	.89	6,203.66	.05	50,173.62	.39	242,548.34	1.91	13,447.23	.11	12,679,149.69	100
1921	14,885,972.17	95.38	142,500.29	.91	5,786.61	.04	88,373.18	.57	481,028.60	3.08	2,833.26	.02	15,606,494.11	100
1922	16,497,015.51	96.41	177,029.12	1.03	9,190.04	.05	41,364.74	.24	354,112.62	2.07	33,655.44	.20	17,112,367.47	100
1923	19,919,278.42	95.84	205,234.92	.99	8,909.98	.04	60,283.50	.29	564,717.44	2.72	23,916.62	.12	20,782,340.88	100
1924	22,005,869.96	94.62	251,264.52	1.08	8,129.09	.03	133,822.64	.58	616,153.71	2.65	241,874.22	1.04	23,257,114.14	100
1925	23,809,573.67	94.09	277,545.41	1.10	8,979.39	.04	331,222.54	1.31	575,529.38	2.27	301,821.59	1.19	25,304,671.98	100
1926	26,432,014.03	93.36	318,221.44	1.12	10,217.39	.04	270,446.29	.96	900,455.25	3.18	379,896.81	1.34	28,311,251.21	100
1927	25,846,119.91	92.96	273,545.16	.98	9,345.08	.03	276,687.57	1.00	994,664.37	3.58	403,352.26	1.45	27,803,714.35	100
1928	28,866,816.21	92.73	346,994.44	1.11	9,906.23	.03	226,895.06	.73	1,314,146.48	4.22	366,071.23	1.18	31,130,829.65	100
1929	35,246,150.60	91.82	390,465.08	.94	8,286.63	.02	345,867.20	.92	2,034,066.66	5.30	382,056.31	1.00	38,406,832.48	100
1930 (Jan.-June)	17,418,701.85	94.67	159,509.67	.87	4,709.65	.03	93,073.62	.51	690,908.11	3.76	28,677.80	.16	18,395,580.70	100
1930–1931 (Fiscal Year)	32,129,137.13	94.45	302,843.72	.89	11,637.45	.03	304,129.30	.89	1,111,300.48	3.27	157,865.09	.47	34,016,913.17	100
1931–1932 (Fiscal Year)	31,679,251.90	95.85	307,289.17	.93	11,266.63	.03	826,945.40	2.50	229,012.33	.69	—	—	33,053,765.43	100
1932–1933 (Fiscal Year)	30,422,326.90	96.85	303,560.28	.97	8,334.53	.03	274,558.98	.87	402,207.43	1.28	—	—	31,410,988.12	100
1933–1934 (Fiscal Year)	32,013,362.71	96.10	334,537.52	1.00	24,577.22	.07	431,443.06	1.30	132,802.81	.40	377,000.00	1.13	33,313,723.32	100
1934–1935 (Fiscal Year)	32,992,853.31	95.54	358,973.40	1.04	10,614.93	.03	406,413.26	1.18	761,440.78	2.21	—	—	34,530,295.68	100
1935–1936 (Fiscal Year)	36,468,083.06	95.83	384,473.14	1.01	8,294.48	.02	426,640.61	1.12	744,944.46	1.96	23,894.24	.06	38,056,329.99	100

From the above table it will be seen that of all the items of income, proceeds from postage stamps alone form more than 90% of the total. This is to be expected, as nearly all the business of the Post Office has to do with stamps. The increase of stamp sales from more than $3,000,000 in 1912 to more than $36,000,000 in the last fiscal year (1935–1936) has been due largely to the development of education and commerce, the improvement in the means of communications and the increased reliance on the Post Office by the public. In 1929 stamp sales already amounted to more than $35,000,000, but owing to famine and the world-wide economic depression, postage receipts in the following year dropped surprisingly; the usurpation of control of the Northeastern Provinces on September 18, 1931 and the evacuation of the post offices there further curtailed the income of the Chinese postal service. During the last three fiscal years, however, the business of the Post Office has been gradually picking up again.

Special mark mails represent newspapers and other printed matter sent through the Post Office under contracts providing for the payment of lump sums for postage. From time to time the Post Office also issues publications such as postal maps, Year Books, etc., but the proceeds from such sales are comparatively small.

Miscellaneous receipts include profit from money exchange, fines imposed upon employees, penalties on smuggling, interest on bank deposits, etc.

2. Postal Expenditure.—Statistics on the annual expenditure of the Post Office before 1907 are not available. During the period from 1880 to 1884, to expenditure of the postal service amounted to approximately Hk. Tls. 24,821, not including salaries paid to the staff of the postal department. From 1907 to 1911 the annual expenditure of the postal service was as follows:

1907	$2,355,716.39
1908	$2,572,956.90
1909	$3,146,699.40
1910	$3,425,726.08
1911	$4,158,690.26

Consequent upon the rapid growth of the institution since the founding of the Republic, the annual expenditure of the Post Office has also increased steadily, as shown in the table on the next page.

From this table, it will be seen that salaries and wages are by far the largest item of postal expenditure, seldom amounting to less than 50% of the total expenditure. Before 1920 the proportion was always well over 60%. Although the percentage has fallen since then, the actual amount paid out each year has continued to increase. In the last 23 odd years the increase has been almost tenfold.

The item "allowances" has shown an even greater increase proportionately than "salaries and wages" in the years under review, as the amount has advanced from a little over $250,000 in 1912 to nearly $4,000,000 in recent years.

"Official expenses" also increased from less than $700,000 in the first year of the Republic to nearly $1,000,000 in 1929; from that year on, however, a decrease has been registered, owing partly to the separation of the postal remittances and savings department and partly to the introduction of economies.

The increase of transportation charges in recent years have largely been due to the subsidy paid to commercial aviation companies.

3. Comparison of Income and Expenditure.—A comparison of postal receipts and expenditure since the first year of the Republic is given on page 1014 so as to show the actual financial condition of the Post Office.

Year	Salaries & Wages		Allowances		Office Expenses		Transportation		Indemnity		Special Expenses		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1912	2,636,686.53	65.57	259,187.95	6.45	686,704.25	17.08	414,636.67	10.31	23,674.67	.59	—	—	4,020,890.07	100
1913	3,542,257.89	63.93	239,287.87	4.32	1,128,715.86	20.37	610,789.00	11.03	19,546.38	.35	145.67	.00	5,540,742.67	100
1914	4,066,535.47	65.02	286,464.81	4.58	1,238,180.04	19.80	652,678.42	10.44	7,679.28	.12	2,738.44	.04	6,254,276.46	100
1915	4,254,797.36	65.50	299,747.56	4.61	1,262,618.89	19.44	872,270.01	10.35	6,553.94	.10	—	—	6,695,987.76	100
1916	4,357,261.89	65.10	263,592.66	3.94	1,380,648.53	20.63	634,000.79	9.47	57,509.71	.86	—	—	6,693,013.58	100
1917	4,701,952.40	65.74	270,056.91	3.78	1,403,589.86	19.63	762,465.79	10.66	13,769.12	.19	—	—	7,151,834.08	100
1918	5,006,107.23	65.95	387,769.44	5.11	1,450,443.86	19.11	687,920.55	9.06	57,228.72	.75	1,359.55	.02	7,590,829.35	100
1919	5,572,166.69	63.39	476,192.36	5.42	1,778,511.81	20.23	947,464.47	10.78	16,148.05	.18	—	—	8,790,483.38	100
1920	6,783,157.85	64.80	530,700.22	5.07	2,135,237.39	20.40	1,010,811.26	9.66	7,145.20	.07	—	—	10,467,051.92	100
1921	7,216,814.28	56.47	586,889.63	4.59	3,080,769.86	24.11	1,453,165.03	11.37	22,370.55	.17	420,239.93	3.29	12,780,249.28	100
1922	7,920,691.08	59.70	738,966.78	5.57	2,961,317.90	22.32	1,608,083.27	12.12	17,792.52	.14	19,978.09	.15	13,266,829.64	100
1923	9,390,288.50	57.55	788,488.01	4.83	3,809,558.06	23.35	2,300,195.34	14.10	28,364.65	.17	1.32	.00	16,316,895.88	100
1924	10,077,649.12	53.30	859,783.99	4.55	4,466,302.35	23.62	3,436,071.88	18.17	46,838.17	.25	20,000.00	.11	18,906,645.51	100
1925	11,353,480.95	53.17	1,017,512.54	4.76	4,788,082.82	22.42	4,159,253.41	19.48	35,489.91	.17	—	—	21,353,819.63	100
1926	13,468,730.28	53.24	1,576,098.74	6.23	6,204,517.82	24.52	3,998,706.34	15.80	53,095.51	.21	—	—	25,301,148.69	100
1927	14,086,008.38	50.84	2,990,733.05	10.79	6,840,683.22	24.69	3,718,794.45	13.42	72,405.33	.26	—	—	27,708,624.43	100
1928	14,412,545.20	48.32	3,576,184.29	11.99	6,760,374.21	22.66	4,980,062.18	16.69	101,491.24	.34	—	—	29,830,657.12	100
1929	17,354,006.32	47.26	3,515,299.27	9.57	9,785,783.71	26.65	5,669,320.46	15.44	34,699.29	.10	360,000.00	.98	36,719,109.05	100
1930 (Jan.-June)	8,740,616.73	48.75	1,984,151.75	11.07	4,401,317.89	24.55	2,609,920.20	14.55	14,470.49	.08	180,000.00	1.00	17,930,477.06	100
1930–1931 (Fiscal Year)	18,284,112.48	47.73	4,607,130.92	12.03	5,495,779.07	14.35	9,528,594.25	24.87	29,136.95	.08	360,000.00	.94	38,304,753.67	100
1931–1932 (Fiscal Year)	19,382,309.17	49.38	4,246,401.12	10.82	4,046,225.39	10.31	11,142,984.43	28.39	72,335.13	.18	360,000.00	.92	39,250,255.24	100
1932–1933 (Fiscal Year)	20,497,916.26	55.78	4,429,748.90	12.05	3,742,055.36	10.18	7,544,667.43	20.53	8,926.40	.03	525,000.00	1.43	36,748,314.35	100
1933–1934 (Fiscal Year)	18,842,426.00	56.33	3,960,731.52	11.84	3,063,644.51	9.16	7,035,892.35	21.03	8,287.44	.03	540,000.00	1.61	33,450,981.82	100
1934–1935 (Fiscal Year)	19,653,005.62	56.60	3,903,343.11	11.24	3,178,663.56	9.15	7,434,264.66	21.41	14,480.82	.04	540,000.00	1.56	34,723,757.77	100
1935–1936 (Fiscal Year)	20,870,705.44	55.85	4,290,201.68	11.48	3,289,739.72	8.80	8,036,619.97	21.50	4,908.78	.01	879,832.20	7.36	37,372,007.79	100

Year	*Income*	*Expenditure*	*Surplus*	*Deficit*	*70% of the Surplus of P. R. & S. Bank*	*Surplus (+) or Deficit (−) of the Entire Service*
1912	3,570,210.47	4,020,890.07	—	450,679.60	—	—
1913	5,487,517.83	5,540,742.67	—	53,224.84	—	—
1914	6,156,734.25	6,254,276.46	—	97,542.21	—	—
1915	6,798,580.28	6,695,987.76	102,592.52	—	—	—
1916	7,630,416.24	6,693,013.58	937,402.66	—	—	—
1917	8,574,352.24	7,151,834.08	1,422,518.16	—	—	—
1918	9,496,783.18	7,590,829.35	1,905,953.83	—	—	—
1919	11,231,018.76	8,790,483.38	2,440,535.38	—	—	—
1920	12,679,149.69	10,467,051.92	2,212,097.77	—	—	—
1921	15,606,494.11	12,780,249.28	2,826,244.83	—	—	—
1922	17,112,367.47	13,266,829.64	3,845,537.83	—	—	—
1923	20,782,340.86	16,316,895.88	4,465,444.98	—	—	—
1924	23,257,114.14	18,906,645.51	4,350,468.63	—	—	—
1925	25,304,671.98	21,353,819.63	3,950,852.35	—	—	—
1926	28,311,251.21	25,301,148.69	3,010,102.52	—	—	—
1927	27,803,714.35	27,708,624.43	95,089.92	—	—	—
1928	31,130,829.65	29,830,657.12	1,300,172.53	—	—	—
1929	38,406,832.48	36,719,109.05	1,687,723.43	—	—	—
1930 (Jan.–June)	18,395,580.70	17,930,477.06	465,103.64	—	—	—
1930–1931 (Fiscal Year)	34,016,913.17	38,304,753.67	—	4,287,840.50	5,670,765.65	+1,382,925.15
1931–1932 (Fiscal Year)	33,053,765.43	39,250,255.24	—	6,196,489.81	1,344,766.91	−4,851,722.90
1932–1933 (Fiscal Year)	31,410,988.12	36,748,314.35	—	5,337,326.23	1,951,853.67	−3,385,472.56
1933–1934 (Fiscal Year)	33,313,723.32	33,450,981.82	—	137,258.50	1,671,018.05	+1,533,759.55
1934–1935 (Fiscal Year)	34,530,295.68	34,723,757.77	—	193,462.09	104,087.27	− 89,374.82
1935–1936 (Fiscal Year)	38,056,329.99	37,372,007.79	684,322.20	—	2,001,652.73	+2,695,974.93

From the financial standpoint the development of the Post Office may be summed up as follows:

a. From Inauguration to 1914.—During this period, the Post Office was feeling its way to financial independence and self-support. At first it had to rely on the Maritime Customs for assistance, as the postal organization was yet in its infancy and could not stand on its own feet. The deficits were comparatively small, however, ranging from Hk. Tls. 100,000 to Hk. Tls. 500,000 yearly. When the transfer of the Post Office to the *yu chuan pu* (Ministry of Posts and Communications) took place, its indebtedness to the Customs totaled about $3,000,000. By dint of stringent economy and with some financial help from the ministry, services were maintained and financial conditions improved, so that by 1915, income had overtaken expenditure. The debt to the Customs was fully repaid by the end of 1925.

b. From 1915 to 1929.—These were the golden years of the postal service, which had not only become independent by now but actually had a large annual surplus. All of the loans were paid back, and, in addition, large sums were set aside for expansion purposes. The years from 1922 to 1926 inclusive yielded especially good results, the surplus running up to between $3,000,000 and $4,000,000 each year.

c. From 1930 to 1932–1933 Fiscal Year.—As has been said, famine and world-wide economic depression affected postal receipts greatly during these years; but its expenditure remained on the increase, thus resulting in large deficits. The separation of the Postal Remittances and Savings Bank and the Japanese occupation of Manchuria also helped to worsen the financial situation of the Post Office.

The inauguration of the Directorate-General of Postal Remittances and Savings Bank as a separate institution meant that much of the business formerly done by the Post Office, such as postal money orders, insured letters, C. O. D. service, and postal savings accounts, the receipts from which amounted to several million dollars a year, had to be handed over to the newly established institution. The arrangement was that 70% of the net profit of the Postal Remittances and Savings Bank was to be paid to the Post Office in return for the work done by the postal staff for the bank. But since the amalgamation in July, 1935, the Postal Remittances and Savings Bank has again become part of the Directorate-General of Posts, hence its receipts and payments should also come under the accounts of the latter. The suspension of postal services in Manchuria caused an additional loss of about $2,500,000 annually to the Chinese Post Office; nevertheless it was found necessary to pay special allowances amounting to about $200,000 monthly to the staff withdrawn from the Manchurian post offices, numbering about 2,500 men, for their living expenses.

Finally, the subsidy to the newly established Shanghai-Hankow-Chengtu air line also proved a heavy drain upon the finances of the Post Office.

Under these circumstances the Post Office suffered a loss of about $4,200,000 in 1930, which was increased to more than $6,000,000 in the fiscal year 1931–1932, and to more than $5,337,000 in 1932–1933.

d. From 1933–1934 Fiscal Year to the Present.—A policy of retrenchment was initiated when Dr. Chu Chia-hwa took charge of the Ministry of Communications in the latter part of 1932. As a result, by the end of June, 1934, the Post Office was able again to balance its receipts and expenditure. During the last fiscal year under review (1935–1936) the total income showed an increase of more than $2,500,000, indicating that postal business is once more on an upward trend.

Illustrating the trend in postal finances subsequent to the "boom" years of 1922–1926, the following table gives a comparison of the income and expenditure of these years with the averages of 1922–1926:

Year	*Income*	*Index Number*	*Expenditure*	*Index Number*
1922–1926 (Total)	$114,767,745.66		$95,145,339.35	
1922–1926 (Average)	22,953,549.13	100	19,029,067.87	100
1927	27,803,714.35	121	27,708,624.43	146
1928	31,130,829.65	136	29,830,657.12	157
1929	38,406,832.48	167	36,719,109.05	193
1930 (Jan.-June)	18,395,580.70	160	17,930,477.06	188
1930–1931 (Fiscal Year).. ..	34,016,913.17	148	38,304,753.67	201
1931–1932 (Fiscal Year).. ..	33,053,765.43	144	39,250,255.54	206
1932–1933 (Fiscal Year).. ..	31,410,988.12	137	36,748,314.35	193
1933–1934 (Fiscal Year).. ..	33,313,723.32	145	33,450,981.82	176
1934–1935 (Fiscal Year).. ..	34,530,295.68	150	34,723,757.77	182
1935–1936 (Fiscal Year).. ..	38,056,329.99	166	37,372,007.79	196

TARIFF OF POSTAGE OF ALL CATEGORIES OF MAIL

Classification				*ORDINARY POSTAGE*			
				Letters		*Postcards*	
Unit for Calculation of Postage				Up to 20 grammes or fraction thereof	Each successive unit of 20 grammes or fraction thereof	Single	Double (*i.e.* with reply paid)
				Cents	*Cents*	*Cents*	*Cents*
1.—Domestic Places	All Provinces	I	Within local delivery radius	2	2	1	2
1.—Domestic Places	All Provinces	II	Between places in China	5	5	2½	5
2.—Foreign Countries		III	Union	25	15	15	30
2.—Foreign Countries		IV	Japan, Korea, Leased Territory of Kwantung, and Taiwan	5	5	2½	5
2.—Foreign Countries		V	Hongkong and Macao	5	5	2½	5

MATTER (1st DAY, 1st MONTH, 23rd YEAR, C. H. M. K., 1934)

(ORDINARY POSTAGE)

Newspapers			*Books, Printed Matter, and Commercial Papers*					
Class A (Ordinary)	*Class B (Special marks)*	*Class C (Bulk)*	*Weight in grammes*					
Sent singly or in bundles	Sent singly or in bundles. Postage is assessed at each sending on the gross weight of the number of copies posted	Each copy of 100 grammes or fraction thereof	1 to 100	100 to 250	250 to 500	500 to 1 kilo	1 kilo to 2 kilos	2 kilos to 3 kilos (*volumes sent singly*)
Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
½ per 100 grammes	½ per 100 grammes, *less* 40%	—	½	1	2	4	7½	11½
½ per 50 grammes	½ per 50 grammes, *less* 40%	0.1	1	2½	5	7½	15	22½
5 per 50 grammes	—	—	5 per 50 grammes Minimum charge, 25 cents per packet for Commercial Papers					
½ per 50 grammes	—	—	1	2½	5	7½	15	22½
2 per 50 grammes	—	—	2 per 50 grammes Minimum charge, 10 cents per packet for Commercial Papers					

(ORDINARY POSTAGE)

Papers Impressed with Points or with Characters in Relief for the Use of the Blind	*Trade Circulars*	*Samples*			
		Weight in grammes			
	Each 50 copies or fraction thereof	1 to 100	100 to 250	250 to 350	350 to 500 (*Limit of weight*)
Cents 1 per kilo Minimum charge, 1 cent per packet. (*Limit of weight: 5 kilos.*)	*Cents* 5	*Cents* 1	*Cents* 2	*Cents* 4	*Cents* 6
2 per kilo Minimum charge, 2 cents per packet. (*Limit of weight: 5 kilos*)	5 *plus* Printed Matter rates	3	7½	10½	15
3 per kilo Minimum charge, 3 cents per packet. (*Limit of weight: 5 kilos*)	—	5 per 50 grammes Minimum charge, 10 cents per packet			
3 per kilo Minimum charge, 3 cents per packet. (*Limit of weight: 3 kilos*)	—	3	7½	10½	15
2 per kilo Minimum charge, 2 cents per packet. (*Limit of weight: 3 kilos*)	—	2 per 50 grammes Minimum charge, 4 cents per packet			

(ORDINARY POSTAGE)			SPECIAL POSTAGE				
			Air Mail Matter				
Small Packets			Letters	Postcards		Newspapers	Printed Matter, Commercial Papers, Samples, and small packets etc.
to or from	Up to 400 grammes or fraction thereof	Each successive unit of 100 grammes or fraction thereof	Every 20 grammes or fraction thereof	Single	Double	Every 50 grammes or fraction thereof	Every 20 grammes or fraction thereof
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Local:.. Between Districts excepting following: Kweichow, Kansu, Yunnan, E. & W. Szechwan:	10	2½	—	—	—	—	—
	20	5					
	40	10	25	25	50	15	15
Sinkiang:	Letter rate						
—	—	—	Air mail matter for abroad, if transmitted through Domestic air-mail routes, is charged Domestic air postage in addition to international air postage of the country concerned. The air postage of different routes of different countries varies. Particulars may be obtained at local Post Office.				
—	—	—					
—	—	—					

(*SPECIAL POSTAGE*)

Registered Articles *Special fee charged in addition to ordinary postage*	*Express Articles* *Special fee charged in addition to ordinary postage*	*Ordinary Express Mail Matter* *Special fee charged in addition to ordinary postage*	*Insured Letters* *Special fee charged in addition to ordinary postage and registration fee*
Per article	Per article	Per article	
Cents	*Cents*	*Cents*	
8	12	5	1% of value declared (minimum insurance fee, 10 cents). Maximum of insurance: $1,000.
8	12	5	
25	75	50	50 cents for each 300 gold francs or fraction thereof. Maximum of insurance: *Gold Frcs:* 3,000.
8	12	5	10 cents for each 120 dollars or fraction thereof. Maximum of insurance: $1,000.
15	—	—	50 cents for each 300 gold francs or fraction thereof. Maximum of insurance: *Gold Frcs.* 3,000.

(SPECIAL POSTAGE)			
Insured Boxes	*C. O. D. Charges* *Special fee charged in addition to ordinary postage and registration fee*	*Legal Attest Letters*	*Acknowledgment of Receipt*
	Per Article	*Per article*	Per article
1% of value declared (minimum insurance fee, 10 cents) in addition to registration fee and ordinary postage at rate of 4 cents per 50 grammes with a minimum postage of 20 cents. Maximum of insurance: $1,000.	A fixed charge of 10 cents to be collected on each article, in addition to levy of remittance fees assessed according to total C. O. D. sum.	1 dollar for each hundred words or less. If two or more articles of same contents are deposited, the charges for second art. and subsequent articles is to be discounted 50%	*Cents* 8
			8
50 cents for each 300 gold francs or fraction thereof in addition to registration fee and ordinary postage at the rate of 20 cents per 50 grammes with a minimum postage of 1 dollar. Maximum of insurance: *Gold Francs* 2,500.	½ cent per dollar in addition to a fixed postage of 50 cents.	——	25
10 cents for each 120 dollars or fraction thereof in addition to registration fee and ordinary postage at the rate of 8 cents per 50 grammes with a minimum postage of 40 cents. Maximum of insurance: $1,000.		——	8
50 cents for each 300 gold francs or fraction thereof in addition to registration fee and ordinary postage at the rate of 20 cents per 50 grammes with a minimum postage of 1 dollar. Maximum of insurance: *Gold Francs* 2,500.		——	15

MISCELLANEOUS POSTAGE

Tracer or Subsequent Acknowledgment of Receipt	*Poste Restante*	*Return or Redirection*	*Withdrawal or Change of Address*	*Change of C. O. D. Charges*	*Perusal charges for duplicate of Legal Attest Letters*
Per article	Per article	Per article	Per article	Per article	Per article each time
Cents 16	5 cents to be collected from addressee at time of delivery.	Books, Printed Matter, and Commercial Papers, if returned, are subject to return postage. In case of redirection, they are liable to fresh postage.	*Cents* 20 If effected through telegram, telegraphic expenses are collected in addition to the fixed fee of 20 cents.	*Cents* 13	*Cents* 50
16				13	*Cents* 50
50		—	50 If effected through telegram, only telegraphic expenses are collected. In case of change of address of insured articles by telegram, telegraphic expenses are collected in addition to the fixed fee of 50 cents. As to the withdrawal of insured articles by telegram, only telegraphic expenses are collected.	Each article charged 50 cents, and if to be altered by telegram, telegram fee will be collected, in addition to above charge.	
16		—			
30		—			

PART VII

EDUCATION, PUBLIC HEALTH, ETC.

EDUCATION

SHIH-CHIEH WANG (王世杰)

I. LAW AND ADMINISTRATION

A. Law on Education.—Since its inauguration in 1927 the National Government has promulgated at different times laws governing education and its administration; ministerial ordinances, regulations and rules have been issued by the Ministry of Education in pursuance of the purposes of these laws and to make such supplements as were deemed necessary. There have been some revisions, additions and subtractions of these laws and regulations at successive stages, but a continuity of growth and improvement has been maintained. The present section will treat only of laws and regulations which involve fundamental principles; but will omit those concerning details as well as local regulations and rules.

The spirit of present day Chinese education may be found in Section 5 of the Provisional Constitution of 1931, which sets forth the Three Principles of Dr. Sun Yat-sen as the fundamental principles of education of the Chinese people. That section may, therefore, be taken as the basic law of Chinese education.

A national system of modern education was introduced in China in the last years of the Ching dynasty. The first system divided schools into seven grades from the children's school up to the college. The system continued to exist for a few years and came to be the basis of another system of gradation during the first years of the Chinese Republic. The second system was revised many times and was kept in use up to 1922, when a third system more adequate than the second was introduced and adhered to till 1932. A brief survey of the more important laws and regulations on education will suffice to indicate the trend of development of the educational system in China.

The organization was provided for the first time in the law on the organization of the Ministry of Education in the first year of the Republic, 1912. This system of organization, in spite of intermittent revisions, remained in force for a comparatively long period of time until 1927, when the National Government established itself at Nanking. In June of that year the Ministry of Education was abolished and the National Academy of Education was established in its place. Under this system the whole country was to be divided into university districts, each with a university in control of all of the schools within its sphere. After a year of rather fruitless experiment, however, this system was quickly dropped and the ministry restored in the Organic Law of the Ministry of Education in 1928. From 1928 up to the present time there have been several revisions in this Organic Law, which covers the basic structure of the Ministry only and leaves departmental administrative details to be dealt with by Ministerial decrees.

Among the important revisions of the Organic Law may be mentioned the establishment of the School Inspectorate in the Ministry and the National Bureau of Compilation and Translation; lately the Treasurer's Office and the Statistician's Office, while still under the direction of the minister, have been put under the control of the Comptroller-General's Office of the National Government. The organization of the Ministry of Education, as it stands to-day, is based on the revised Organic Law of October, 1936 and the series of Regulations of Departments and Subdepartments governing administrative

details in the ministry. There are in the ministry a number of committees, notably the Committee on Medical Education, the National Committee on Compulsory Education, the Committee on Textbooks, the Committees on Cinema and Radio and other committees. They are an important part in the functioning of the ministry, and are governed by regulations issued by ministerial decrees.

Law on higher education made its first appearance in 1912 when the Ministry of Education in Peking issued the Law on Universities, which was revised next year and followed by the Law on Technical Schools and Regulations for Public and Private Technical Schools. In 1913 Regulations for Universities and Private Universities were issued. But the present Law on University Organization and the Law on Organization of Technical Schools were promulgated only in 1929 by the National Government at Nanking. The Law on University Organization was subsequently amended in 1934. And it was also in 1929 that the ministry issued Regulations for Universities and Technical Schools, the latter of which were revised in 1931.

The Law and the Regulations for each category of institutions of higher education contained practically all the standard requirements for the proper functioning and management of these institutions. Lastly, in 1934 the ministry issued the Provisional Regulations governing post graduate research.

The Law on University degrees was promulgated by the National Government in April, 1935, followed by a ministerial decree in May specifying the lines of university education in which a Bachelor's, Master's or Doctor's degree was to be conferred. In June, 1935 the Regulations for the examination of the Master's degree were issued.

As to the laws on secondary and primary education, the Law on Middle Schools and Regulations and the Law on Normal Schools and Regulations were issued in 1912 at Peking. In 1913 came the Law on Industrial Schools and Regulations, followed by the Laws on People's Schools and Higher Primary Schools in 1915. The two laws last mentioned were supplemented by two regulations in 1916. It was not until more than ten years later that laws on secondary education and primary education were recast in the form of two Provisional Regulations in 1928, which functioned for four years. In 1932, the National Government promulgated four important laws, namely, the Law on Middle Schools, the Law on Normal Schools, the Law on Vocational Schools and the Law on Primary Schools. In 1933, detailed regulations based on the four laws were issued by the Ministry of Education. The regulations for middle schools, normal schools and vocational schools were revised in June, 1935, and the regulations for primary schools were revised in July, 1936. In May, 1935, the provisional law governing compulsory education was issued by the Executive Yuan, and a series of regulations has since been issued by the ministry to put that law into effect. The Ministry of Education has issued at different times many other regulations on education and on school administration; these cover nearly every sphere of educational work and vary widely in importance, their total volume being many times larger than that of the educational laws.

In legal parlance, these regulations having the force of law occupy a subordinate position with respect to laws promulgated by the National Government. But in actual fact this view of their comparative importance would be somewhat misleading with respect to some of these regulations. The regulations on examination for middle and normal school graduates is a case in point. These examinations are conducted by the state, and are becoming to-day one of the most powerful factors in raising the standard of secondary education in the country. Another example is the Regulations on the Safe-Keeping of Local Educational Funds. These regulations have worked to promote the financial stability for secondary and primary schools in the country, without which it would be impossible to impart a de-

gree of permanency to the progress made in these fields. Therefore, in their effect and in their importance, some of the regulations issued by the ministry occupy a position of pre-eminence comparable to any law on education promulgated by the National Government itself. The part played by ministerial regulations in shaping education is larger than many people realize. Some important regulations bear the stamp of higher authority in the form of an executive decree of the Executive Yuan. Frequently interpretations on particular points of law have to be issued in answer to applications of local authorities. These interpretations are, to all intents and purposes, part of the law. It is through the accumulation of laws, regulations and interpretations that a body of law on education has grown up. It is the fruit of experience.

B. The Administration of Education: 1. *The National Administration of Education.*—The highest authority of educational administration in China is the Minister of Education. He is appointed by the National Government on the recommendation of the President of the Executive Yuan, after having been approved by the Central Political Council.

Being a member of the Executive Yuan, he may present to the Legislative Yuan bills relating to certain matters assigned by law, but prior to the presentation he must lay them before the Council of the Executive Yuan for discussion. The Minister of Education must also submit to the Council of the Executive Yuan other matters of importance which are considered by the President of the Executive Yuan as lying within the competence of the Council.

The minister has the following powers: (1) to control and supervise all matters of education and educational administration in the country, (2) to direct provincial and municipal educational authorities in matters of education, and (3) to present to the Council of the Executive Yuan, for discussion, suspension and repeal such local orders, measures, or acts as are in conflict with national laws on education or in excess of the authority of local government.

The Ministry of Education is composed of five departments, each with a chief, namely, General Affairs, Higher Education, General Education, Social Education, Mongolian and Tibetan Education. Many committees assist the minister in tackling special problems, and there are also two vice-ministers, four to six secretaries, two to four councillors and six to ten inspectors, assistants and clerks.

2. *The Provincial and the District Administration of Education.*—Local educational authorities are two, the provincial commissioner of education and the chief of bureau of education in the district and municipality. The Commissioner of Education is a member of the Provincial Government. Appointed by the National Government, he is under the control of the Minister of Education. But he is more than a link between the local government and the central government in educational matters, for, within the framework of law, he can do a great deal by his initiative and position. The powers of the Commissioner are those relating to administration of all grades of schools in the province, libraries, museums, public athletic grounds and other educational affairs. For the actual work of educational administration in the province, he has to rely on the chiefs of bureaus of education under his control.

The Chief of Bureau of Education in the district, city, or municipality is responsible to the Commissioner and manages all matters relating to education and school administration in the area. He is in charge of all the schools, libraries, museums, athletic grounds and parks (if there were such) in the district. While his activities cover a very wide field, he has very little discretionary power. Not only is he at all times under the supervision of the Commissioner of Education, but he is also guided always by the national laws on education and the provincial regulations enacted with special permission from the Minister of Education. His office not only requires a considerable amount of

ability but also a degree of professional experience which comes only from long contact with problems and with men. Unfortunately there has recently been a tendency in some provinces to abolish the District Bureaus of Education and to revert to the old practice of putting the magistrate in charge of the educational administration as well. The result in nearly every case has not been encouraging, as the practice is quite incompatible with the professional character of educational administration. The inconvenience is now gradually recognized, and it is hoped that the situation may soon be rectified. In educational administration, especially at the bottom of the system, the principal object is to see that schools are properly run, properly supplied with competent staff, and that more good schools are opened to meet the great need in elementary education. His new responsibilities after introduction of compulsory education are heavy and manifold. On local educational authorities must, therefore, fall a large share of responsibility for the efficient administration and development of education.

The national law on education is the basis of all laws on education in the whole country. Whatever regulations the provincial commissioner of education may initiate and introduce to meet special conditions must have the approval of the Ministry of Education. Rule of law facilitates the co-ordination and co-operation of all schools throughout the country, and insures that each and every school attains certain minimum standards. Taking the Chinese educational system as a whole, it approaches the European continental, rather than the Anglo-American, system.

This brings one to the consideration of the position of the Minister of Education. He is the fountain head of administrative authority in education. He recommends measures to the Government and, within the framework of national law, he issues ministerial orders and regulations designed to put these measures into effect. He must of course be alert to public opinion and in initiating new policies of education which may affect the power of the purse he must obtain active support from the Ministry of Finance. But on the whole his power of discretion, both legal and in practice, is wide; and from this power is also derived his grave responsibility.

II. THE DEVELOPMENT OF UNIVERSITIES

Modern higher education in China had some utilitarian element in its origin. In the dozen schools which had an ephemeral existence in the last decades of the 19th century, many subjects relating to Western science such as physics, chemistry, mining, mechanics, modern languages, government and law were taught side by side with Chinese classics and literature. The contents of these Western subjects were necessarily rudimentary, even taking into account the stage which these subjects had then reached in their countries of origin. The method of teaching was poor, based chiefly on the printed notes distributed by the teachers to the students eagerly awaiting initiation into the mysteries of the new subjects. Good textbooks written in Chinese and for Chinese were not to be had, and diffusion of knowledge through the textbooks in the original language was out of the question as very few students had mastered foreign languages. Laboratory equipment as we understand it to-day was unknown, As to organization and system, instruction and discipline, each school was a government to itself. An example was the school of Chinese and Western Studies established in 1895 in Tientsin which had two departments, the upper one of which offered a four-year course in engineering, electricity, mining, mechanics and law. In true pioneering fashion, the leading minds in those days attempted to transplant to China the knowledge which in their view had enabled the Western countries to achieve distinction. The utilitarian origin of higher education was writ large on the history and events of those days. But, judging from the

trite observation that all arts and sciences had their origin in the utilitatian, higher education in China was hardly an exception.

Although the work of these men failed to produce immediate results they planted better than they knew. From the very small beginning of a generation ago, their work continued to grow and gradually developed into the modern Chinese universities. In nearly every direction these institutions have gone beyond the fondest hopes and expectations of the pioneers of higher education. If these men could come back to-day and look at the palatial buildings, the beautiful grounds, the costly laboratories and equipment, and at the large numbers of young people seeking knowledge in the universities in every part of China, from east to west and from north to south, they would hardly recognize their own country. But to these manifest changes must be added other profound changes in the nature and character of university education. For the many hours or years, means to-day a totally different thing from what it was thirty years ago. In every department of activity in higher education fundamental changes have been brought about by gradual transformations and adaptations; and with these changes, the attitude of this generation has changed and is changing.

What are the factors that have exerted influence on the development of higher education in China? It is not possible to give to this question a simple and categorical answer. Educational theories and law have done their part at different times. The main factor is, of course, the desire to build up a thoroughly modern system of higher education, which will answer Chinese needs and meet Chinese conditions. This desire has been the main inspiration to men who have struggled through difficult times to build up Chinese universities. The general political instability during the recent past directed a good many men into university work, and stimulated and redoubled their efforts to create more and better universities, in the hope that from the university of to-day would emerge the society of to-morrow.

The story of the development of higher education is instructive when read in the context of contemporary events. It reflects the attitudes of men on the fundamental question of what university education ought to accomplish, its moral and intellectual ideal and the way it is being achieved. To achieve an ideal by way of synthesis of values is in any society a painful process, but nowhere is the task more arduous than in an emergent society where values are in rapid transition owing to the manifold changes of national life. As evidence of the selfless devotion of men and women in search of an ideal in university education, the story of higher education in China is a record enriched by their experience and treasured for their failures and successes alike. To have achieved some workable ideal in education, however tentative it may be, is a claim amply borne out in the story, and may be examined briefly in the following paragraphs.

In the last years of the last century and at the beginning of the present, the Imperial authority tried to establish universities and to encourage the provinces to do the same. Beside the Metropolitan University established at Peking in 1898, which was the forerunner of the present National Peking University at Peiping, several provinces transformed their former institutions of one kind or another into universities. With the exception of Shansi all had but a brief existence.

The organization of higher education according to some kind of law may be dated from 1902, when the Imperial Decree on School System was issued. Under this decree the university was to contain a department of learned scholars, the university proper, and a preparatory department, followed by superior schools and other institutions. The department of learned scholars was intended for research. The university proper contained eight departments, namely, Classics, Law and Government, Literature, Medicine, Science, Agriculture, Technology and Commerce. There were also sub-departments, from three for Com-

merce to nine for Technology and eleven for Classics. Three or four years were required for graduation. The preparatory department of the university and the superior schools both required three years for graduation. The difference was made that the Metropolitan University at Peking must have all the eight departments complete, while a provincial university must contain at least three. Crude as it was, the measure had the wholesome tendency of placing some limitation on the organization of universities in the provinces.

In the fifteen years before the Republic there were established three government universities, namely, the Metropolitan University at Peking, the Peiyang University at Tientsin, and the University of Shansi at Taiyuan, as well as 24 provincial superior schools.

The Law on Universities of 1912, the first year of the Republic, introduced little that was new and confirmed much that was old. This law made the preparatory department an integral part of the university, and continued one element of confusion for many years to come. By dropping the classics, the university was divided into seven colleges, with the provision that the colleges of Liberal Arts and Science were to be the principal parts of a university. The purpose of the university was to instil profound knowledge and cultivate great scholars and capable men suitable for the service of the state. The same law also provided for the university council and for the faculty council, which was the beginning of self-government in the university. In 1913, departments in the colleges were reorganized by law—four for the college of arts, nine for science, eleven for technology, etc. There were still three branches in the preparatory department of the university, to prepare students according to their lines of study. The courses of the university and the preparatory department were measured by credits.

The Law on Technical Schools of 1912 provided for one year in the preparatory department, and for three or four years in the school. The purpose of the technical school was to instill higher knowledge and to cultivate men of technical talent. There were ten kinds of technical schools: Law, Medical Science, Pharmacy, Agriculture, Technology, Commerce, Fine Arts, Music, Mercantile Marine and Foreign Languages. The Regulations on Technical Schools followed in the next year, making detailed distribution of courses in the different categories of technical schools and generally following the principles laid down in the Law on Technical Schools in the previous year. Research departments, special departments, and elective departments were permitted in the technical schools to meet special conditions.

The Law on Universities of 1912 was subsequently revised in 1917 to permit certain changes. The main revisions were that the establishment of a university of a single department was permitted, the period of instruction for all departments of a university proper was uniformly fixed at four years, and at two years in the case of a preparatory department. Under this revised law the classification of the teaching staff into professors, associate professors, and assistants was introduced. At this there was much discussion as to the principles according to which a university was to be organized. One school entertained the view that only arts and science could be classified as properly belonging to a university, while the rest of the subjects such as law, commerce, agriculture, technology and medicine were properly the functions of technical schools. Another school of thought held that a university should be comprehensive and contain many colleges, and that the preparatory departments of universities should be abolished. Both of these schools of thought exercised some influence upon the subsequent transformation of university organization. The time for recasting the system of higher education was in fact not far off.

In December, 1922, came the new system of higher education. There

were six important points relating to the universities:

(1) universities of a single college were permitted.

(2) instruction in the university required four to six years; but in medical science and law, the minimum was five years. No definite time limit was attached to the research department.

(3) elective courses and credits were introduced in the university.

(4) former normal colleges admitting graduates from senior high schools were converted into normal universities, with a four-year course.

(5) Under special conditions technical schools were to be established, with a minimum period of three years. Those which had a period of instruction corresponding to that of a university received the same status.

(6) The preparatory departments of universities and technical schools were definitely abolished, but special courses might be established with varying periods of instruction according to requirement.

Later history proved that only (2) and (6) were salutary; (3) needed qualifications for its application; while (1), (4) and (5) were positively pernicious and were responsible for the waste and confusion that was to follow in the history of Chinese education. On this account, the law of 1922 did very little good but a great deal of harm.

The direct result of the law of 1922 was the growth of universities by multiplication. Technical schools admitting graduates from senior middle schools and giving a four-year course were entitled to claim university rank. Great encouragement was given to the technical schools eagerly forsaking their former status and transforming themselves into universities. Universities of a single college and normal universities followed suit. In 1916 there were altogether seven universities, for in addition to the three government universities four private universities had arisen in the meantime. But in 1925 there were 24 national, 10 provincial and 13 private universities recognized by the Government, making a total of 47 universities in all. Many of these institutions, the question of standard aside, consisted of a single department only. Thus, in the province of Hupeh were located five universities; the Provincial Medical University, the Provincial University of Law and the Provincial University of Arts, as well as the National Commercial University and the National Wuchang University at Wuchang. In Kiangsi there were the Provincial Medical University and the Provincial Law University. The total number of students in all universities in China in 1925 was in round numbers 20,000 men and 1,000 women, with a teaching and administrative staff of nearly 4,000 and an expenditure of 12,000,000 Chinese dollars. The process of multiplication continued very rapidly and new universities came into being in quick succession.

As might be expected, the result of taking advantage of some of the legal provisions of the educational law in order to creat universities proved very disastrous. With important exceptions, there was a general deterioration in the standard of university education. Administration was chaotic in many of them and there was an air of general inefficiency, if not of paralysis. The law was ill-conceived and entirely out of focus with the actual conditions of the time. It was imperative that something should be done to amend the situation.

It was against this background that the National Government introduced the present system of university education and promulgated the two basic laws in 1929, the one on the organization of the university, and the other on that of the technical school. Already in the same year the National Government had defined university education and that of the technical school as one which should put special emphasis on science, on technical knowledge as well as promoting a wholesome personality for the service of the state and society. This definition was not only a shifting of emphasis, but, what is more remarkable, gave precision to the functions and value of higher education. The shifting of emphasis to knowledge of science capable of practical application

is in great part an answer to the growing realization that, whatever intrinsic qualities knowledge in itself may possess, the present society demands new tools and a new type of man, and that knowledge should be harnessed to produce results in connection with the economic development of the country. This attitude, if pushed too far, may have its drawbacks. But for a long time to come, if universities can meet the increasing demand for scientific and technical men of a high order they will have discharged a greater part of their functions.

For this reason, and for the important structural changes introduced, it is desirable to note the main points contained in the Law on University Organization and the Law on the Organization of the Technical School of 1929, and in the two supplementary regulations.

According to the law of 1929 a university must consist of at least three colleges, of which one was to be a college of science, agriculture, technology or medical science. Otherwise, it should be known as an independent college only. Other matters of importance included the prescription of major and minor courses and permission to establish post-research departments. None of these features was entirely new, but what was novel was the setting up of a standard to which all institutions of the same category must conform. The law also made science inseparable for the first time from any institution known as a university.

What the law of 1929 did for the technical schools was in the nature of a classification of their work. Four classes of technical schools were provided. To the first class belong mineralogy, many kinds of engineering, architecture and the manufacturing industries, including shipping. These are schools of technology. To the second class belong agriculture, forestry, horticulture and fishery. The third kind embraces banking and commercial subjects. The fourth group consists of music, painting and fine arts in general. Classification according to their nature and provision of standard requirements of instruction introduced system into a class of schools which cover a wide range of subjects and occupy an increasingly important position in the industrial life of the country.

Certain other important provisions common to both the university and the technical school may be mentioned. Definite entrance requirements common to all schools within each category are now defined by law, instead of leaving the institutions to shift for themselves in these matters. The graduation examination in the university and the technical school is held by a committee composed of professors of the institution and experts from outside. This committee must be approved by the Ministry of Education. The adoption of the credit system is supplemented by a time requirment, and in no circumstance may the legal length of instruction be shortened. The legal provision of a definite amount of initial and running expenses for every type of institution is intended to serve as an effective check on any hasty attempt in starting ill-planned and ill-financed new institutions. Besides, every institution is required by law to devote at least 15% of its annual budget to equipment and other permanent purposes. Had such provision been in existence before, the educational system in China would have been spared a great deal of strain, both financial and moral, and certainly a large amount of confusion.

After 1929 the Government went in for a period of consolidation and reorganization which continued from 1930 to 1936 and affected a great number of the institutions. In some cases measures were taken for avoidance of duplication of work; in others they were dictated by administrative considerations. A few of the institutions had to be suppressed altogether. The colleges of the law and political science in many provinces were closed on the order of the Minister of Education. For instance, six institutions were closed down in 1932, and seven in 1935. The readjustment and rearrangement of some of the existing institutions have been made in the

interest of better administration and of better service. Side by side with the process of consolidation for avoiding duplication and achieving better economy and greater strength, and the gradual but rigorous weeding out of the unsatisfactory institutions, goes the establishment of new universities colleges and technical schools, of such kinds as will meet some practical need and in such localities as are calculated to serve the interest not only of the district but of the country as a whole. The institutions of higher education established after 1930 have been based on careful consideration of definite criteria as to need and location; most of them teach pure science, sgriculture, engineering and medicine. Among the new institutions established or in process of being established in 1936–1937 may be mentioned the National Chungchen College of Medicine at Nanchang and the National School of Pharmacy at Nanking, the College of Agriculture at Changsha of National Tsinghwa University, and of Wuhan University; and the Northwestern School of Agriculture and Forestry in Shensi.

As a result of the law of 1929, and the subsequent efforts at reorganization and consolidation, there were some slight changes in the number of the institutions. The figures for universities, independent colleges and technical schools were respectively 41, 32, 30 for 1931; 41, 35, 28 for 1932; 41, 39, 29 for 1933. The figures for 1936 were 42, 38, 28, in which private institutions approximate very closely to one half, there being twenty universities and twenty-four independent colleges but only nine technical schools, making a total of fifty-three out of a national total of 108. As a result of the present policy of elimination, consolidation and construction of new schools China is being provided with a number of institutions which, on the whole, fulfil the national educational requirements much better and more efficiently than the larger number previously in existence.

III. FINANCE

A. Income and Expenditure.—The public and private universities, independent colleges and technical schools derive their income from various sources, namely, the national treasury, the provincial treasury, students' fees, revenue from properties, endowments and others. The total income for all institutions for the year 1933–1934 amounted to 34,548,360 Chinese dollars and for 1934–1935, $35,759,374. Of this sum the largest amount came from the National Treasury, amounting to 42.77% of the total in 1933 and 44.60% in 1934. The endowments came to 19.55% and 15.92% respectively for these two years, while the income from the provincial governments was 15.87% and 15.90%; from students' fees, 11.57% and 11.13%, and from other sources, 7.85% and 9.70%. The least of all was the income from properties, which amounted only to 2.39% and 2.75%. These percentages showed some slight increase for 1934 over 1933, and vary slightly from year to year. Comparative figures for 1933–1934 and 1934–1935 stood as follows:

Sources of Income	*Amount*		*Percentage*	
	1933–1934	*1934–1935*	*1933–1934*	*1934–1935*
National..	14,736,710	15,755,953	42.77	44.60
Provincial	5,467,182	5,617,533	15.87	15.90
Students' Fees	3,987,641	3,931,338	11.57	11.13
Income from Property	823,794	971,522	2.39	2.75
Contributions	6,733,476	5,622,290	19.55	15.92
Miscellaneous	2,702,634	3,428,414	7.85	9.70
TOTAL	34,548,360	35,759,374*	100.00	100.00

* Some undifferentiated income is included in this total amount but not in the computation of the percentage.

The disbursements of these institutions are distributed under four main headings: salaries, equipment, administrative expenditure, and special expenditure. In some cases there is also expenditure on attached institutions. According to the statistics for the year 1933–1934, the total expenditure on higher education for the whole country amounted to 33,574,896 Chinese dollars, while in 1934–1935, it amounted to $35,196,506. In 1933, 54.71% of the total and in 1934, 57.66% went to salaries, while 20.30% and 18.87% went to equipment, 12.11% and 10% to administrative expenses and 7.65% and 7.38% to special expenditure for the two years respectively. The special expenditure on attached institutions amounted to 5.23% and 6.09% respectively for these two periods.

As regards the ratio of the expenditure on equipment and the administrative expenditure, the law requires that the expenditure on equipment must be not less than 15% of the total annual budget, while the administrative expenditure must not exceed 10%. These rules have been observed in recent years by the institutions concerned. The following table for the same years will give some idea on the distribution of expenditure:

Distribution of Expenditure	*Amount*		*Percentage*	
	1933–1934	*1934–1935*	*1933–1934*	*1934–1935*
Salaries	19,250,574	20,293,030	54.71	57.66
Equipment	6,376,137	6,642,254	20.30	18.87
Administrative Expenditure	3,803,180	3,520,842	12.11	10.00
Special Expenditure ..	2,403,606	2,595,923	7.65	7.38
Attached Institution ..	1,644,427	2,144,457	5.23	6.09
TOTAL	33,574,869	35,196,506*	100.00	100.00

* Some undifferentiated expenditure is included in this total amount but not in the computation of the percentage.

The relative positions of national, provincial and private institutions of higher education, as indicated by their annual expenses in 1933–1934 and 1934–1935, have been fairly stable during recent years. The figures for the two years, respectively, were $14,472,465 and $15,617,723 for national institutions (of which $12,978,311 and $13,583,508 went to universities), $4,286,323 and $4,942,554 for provincial institutions (of which $1,970,789 and $2,767,314 went to universities and $1,558,902 and $1,284,043 to independent colleges) and $14,378,130 and $13,986,287 for private institutions (of which $7,229,398 and $7,809,334 went to universities and $6,568,932 and $5,672,232 to independent colleges). The figures for private institutions came very close to those for national institutions.

Financial stability has been one of the cardinal points in the educational policy of the National Government. During recent years stability has been secured for every institution which draws its support from the National Treasury and this has contributed greatly to the steady improvement of the institutions concerned. It has also enhanced greatly the general atmosphere of orderly development of all institutions as a whole, and made possible enforcement of the financial provisions of the law of 1929. Educa-

tional income has tended to increase during the last few years. The proportion contributed from the National and Provincial Treasuries has also increased. In 1931 the share of the National Government was 31.45% and that of the provincial governments 20.8%, making a total of 52.25%. In 1932 the figures were: National Government 39.8% and provincial governments 16.2% making a total of 56%. In 1933 the respective figures were 42.77% and 15.87% making a total of 58.64%, and in 1934 44.60% and 15.90%, with a total of 60.50%.

After some years of operation the financial provisions of the laws of 1929 began to show tangible results in connection with the expenses of the institutions of higher education. The years from 1931 to 1933 showed some slight increase, with the exception of 1932 when less was actually spent but one more institution was added. In 1931, 103 institutions spent 33.6 million Chinese dollars, in 1932, 104 institutions spent 33.2 million, and in 1933, 109 institutions spent 34.6 million. The laws of 1929 reguired administrative expenses not to exceed 10%, and the expenses on equipment and other permanent purposes to be not less than 15% of the total annual expenses. In both of these respects there was registered a marked improvement. Administrative expenses came down from 12.4% in 1931 to 10.70% in 1932, and expenses on equipment and other permanent purposes increased from 15.90% in 1931 to 20.60% in 1932. There was also some noticeable change in the proportion devoted to salaries, expenditure under this head decreasing from 55.91% to 54.50% in 1932.

The number of the teaching staff remained practically constant, although the number of institutions increased. Whereas in 1931, 103 institutions had 7,053 persons on the teaching staff, this number had decreased to 6,709 for 104 institutions in 1932, but rose to 7,075 for 109 institutions in 1933. The Ministry of Education has always insisted that the teaching staff be adequately paid, and has in many instances ordered institutions to increase the pay of their teachers. The proportion of expenditure on salary increased to 57.66% of the total expenditure in 1934. In an order issued during 1929, the Ministry of Education especially called the attention of those in charge of universities independent colleges and technical schools, to the importance of liberal treatment for their teaching staff, and to the official salary scale adopted by the National Government. The Ministry of Education has been equally emphatic in insisting that a teacher should devote his whole time to one institution; part-time teachers are discouraged and have been limited by the law of 1929 to one-third of the total number of the teaching staff.

B. Government Financial Assistance to Private Universities.—On any showing, private universities, independent colleges, and to a limited extent, private technical schools also, occupy an extremely important position in China. Leaving aside questions of standard and efficiency, which can only be compared institution for institution, public and private, private institutions of higher education assume an importance which may be calculated as roughly 50% of all institutions in the country as a whole. Roughly speaking, private senior middle schools furnish about 50% of new students to all universities, colleges and technical schools. Again, nearly 50% of students in attendance, and nearly 50% of graduates are from private institutions of higher education with an annual budget of a little over 40% of the national total. The table on page 1036 speaks eloquently for the position occupied by private institutions of higher education in China.

Government financial assistance was granted to private institutions from time to time according to circumstance and necessity. But the principle of an annual grant, to be made according to specific standards and rules, and to meet particular needs in accordance with the requirements of society and of the Government's policy, began only with the appropriation of $720,000 for distribution to private institutions

RELATIVE POSITION OF PUBLIC AND PRIVATE INSTITUTIONS OF HIGHER EDUCATION IN CHINA, 1932–1933 AND 1933–1934

			Institutions of Higher Education				*Students Attending*		*Graduates*		*Expenditure*	
			Universities	*Independent Colleges*	*Technical Schools*	*Total*	*Number*	*Percentage*	*Number*	*Percentage*	*Amount*	*Percentage*
Public	National	1932–1933	13	5	8	26	15,041	34.4	2,767	37.7	$14,551,880	43.7
		1933–1934	13	5	10	28	14,338*	33.3	3,078*	32.4	$14,910,443*	44.4
	Provincial	1932–1933	9	11	12	32	6,665	15.2	1,359	18.6	$4,408,565	13.3
		1933–1934	7	12	10	29	7,514	17.5	1,508	20.5	$4,286,323	12.8
Private		1932–1933	19	19	8	46	21,004	50.0	3,185	43.7	$14,283,376	43.0
		1933–1934	20	22	9	51	22,089	51.5	4,079	47.1	$14,378,430	42.8
TOTAL		1932–1933	41	35	28	104	42,710	100.0	7,311	100.0	$33,203,821	100.0
		1933–1934	40	39	29	108	42,936	100.0	8,665	100.0	$33,574,896	100.0

*Including 8 public technical schools supported by other ministries with 1,005 students and 271 graduates and an expenditure of $437,978.

of higher education during the period 1934–1935.

A word may be said on the distribution of the grant of 1934–1935, as it reflects the policy of the Government regarding higher education in general and private institutions in particular. In the eyes of the Government, private and public institutions stand on a plane of absolute equality. The attitude of the Ministry is always governed by the quality obtained by the institutions, public or private. The distribution of $720,000 to private institutions during that particular academic year involved more than a mere subsidy. It denoted clear recognition of the principle that private institutions of standing were entitled to some kind of assistance from the Government in case of necessity. Accordingly, application was open to all private institutions, but grants were made after a careful examination of their claims, based on the following principles. Only expenses for equipment and special claims for professorships were considered; also the subsidy granted for science, agriculture, technology, medicine and applied science was not to be less than 70% of the total, while administrative expenses were entirely excluded. Geographical distribution was also taken into consideration. In this way grants were made in 1934 to 32 private institutions of higher education in 1934. This was only the beginning of the policy of the Government in systematically granting financial assistance to private institutions, and it will be continued and extended whenever circumstances permit.

The grant was repeated in 1934–1936, when 81% went to assist the departments in science, agriculture, technology and medicine in private institutions of higher education, and 19% to the general arts courses. Classified in another way, 68.2% went to equipment and 31.8% to providing professorships and special chairs. The geographical factor was also taken into consideration, and proportionately more liberal treatment was accorded those districts with comparatively fewer institutions of higher education. In 1936–1937 40 private institutions of higher education received assistance.

Some of the best institutions in the country are private; and all of them are discharging an important public function for the state. It is only proper that the state should assume some responsibility and recognize its obligation in assisting the development of these institutions by financial grants.

IV. PROBLEMS OF HIGHER EDUCATION

Amongst the problems confronting higher education at present may be directed immediately to the following, namely, the promotion of research, the teaching of science, the equalization of university standards and the geographical distribution of universities. Some of them are inherent in the process of growth, and their solution may take a longer or shorter time.

The cultivation of the spirit of free research in the scientific and technical fields in Europe and America has been fortified by a tradition of some centuries. In China, the same spirit has made a definite and promising start; but much remains to be done for its future development. At present several public organizations well financed and supported by the government or by endowments are carrying on research work in many lines; notable amongst these are the Academia Sinica, the Peiping Research Institute, and several other institutions whose work has become known to the academic world. In 1933 there were probably about 100 private research organizations in the country, devoted to one subject or another; but their combined income in that year did not amount to $800,000. Their influence in popularizing research was very considerable.

A great share of the task and responsibility in research in China will fall on the universities. In this work the universities will have to take the lead in conjunction with the public research organizations. The Provisional Regulations on the organization of post-graduate school were

issued in May, 1934. A graduate school must consist of at least three research institutes, which cover arts pure science, law, education, agriculture, technology, commerce and medicine. Permission has to be obtained from the Ministry before any research institute is started. The regulations have been animated by the desire to see that research work in the university is adequately staffed with competent professors, and is well financed and properly supplied with equipment. Proof of sufficient preparation in these respects must be produced, and this applies also to the recruitment and admission of new students to the research institutes. Some of the older universities have carried on research for many years, and the task of organizing their graduate schools is easier. But both the older and the newer institutions have held rigorously to the requirements as to proper personel, adequate finance and equipment. From 1934 up to the present, six national and five private universities have obtained permission to start post-graduate research, some with one, some with two, and others with three institutes covering many subjects in science and arts. These are mainly those institutions which have some foundation in the subjects now covered by their research departments. It must be emphasized that the conditions laid down in the Provisional Regulations of 1934 and the strict control exercised by the Ministry of Education represent the minimum requirements, and can in no way interfere with the free development of research in the universities or shackle the play of the free research spirit. The main initiative still remains with the university authorities and the research workers. The underlying motive has been to combine the greatest amount of academic freedom with a minimum of supervision from the Ministry of Education.

Steps are now being taken towards achieving closer co-operation in research between the Academia Sinica and the universities, independent colleges and technical schools in the country. In April, 1935, the Ministry of Education transmitted to them the four principles of research and research co-operation framed by the Council of the Academia Sinice. These are: (1) In research special emphasis should be placed on problems of urgent need to the country and society (including the application of all sciences); (2) The Academia Sinica and its research institutes and other important research organizations of the country will take the above principle into consideration in the distribution of their resources; (3) research methods and results of research will be communicated from time to time to the Council of the Academia Sinica; (4) the government organizations may consult the Academia Sinica on any problems requiring solution. It is hoped that by thus achieving better co-operation and in other ways establishing closer contact between all of the research institutes in the country, research experience will be pooled, and the interest of research as a whole will be more efficiently served.

The teaching of science, pure and applied, in the universities presents another problem of first-rate importance. Its value as an instrument for bettering the livelihood of the people, as an avenue to the modernization of the country, and finally as cultural power in life is now generally recognized. From a small beginning, science in China has had to struggle against an overwhelmingly classical and literary tradition; it has made its conquest over the minds of students only by very slow degrees. Taking the general arts courses as covering literature, law, education and commerce, and the science courses as covering pure science, agriculture, technology and medicine, the statistics for the six years 1928–1933 showed that their ratio for 1928 was 73.1 to 26.9; for 1929, 73.4 to 26.6; for 1930, 75.1 to 24.9; for 1931, 74.5 to 25.5; for 1932, 71.5 to 28.5; and for 1933, 67.07

to 32.93. In 1934–1935, the ratio between arts and science was 62. 39: 73. 61. Thus there was a gradual improvement, which will, it is hoped, be continued, until some reasonable balance between the two is arrived at. The exact figures of students attending and graduates for 1934–1935 and 1935–1936, classified according to their major subjects, were as follows:

Major Subjects		*Students Attending*		*Graduates*	
		Number	*Percentage*	*Number*	*Percentage*
Natural sciences	1934–35	5,324	12.7	910	9.4
	1935–36	7,184	17.8	848	9.8
Agriculture and Forestry	1934–35	1,831	4.4	363	3.8
	1935–36	2,139	5.3	502	5.8
Engineering	1934–35	5,910	14.2	1,163	12.1
	1935–36	6,297	15.6	1,179	13.6
Medicine and Pharmacy	1934–35	2,633	6.3	323	3.4
	1935–36	2,179	5.4	438	5.0
TOTAL	1934–35	15,698	37.6	2,759	28.7
	1935–36	17,799	44.1	2,967	34.2
Literature, Fine Arts	1934–35	7,921	19.0	1,841	19.1
	1935–36	8,920	22.1	1,495	17.2
Law and Political Science	1934–35	11,029	26.4	3,221	33.5
	1935–36	7,588	18.8	2,649	30.6
Education	1934–35	4,059	9.7	1,086	11.3
	1935–36	3,431	8.5	851	9.8
Commerce	1934–35	3,033	7.3	715	7.4
	1935–36	2,624	6.5	710	8.2
TOTAL	1934–35	26,042	62.4	6,863	71.3
	1935–36	22,563	55.9	5,705	65.8
GRAND TOTAL	1934–35	41,768	100.0	9,622	100.0
	1935–36	40,362	100.0	8,672	100.0

Analysis of the family occupation of the students throw some interesting light on the courses chosen by the students; but the figures have to be interpreted in the light of Chinese tradition.

Here are the figures for 1932–1933:

Family Occupation	*Number*	*Percentage*
Commercial.. ..	7,056	25.1
Educational ..	6,851	24.3
Agricultural ..	5,912	20.9
Official..	3,294	11.7
Law	723	2.6
Industrial	691	2.5
Medical	669	2.4
Military	650	2.3
Police	166	0.6
Religious	113	0.4
Unknown occupations..	2,032	7.2
TOTAL	42,710*	100.0

*Those whose family conditions are unknown are included in this number, but not in the percentage.

If sons should follow in the steps of their fathers, as the professional families are likely to do in law, industries and medicine, the students from agricultural families numbering nearly 6,000 ought to have contributed a substantial quota to science. But the tradition in China being such, it was more likely that most of them would go with those of the official and educational classes to swell the ranks of the branches of social science or arts. The exact permutation and combination is not known, but the general trend is undisputed.

The unbalanced situation shown in the figures is a very serious one. The first step taken by the Ministry of Education in 1933 was the requirement that all universities, independent colleges and technical schools should maintain some proportion, as from that year, between the new students admitted to the arts courses and those admitted to the science courses. The scheme prescribed that in no case might the number of students admitted in the arts courses exceed those admitted in the science courses; in cases of necessity, the proportion might be calculated on the basis of averages. This put a limit to the number of students in arts and the social sciences that might be admitted in any one year; the only limit was the number of science students admitted. The revised scheme of April, 1935, limited the number of new students in the arts and the social science courses to 30 for each department, exceptions being granted only in the case of those departments with exceptionally good records, and of institutions admitting only women students. Admission to the science and technology courses must conform to the capacity in teaching personnel and equipment. This regulation, as well as the recently increasing demand for men of science and technicians has already brought about a noticeable change in the number of students in these respective fields. Already many institutions are reporting that their engineering and science departments are attracting more new applicants, with such branches as law, political science and philosophy have shown a decline in new students. Judging from the recent figures for new students, it is encouraging to note that the process of adjustment is progressively assisted by the greater number of the new students in science. In 1935–1936 the ratio for new students as between arts and sciences courses was 55.90 to 44.10; and in 1936–1937, 51.84 to 48.16. It is hoped that this tendency of gradual increase in enrolment in science and technology will be continued, and there is a prospect that before long some kind of balances will be achieved among the different branches of study.

In this connection the increasing number of Chinese students abroad who go in for science and technology deserves mention. Post-graduate study abroad is a subject connected with university education in China in many important ways; it is now governed by more strict regulations than formerly in order to insure adequate preparation at home and full utilization of the opportunity for study abroad. But in general tendency and in character it necessarily reflects and follows the development of university education at home. The ratios between students abroad in arts and science courses during the last five years were 50.1: 49.9 for 1931; 61.6:38.4 for 1932; 48.7:51.3 for 1933; 49.8:50.2 for 1934; and 51.4:48.6 for 1935. In 1936–1937 there was a total of 223 students in

arts courses as compared with a total of 284 students in science courses, the relative percentage working out at something like 56% to 44%. Of those in the science courses, technology took 114; medicine, 71; agriculture, 62; and pure science, 37. These figures would seem to indicate a ready response on the part of the general public to the demand of society and to the measures introduced by the Ministry to direct attention to the study of science. Considering the situation of university students at home and abroad as a whole, it may be taken as a fact that the efforts made in this direction have now succeeded, in a great measure, in breaking up the traditional relative emphasis upon arts rather than science and in putting them both on a new plane more and more adjusted to the needs of the present time. It remains for this relationship to be confirmed and enriched, and a large share of this work will fall on the Chinese universities in the future.

The equalization of university standards is a problem that touches the universities, independent colleges and technical school at more than one vital point. It is related directly to finance, teaching personnel, equipment, curricula, and many other considertions. Institutions differ one from another in all of these matters. Today in China there are universities which can compare favorably with foreign universities in many respects, and the general level of standard in all of them is gradually being raised. There is one thing which particularly affects the problem, namely, the curricula. The Ministry of Education is now engaged in drafting the standard curricula for universities, independant colleges ond technical schools. This is a very difficult task, as elements of stability as well as of flexibility must be embodied, and room must be made for the special requirements of particular institutions. The provisional curricula for medicine have been prepared by the Committee of Medical Education and were issued by the Ministry in 1935.

Another way through which it is hoped to achieve a gradual equalization of university standards is the final graduation examination. The institutions are required by law to have their graduation examinations conducted by special committees, which have to be approved by the Minister of Education. Such committees are composed partly of members of the institution concerned and partly of outside experts. If the standard in Chinese universities can be brought in this way to a more or less equal level, there is a possibility that freedom of movement of students will be greatly increased, so that a student may travel from university to university in order to visit eminent professors in very much the same way as is done in the German universities.

Perhaps one of the most stubborn problems is the geographical distribution of universities. The universities, independent colleges and technical schools are very unevenly distributed. A few centers contain an overwhelmingly large number of them, while large areas in the country are poorly serviced. In 1936 there were 25 institutions of higher education in Shanghai, 15 in Peiping, 9 in Hopei, 7 in Kiangsu, 4 in Chekiang and 5 in Nanking. This gives the area around Peiping and Tientsin 24 institutions, and the area bounded approximately by lines drawn between Shanghai, Nanking and Hangchow, 36. In South China, Kwangtung claimed 8 but Fukien, only 4, and Kwangsi only 2. But the vast territory to the west of Nanking, stretching as far west as the farther end of Szechwan, and including Honan, Hupeh and Hunan and Kiangsi provinces, had but 17, and only 2 were found in the whole area of the great northwestern provinces. Thus the geographical distribution of institutions of higher education bears no relation whatever to territory and population but indicates utter congestion in certain places and neglect in other large areas of territory.

It is true enough that the great number of institutions found in the eastern seaboard is partly due to the large demand of a rising industrial and commercial generation. But that does not explain it entirely. The statistics of the geographical origin of

students for 1932–1933 are interesting. They showed that out of a total of 42,710 students, 7,000 came from Kiangsu, or 16.69%; 6,000 came from Kwangtung, or 14.22%; 4,000 from Hopei, or 9.7%; 3,500 from Chekiang, or 8.35%; and 2,800 from Szechwan, or 6.8%; and 2,000 from Shansi, or 5.27%. Those below 2,000 students were Anhwei, Hupeh, Hunan, Kiangsi, Honan, Shantung, Liaoning, and Kwangsi. Yunnan and Kweichow, Shensi and Kansu each had only 200 to 300 students, or approximately ½ to ¾ of 1%. The figures for 1933–1934 were topped by Kwangtung with 16.60%, followed by Kiangsu with 15.80%, Hopei with 10.18%, Chekiang with 9.29%, and Szechwan with 5.98%. These five provinces claimed between them 57.85% of the total student population in higher education in that year, amounting to 42,936, including 79 foreign students. On the contrary, the middle Yangtze Valley area, namely Hupeh, Kiangsi, and Anhwei provinces, amounted together to only 10.84% and the northwestern provinces, Yunnan, Kweichow, Shensi and Kansu to only 2.38%, not to mention the 5/100 of 1% for the vast territory comprising Chinghai, Sinkiang and Sikang. A picture of more grotesque inequality cannot be imagined. If these statistics were to be used as the sole standard for a redistribution, North China would lose a greater part of the institutions found there, and Kwangtung should properly have an equal claim with Kiangsu upon the educational service of the state. But other things have to be taken into consideration. There are many places in China where the establishment of some institutions of higher learning is urgently needed, partly to supply these areas with competent schools to assist the development of agriculture and industry, and partly to meet the demand of the students there. As a factor in raising the cultural level in these areas, this problem assumes even greater significance. Again, if a place like Peiping is weak in other respects, the claim of its cultural tradition cannot be entirely ignored without serious consequences.

The situation is not a simple one, and it cannot be remedied easily. Sometimes it is possible to transfer an institution from one place to another. But generally speaking, the transferability of universities is very limited, apart from the question of the cost of new buildings and grounds involved in each case of transfer, consequently it has been attempted only very rarely and in cases of special urgency. The numerical preponderance of certain localities in educational statistics has been fairly persistent. From the figures for recent years it has been calculated that the comparative standings of the provinces in relation to every 1,000 students in attendance would work out at 195 for Kwangtung, 154 for Kiangsu, 96 for Hopei, 77 for Chekiang, 56 for Szechwan, 51 for Shansi, 45 for Hunan, 43 for Shantung and Fukien each, 36 for Liaoning, 33 for Anhwei, 32 for Honan, 31 for Hupeh, Kwangsi, and Kiangsi each, and 6 for Shensi, 5 for Yunnan and Kweichow each, and 3 for Kansu, etc. Some provinces, such as Sikang and Ninghsia, cannot figure on such a scale, as the former has only one and the latter only seven per 10,000.

It is interesting to note several points as revealed by these indices. Generally speaking, those provinces heavily serviced by institutions and closely situated to them appear to have a larger share of the students. But that is not always so, as indicate by the higher figures for Szechwan as compared with Honan, Hupeh or Kwangsi. The relative preponderance throughout the whole scale has been fairly constant, but the units closely situated in any local section of this scale, for instance, Kiangsu and Kwangtung, or Szechwan, Hunan and Shansi, are likely to alternate in their numerical strength, as indicated by a comparison of their yearly figures of students in attendance or newly enrolled. The persistence of the relative numerical preponderance and the local variations and disturbances on this scale are likely to reflect the distribution of these educational institutions in China for some time. When these local disturbances have been sufficiently prolonged and accentuated,

they may overturn this preponderance, resulting in a more even distribution of universities throughout the whole of China.

V. THE SECONDARY SCHOOLS

A. The Junior and the Senior Middle Schools.—The establishment of secondary schools in China began about seventy years ago in the third quarter to the 19th century. The Nanyang Middle School was established in 1863. After the abolition of the old examination system and the introduction of the new type of education towards the end of the century, public secondary schools rose rapidly in different provinces. Many of the old academies of different prefectures and districts were turned into secondary schools.

According to the school system definitely laid down in 1903, the middle school covered a period of five years without division into arts and science courses. Normal and vocational schools were established separately and independently from the midde school. This is the attitude now governing the separate and independent establishment of these schools, but it went through a change in 1922. The lower normal school with a five-year course was for training teachers for primary schools, while superior normal schools above the middle schools trained teachers for secondary schools. Three grades of vocational schools were in existence, the lower grade being on an equal standing with higher primary schools, the middle grade admitting graduates from middle schools. There was as yet no provision for girls' education. Secondary education for girls began in 1907 when normal schools for girls were established, and in 1912 ordinary middle schools were established for them in many provinces.

Some rather important changes were introduced into the secondary education system in 1912 when four years were required for middle schools, five years were required for normal schools, and three years for vocational schools, which were now divided into two types.

In 1922 the system was reformed again, with three years for the junior and the senior middle schools respectively. This was the beginning of the so-called 3–3 plan for middle schools, which were given permission to establish subsidiary normal and vocational courses. These were to be of equal standing with senior middle schools, but with variation to suit local conditions. The establishment of normal and vocational courses in middle schools was a fundamental deviation from the practice of 1903, and was most unfortunate. The rapid development of the type of amalgamated schools in the provinces after 1927, combining middle schools with normal schools, and in many instances combining vocational schools as well, may be traced to the law of 1922.

The principle of separate establishment of the middle school, the normal school and the vocational school was definitely settled in 1932. In that year the National Government promulgated the Law on Middle Schools, the Law on Normal Schools and the Law on Vocational Schools. The regulations for each class of secondary schools were issued by the Ministry of Education in 1933 and revised in June, 1935. According to this law, normal schools and vocational schools must be established separately and independently from middle schools, while each vocational school must be based on a single course. Several kinds of normal schools were permitted in order to suit special local conditions in various parts of the country and to supply the need for teachers in various grades of schools. The law of 1932 and the regulations of 1935 now govern the administration of secondary educasion in China.

The term "middle school" includes both junior and senior grades. When established singly, it is called the junior or the senior middle school, according to its standing; when the two grades are established together it is simply called the middle school. According to the nature and sources of income, there are chiefly two kinds of middle schools, public and private; the former may be national, provincial, municipal, or district. Although,

strictly speaking, there is no national middle school, the middle schools attached to national universities, such as that of the National Normal University at Peiping and the experimental middle school of National Central University at Nanking, practically conform to this description, as their annual disbursements are paid from the national treasury and are included in the university budget.

Broadly speaking, public middle schools are mostly provincial. It is not easy for a district to establish a junior middle school in addition to concentrating its efforts upon the development of elementary education. In certain rich parts of Kwangtung, even a township may provide a junior middle school, but this is very exceptional. On the other hand, there are certain districts which have to combine in order to establish a joint middle school having one or both grades. In the big municipalities directly under the Executive Yuan, there are generally middle schools with both senior and junior grades, while in others there are only junior middle schools. Private middle schools are established and provided for by private corporation or individuals. The middle schools established by foreign missionary and religious organizations are classified as private. While private corporations or individuals are not allowed as a rule to establish normal schools, and are unable in general to provide for vocational schools, private middle schools enjoy an absolute majority amongst private secondary schools. With a large number of students attending and graduating, the standard of private middle schools tended to be low, thus intensifying the problem of middle school education. But there are important and notable exceptions. Accordingly, the Ministry issued the Regulations for Private Schools, authorizing the provincial commissioners of education in various provinces and bureaus of education in municipalities to exercise control over the management of private middle schools.

The entrance requirement for the junior middle school is graduation from the primary school. Those with equal standing may also be admitted, likewise after a competitive examination, but they are not to amount to more than 30% of the total number of students accepted. Graduation from the junior middle school is in turn an entrance requirement for the senior middle school, which may receive not more than 20% of the students with equal standing. Recently the numbers of primary schools and junior middle schools and their student have steadily increased; hence more students for senior and junior middle schools are graduates from junior middle schools and primary schools and the number with equal standing naturally falls below the percentage allowed by law.

The senior and the junior middle schools cover a period of three years each. The course of study in the junior middle school includes civics, Chinese, English language, history, geography, mathematics, physics, chemistry zoölogy, botany, hygiene, drawing, music, manual work, physical education and scout work. The course of study in the senior middle school includes civics, Chinese, English language, Chinese history, foreign history, Chinese geography, foreign geography, logic, mathematics, physics, chemistry, biology, physical education, military training, for girls military first aid, drawing and music.

The weekly schedule of instruction of the junior and the senior middle schools underwent some modifications following the recent revision of the regulations. While these modifications do not show wide departure from the former schedule, they are likely to benefit profoundly the working day of the middle school student and make him a better student. Under the former schedule, a junior school student had, on the average, an eight-hour day, attending classes for five to six hours and studying for two to three hours, and the senior middle schools students, with a longer study period, had a ten hour day. Overburdening was a complaint heard for some years and it was a subject of long deliberation by experts on secondary education invited by the Ministry to consider revision. The new schedule issued in February, 1936,

reduced the weekly class attendance hours from 35 to 31 for the junior middle school and from 34 to 30 for the senior middle school. It is hoped that this slight reduction in the hours of class instruction will give more time for the free development of the student and otherwise increase his efficiency. One can see here a slight re-shifting of emphasis in the theory of secondary education.

Another modification of some importance is the introduction of greater elasticity in mathematics training in the senior schools. While the value of mathematics as discipline is recognized, the former schedule requiring a three-year course in mathematics was found to be ill-suited to all students, irrespective of their natural aptitude. The new schedule provides two groups in mathematics from the second year, the one taking six hours, and the other only taking three hours with somewhat reduced standard, but adding Chinese, logic, and English language instead. Thus some flexibility is obtained and the claims of both students with a scientific bent of mind and those with literary inclination are equally recognized.

All subjects in the senior and the junior middle schools, with the exception of the second foreign language, which is to meet very special conditions only, have now been regularized by the Ministry of Education, and there is for such subject a standard to which all teachers must conform. The standardization of subjects is the result of a process of gradual and continuous growth, beginning with the prescription of the essentials of instruction for every subject of the middle school in the years before the Republic. Down to 1922, when the school system definitely fixed six years for secondary education and three for each of the senior and the junior grades, the authorities were busy with the administrative problems of education, and little time was spent on this important question. Various middle schools even competed to offer elective courses and emphasized particularly social sciences and literature, so that in the middle schools the program of study was rather varied and complicated.

The years from 1922 to 1929 marked a period of chaos in the curricula of the middle schools, resulting in an immediate deterioration of secondary education. After the removal of the National Government to Nanking, the Ministry of Education at once invited specialists to work out a tentative standard for each of the subjects to be taught in the senior and the junior middle schools. This tentative standard was issued in 1929. The middle schools in different provinces were instructed to try it out and report the result. The standard, although tentative, was something definite to which all could refer in the matter of the curriculum, and middle schools in the country gradually became accustomed to this common standard. The Ministry at last revised the tentative standard of the subjects of the curriculum upon the reports of experimental result on the one hand, and the recommendations of the specialists on the other. Beginning from November, 1932, the official standard of middle school subjects was issued part by part. The course of civics was the last to appear, in August, 1934, thus giving the final touch to the whole question of revision. The revised standard differed from the former in the following points:

(1) All subjects in the junior and the senior middle school curriculum are fixed and the elective system is abolished. Formerly, the purpose of junior middle schools was not only to prepare students for senior middle schools but also for vocation, and it was necessary for students to choose among various subjects. Now, the purpose of the middle school is preparation for schools higher up. Having already prescribed all subjects with careful consideration, there is then no need for any elective.

(2) The instruction of the junior and the senior middle school subject is measured by periods and not by units. The unit system is found unnecessary, when every subject is fixed and promotion is by the year.

(3) The English language of the junior middle school is a course to run through three years. Formerly, it was an elective, alternating with vocational subjects during the third year. The latter has now been abolished, and English takes their place.

The introduction of the new time schedule in February, 1936, made it necessary to revise the standard of the subjects of teaching in the middle schools. Accordingly, all subjects in the curriculum for the junior and the senior middle schools have been revised. They were completely issued in June, 1936, and began to apply to the first and second years in all middle schools in the country as from the autumn of that year.

Mention must now be made of a measure the importance of which to education is only beginning to be generally appreciated. It is the decree issued by the ministry in January, 1937, on compulsory physical education for students in secondary schools. Physical education in the middle schools, as well as in the other schools of secondary education, has long been an integral part of the curriculum, and has received the same attention as other subjects of instruction. The present decree is not only important for the added emphasis put on physical education, but also for certain requirements laid down, which are likely to exert some profound influence on secondary education in the long run. It stipulates that items in physical education must exclude those which involve no stimulation to physiological or metabolic changes in the body. That, one may say, is very general, but it is significant for its emphasis. Every student must take up physical training for at least two hours each day in the afternoon. All schools are required to reserve the afternoon period after three o'clock for physical training, so that no possibility of interference with class work may occur. This requirement must have some intangible effect on the curriculum, besides affecting immediately the daily teaching schedule of many schools, and must work for improvement in the direction of order and concentration in all of them, and produce a change of atmosphere which is advantageous both to physical education and to other subjects of the curriculum. The effect of this decree on the students must be very slow in making its appearance. But it cannot be doubted that in the long run it will not only improve their physique, but also their education through the more harmonious operation of physical and mental development. In this sense, the measure may mean the beginning of a new vista in Chinese education and its possibilities for good are great.

B. Normal Schools.—In the years before the establishment of the Republic in 1912, higher, lower, and short-course normal schools were established for training middle school and primary school teachers.

After the Republic, these were reduced chiefly to two types—normal schools supported by provincial governments giving a five-year course, and superior normal schools supported by the National Government, established in different parts of the country. Under the school system of 1922 normal schools were divided again into higher and lower grades, each covering a period of three years. This made it possible for the incorporation in the senior middle schools. The present policy is to establish the normal school independently. The Law on Normal Schools was promulgated in 1932, and the regulations on them were issued in 1933 and revised in June, 1935. The students must be graduates from junior middle schools and the course of study covers three years. For financial reasons and in order to meet the urgent need of supplying teachers, the special normal course admitting senior middle school graduates or senior vocational school graduates and covering one year may be established. Kindergarten teachers' training classes, which cover two to three years and admit graduates from junior middle schools, may also be attached. For the advancement of universal education, local districts may establish short-course normal schools covering a period of four years and admitting primary school graduates. Short-course normal classes admitting junior school graduates and giving a

one-year course, may be attached to normal schools and middle schools. Both of these are designed to meet temporary local conditions. All of the normal schools are controlled and supported by the government, central or local; it is a field into which private organization and individuals may not enter.

Provincial or municipal normal schools are supported by the respective authorities. District or consolidated normal schools are supported by the district or the districts which unite for this purpose. Poor districts may receive provincial assistance. Besides providing room and board for the students the school budget is divided on the basis of a maximum of 70% for salary, a minimum of 20% for equipment and a maximum of 10% for general administration.

The number of students for each grade in normal schools is limited from 25 to 50. Boys and girls must in principle be instructed in separate schools or classes. The curriculum includes civics, Chinese, history, geography, mathematics, physics, chemistry, biology, physical education, hygiene, military training, (military first aid for girls) manual work, art, music, logic, introduction to education, educational psychology, educational measurement and statistics, primary school subjects and methods of teaching, primary school administration, and practice of teaching, etc. Only textbooks prepared or authorized by the ministry may be used and supplementary material may be added according to local needs. Experiment and practice of teaching are particularly emphasized.

The curricula for the other types of normal schools or classes include such additional subjects as are required in each case, for instance, agricultural economics and co-operation, and introduction to hydraulics in rural normal schools, and kindergarten subjects in the kindergarten teachers' training classes. Curricula and standard of subjects of teaching for the different kinds of normal schools have been issued and revised by the ministry at different dates. Students must serve a certain legal period as teachers after graduation. As a principle, the minimum of a teacher's salary must enable him to secure a decent livelihood according to local conditions. There is a salary schedule in which promotion according to service is prescribed. Leave of one year with salary is granted to teachers who have continued to serve nine years in the same school. Pension is prescribed for retirement after sixty, and compensation is paid in case of accident in service. The teachers cannot be dismissed without due and adequate cause. The treatment and service of teachers in normal schools are now placed on a secure basis fixed by law, so as to secure stability in a field of education which is to supply the greater number of teachers for primary schools.

C. Vocational Schools.—The Law on Vocational Schools dates from 1932, and the regulations were issued in 1933 and revised in June, 1933. There are two kinds of vocational schools, the junior and the senior. The purpose of the junior vocational school is to acquaint the youth of the nation with simple knowledge and skill in order to develop their ability to attend to the common occupations. The senior vocational school is to instruct them in more advanced knowledge and skill. In both cases, the purpose is to train the student in some one kind of vocation according to his special aptitude. As a rule, vocational schools should be established independently with one single course or vocation. A vocational school with more than one vocation may be established only with special permission.

The junior and the senior vocational schools may be classified as: (1) agricultural, covering general farming, sericulture, forestry, horticulture, poultry etc.; (2) industrial, covering woodwork, sheet-metal work, simple mechanical and electrical engineering, photography, printing, drafting, textiles, porcelain, simple chemical engineering, etc.; (3) commercial, including general commerce, bookkeeping, accounting and auditing, shorthand, typewriting, advertising, etc.; (4) home economics, covering cooking, sewing, embroidery, nursing, housekeeping,

etc.; and (5) other vocations, according to the needs of the localities.

Curricula, outlines of subjects matter and lists of equipment for different kinds of vocational schools have been prescribed and issued by the Ministry of Education.

The instruction in vocational schools covers from 40 to 48 hours each week and these hours are divided according to the scale of 30% for vocational subjects, 20% for general subjects and the remaining 50% for shop work. However, the hours of practical work may be shortened in the case of commerce.

Workshop training, farming and the practical work are the essential requirements of vocational schools. Schools must provide shops, factories, and experimental farm station to facilitate the practical work of students. Practice may also be conducted in co-operation with farms, factories, and business houses in the city. Practical work is done by the students either singly on assigned pieces of work, or jointly by several students or by whole classes together on bigger jobs.

As a rule it costs about 50% more to run a vocational school than a middle school; and in each vocational school 20% of its annual budget should be devoted to new equipment and supplies.

As a principle the vocational schools charge the students no fees, but by special permission a fee of $4 each term for public junior vocational schools and $8 per term for public senior vocational schools may be required. The same proportionate rate may be charged for materials for practical work in case of necessity.

The junior vocational school covers one to three years. Entrance requires graduation from primary schools or those of equal standing at the age of 12 to 18. Of the senior vocational schools there are two kinds of age limit. The three-year course admits graduates of the junior middle schools or those of equal standing at the age of 15 to 22, while the five or six-year course admits graduates of the primary schools or those of equal standing at the age of 12 to 20.

D. The Present Condition of Secondary Schools.—The statistics for 1934–35 gave a national total of 3,140 secondary schools, made up of 531 middle schools, 1,381 junior middle schools, 876 normal schools and 325 vocational schools. There were in all of the secondary schools 541,479 students, including 106,075 girls, 93,675 normal school students, and 46,355 vocational school students. This was an improvement by 148 secondary schools and 26,870 students over the figures of 1930, and would give an average annual increase of from 1% to 2%. For some time the number of middle school students has formed the majority of all secondary school students, constituting about 70% of the total number, while normal school students have come next with about 20%, and vocational school students have barely accounted for 10%. This extremely uneven development is a problem that has to be solved. The Ministry of Education has taken measure with a view to correcting this tendency of uneven development, and to directing attention and energy to the extension and development of vocational education. The law of 1933 requires all the provincial and municipal authorities to so apportion their budget for secondary education that 40% will be devoted to middle schools, 25% to normal schools, and not less than 35% to vocational schools in any given year. The authorities are further required to reach this standard by 1937. From 1934, it was stipulated all increases in the budget of secondary education should first be devoted to vocational and normal schools, and where increase was not possible, cuts were to be made from the middle schools to make up for the deficiency, under certain conditions. Private individuals are also encouraged to establish vocational schools rather than middle schools. It is hoped that these measures will help to extend vocational education and to establish some kind of proportion between the three kinds of schools in secondary education.

The present condition of secondary education in the provinces and municipalities varies greatly, and the relative

statistical positions are likely to go on varying from year to year. Such variations are of course due to complex causes and may be taken as fairly reflective of local economic and financial conditions. Some regions have been favored with a longer history in secondary education or a more advantageous position in the national economy, whether due to geography, population, or industrial development. These provinces tend to retain their advanced positions, as in the case, for instance, of Kwangtung, which had perhaps the highest number in recent years, with more than 300 schools and more than 70,000 students. Among the provinces possessing less than 300 schools in 1934–35 may be mentioned Szechwan, which showed some reduction from 295 schools with 55,000 students in 1931 to 260 schools with 33,000 students, Hopei, with 256 schools and 34,000 students, and Kiangsu, with 206 schools with 41,000 students. About half a dozen provinces such as Chekiang and Fukien possess between 100 and 200 schools, Shantung and the municipality of Shanghai standing about midway with some 159 schools and 28,000 students in the case of the former and 146 schools and 33,000 students in the case of the latter. Among the rest, the position ran anywhere from one school with 120 students for Sikong and six schools with 500 students for Sinkiang, to 25 schools with 6,000 students for Shensi, and 66 schools with 12,000 students for Kiangsi and 90 schools with 20,000 students for Hupeh. Among the municipalities Weihaiwei had 400 students in five schools, while Tsingtao accommodated 2,500 students in eight schools, and Peiping had 20,000 students in its 70 schools. The city of Nanking possessed 28 schools with 8,000 students. The cost of running the schools differs a good deal from province to province.

These statistical comparisons are useful references, but they are not in themselves adequators of the quality of secondary education. In regard to the latter, the standard of the student, from Kiangsu, Chekiang, Kwangtung Peiping and Shanghai appeared to rank first, judging from the fact that graduates from these places formed a majority of students who succeeded in gaining admission to universities, independent colleges and technical schools. Vocational education appears to be most advanced in Hunan, and Hopei comes first in the number of normal schools.

Analysis of the figures for 1930 showed that out of a national total of nearly 3,000 (the exact figure being 2,992) secondary schools, private schools amounted to about 33%. It is difficult to decide on the relative merit of the private and public school, but this smaller percentage was productive of a relatively higher percentage of students who passed university entrance examinations, accounting for nearly 50%. In 1935, 5,575 out of 12,543 new students in universities, colleges, and technical schools came from private senior middle schools.

If success in university entrance examination be taken as a reliable criterion of excellence, it immediately raises two problems—the importance of private secondary schools and the improvement of secondary schools in the country as a whole. Judging from the fact that in some instances the universities were obliged to reject nearly 90% of applicants for admission, and the majority of these applicants were from senior middle schools, the problem is very serious. Again, in 1930, boys constituted 82.45% of the total, which was a very poor record for equal opportunity of both sexes in secondary education. Whether it is or is not due to the fact that, in principle, secondary schools are not co-educational, here is another serious problem. The condition of vocational schools made a very poor showing, being 9% in the number of schools, while normal schools took 28.27 of the total. In the expenditure of nearly 48.7 million dollars, only 17.28% went to normal schools, and barely 10.19% went to vocational schools. This was the state of affairs before the government took the situation seriously in hand.

The law of 1933, which established the proportion in provincial education budgets between the various types of secondary schools, was the first of a

series of measures, legal and financial, which have been introduced during the last three or four years to cope with the situation. It is still too early for the effect of these measures to be felt. There may be too many of some types of school which are undesirable in some important way, though there cannot be too much of any opportunity for receiving education, which must be a good in itself. Effecting a readjustment of the present situation of secondary schools, regard has to be paid to all of the factors concerned, and the measures introduced are some of these factors only.

However, it is already possible to notice some perceptible improvement in the right direction during recent years. The number of all secondary schools has been increasing, rising from 3,125 in 1933 to 3,140 in 1934, and to 3,160 schools in 1935. But the number of middle schools has tended to go down, decreasing from 1,920 in 1933 to 1,912 in 1934 and to 1,896 schools in 1935. The increase has occurred chiefly in the vocational schools. Within the category of the middle school, it may be noted that the reduction has been effected mostly in the junior grade; the number of the senior middle schools and those with both grades stood at 552 in 1935 as compared with 531 in 1934 and 534 in 1933. The number of students for secondary schools as a whole has decreased from 559,000 in 1933 to 541,000 in 1934; the figures for 1935 are not completely available. The reduction occurred chiefly in the junior middle schools, from 349,000 in 1933 to 332,000 in 1934. The number of students in the senior middle schools has risen considerably from 66,000 to 69,000 in the two years, which is an increase of something like 9%. Thus more students are completing middle school education and are ready for the university. The senior middle school has, on the whole, gained appreciably during recent years.

The most notable advance in secondary education during the years under review was that concerning vocational education. The number of schools and the number of students have both grown, the former from 312 in 1933 to 352 in 1934, representing a gain of over 12%, and to 399 in 1935, a gain of over 13% over 1934 and nearly 28% over 1933. The latter rose from 42,000 in 1933 to 46,000 in 1934, which was a gain of nearly 10% in one year. Expenditure for all secondary schools amounted to Chinese $56,000,000 in 1933 and 55.4 million in 1934. In 1933, expenditure on vocational schools was 11% of the whole, while in 1934, it was nearly 13% of the total. There is a reasonable hope that the proportion will continue to rise for some time.

Among the steps taken to stimulate the development of vocational education, several concrete measures deserve mention. The grant by the National Government in 1936 of financial assistance to vocational schools of standing, public and private, was of material assistance to them. Altogether some fifty vocational schools benefited from this grant, there being made up of 29 schools of technology, 13 schools of agriculture, three schools of commerce, and five girls' schools of domestic economics, distributed throughout the whole of China. The grant made to each school was for improvement of equipment and extension of facilities for practice, the total amounting to nearly $430,000 in all. This grant was a proof of the keen interest taken in vocational education on the part of the public, and of the prevailing demand for more and better vocational schools. It is hoped that this may have marked the beginning of more generous financial encouragement by public authorities and private persons.

For the purpose of fostering a high standard in vocational education, the government took steps in 1936 to establish the National Vocational School at Nanking. Preparations are under way and the whole establishment with complete modern equipment is to cost $1,000,000 as initial expenses. Provisionally, four vocations will be represented, namely, mechanical engineering, civil engineering, electrical engineering, and applied chemistry. It hopes to begin classes during 1937.

The development of vocational education has begun to receive the attention due to its importance. A whole

series of regulations has been issued for the promotion of a better teaching staff and of closer co-operation between the schools and the trades, and public authorities, and for the improvement of opportunities and prospects of students both during and after attendance at school. But its future must depend on a sound policy based on enlightened public encouragement and effective financial support from the government authorities and private persons.

VI. SOME PROBLEMS OF SECONDARY EDUCATION

For many years Chinese educational authorities have been confronted by a number of problems in connection with secondary education. One of these problems concerns the standard of students. Lack of sufficient funds or good equipment does not account for the whole or even the larger part of this problem. Good schools with excellent records are many, both public and private; but for the great majority of secondary schools, the problem has remained very difficult of solution. Quite recently, an approach has been made to a solution, but for the present it remains an approach, although a new one.

For the purpose of ascertaining, and if possible raising the standard of middle schools and primary schools and increasing the efficiency of instruction, the ministry issued in May, 1932, tentative regulations for holding an official examination for the graduating students of middle schools and primary schools. This was followed in June by an order that no middle school student was to be given his diploma or certificate of graduation, and no such student should be permitted to attend the entrance examinations of colleges and universities unless he passed this examination. This examination has been given in different provinces since that year. The subjects for examination were prescribed by ministerial regulations. The result of the first examination was reported in August, and in the light of it the tentative regulations were revised by the ministry in December. The revision gave exemption to the primary schools, and allowed the students who failed in two or three courses to attend the university or senior middle school on probation. This modified the rigor of the original regulations.

Since 1932 there have been several important revisions and modifications in the regulations regarding official examination for graduating students in the middle and the normal schools. In 1933 the regulations for official examination for graduating students in middle schools were issued by the Ministry of Education. These were revised again in 1935, giving exemption from final graduation examination to graduating students in middle schools required to take the official examination. Particular attention was called to the kind of examination questions, which were in no case to exceed the standard required of them. In April, 1936, the number of subjects covered in the official examination was decreased to cover only Chinese, foreign language, mathematics, physics and chemistry, history and geography; it was also stipulated that, for the convenience of the students there should be more centers for holding the examination. For the official examination for normal schools the regulations were issued in 1935, superseding the provisional regulations of 1934 and likewise giving exemption from the final graduation examination to graduating students in normal schools; in 1936 the subjects covered in the examination were modified according to the type of normal schools. These successive modifications were the result of accumulating experience and were designed to lighten the burden of the student and in other ways to make these examinations work in greater harmony with the school system.

The result of these examinations, as shown by the statistics and reports submitted by the provincial commissioners of education, disclosed that the subjects in which the great majority of graduating students from middle schools were proficient were Chinese, literature and history; those subjects

in which they were least competent were precisely those which form the fundamental basis of modern education, namely, mathematics, physics, chemistry and biology. The proficiency in literary subjects appears quite natural when it is considered that the country has a long literary tradition. But the great deficiency in natural sciences indicates the direction in which secondary education should be directed in the future. This state of affairs will take a little time for improvement and it raises the whole question of the teaching of science in secondary schools and the equipment of their scientific laboratories. A little digression is necessary here to permit a word on the present condition of the teaching of science in secondary schools.

For a variety of reasons, science instruction in secondary schools has made very little progress. Lack of funds in many schools is one factor, but that cannot be the principal factor, in view of the comparative small cost of furnishing the minimum requirement. Lack of good teachers and good textbooks are other equally important factors, for it must be remembered that a good many of the teachers of this generation were themselves the product of a deficient scientific education. The most important factor, it seems, is a frame of mind and attitude regarding scientific training in the teachers as well as in the students. The Ministry of Education prescribed in 1933 lists of standard equipment for physics, chemistry, botany, zoölogy, and biology, each with a detailed description. But the real question is how to put the apparatus into the hands of the teachers and the students. This aspect of the question will be solved only when apparatus at more reasonable price is bought by the willing and intelligent school authorities with enough funds at their disposal. It is evident that unless this problem of the supply of a minimum equipment for scientific teaching is solved for secondary schools in the country, a great part of the foundation of education in China as a whole will not be sound. In some cities joint laboratories for several schools are established. As a temporary expedient this serves a purpose. But it is not a satisfactory solution for the schools as a whole.

The Ministry of Education has obtained the technical co-operation of the Institute of Physics of the Academia Sinica and some financial assistance from the British and American Boxer Indemnity Organizations, for manufacturing the standard equipment for physics and chemistry in junior and senior middle schools, and for biology in senior middle schools. These sets, both for demonstration and for experiment, produced at home at much cheaper cost than foreign goods, were sold at something like half price. The experiment of manufacturing at home scientific equipment for middle schools was so successful that the demand greatly exceeds the supply; a large number of middle schools, public and private, throughout the whole of China, are benefiting from this arrangement, and sometimes entirely gratis, as in the case of border provinces. If possible, it would be highly desirable to enlarge the scope of this arrangement so that adequate equipment for all secondary schools could be effected within a given space of time. Incidentally, it gives encouragement to native manufacturers of scientific instruments, who could share in the work by co-operation under supervised conditions as regards price and specification.

Another phase of the problem of science instruction in secondary schools which concerns the supply and improvement of the teaching staff is being met by the summer schools arranged by universities in different parts of the country, beginning in 1934. Sometimes several universities in the same city will collaborate to run the summer school so as to give wider scope and better facilities to secondary school teachers who have come to improve their lines of study in science as well as in some other subjects. These teachers are encouraged to attend by the provincial educational authorities in every way and rebates in traveling expenses and other financial inducements have been provided. This method will bring improvement

to many teachers, but a fundamental solution can be arrived at only if the universities are capable of sending out graduates who are not only properly trained technically in science but also have acquired a scientific frame of mind and a scientific outlook.

The senior middle schools will remain the principal source from which the universities will draw their students. According to the statistics of 1931–1932, 4,838 out of a total of 7,002 students in universities came from senior middle schools, public and private, and the number of equal standing admitted was only 452; the proportion in the independent colleges was 2,296 from senior middle schools and 692 of equal standing; in the technical schools the figures were 501 from senior middle schools and 144 of equal standing. The number of students admitted on equal standing has tended to diminish and in 1935–1936 did diminish to a very low level, with only some 7% out of a total of 12,000 students, all of the rest being graduates from senior middle schools. At present the only method of entrance into universities, independent colleges and technical schools is by entrance examination. The large number of rejections, amounting in some cases to nine-tenths of the applicants, is discouraging. The question of secondary education is closely interlocked in many respects with university education, and nowhere is the interlocking so vital as in the sphere of science teaching.

As an experiment, the official examination of graduating students from secondary schools is already producing some results. It compels the students in the schools concerned to work harder, for they would get through their schools easily without some kind of outside check. But it must be admitted that this cannot be relied upon entirely as a solution, for in education outside compulsion, of whatever form, has its limitations. The chief problem is how to arouse natural intellectual curiosity and encourage in the students self-application under proper teachers and with proper material for instruction, this especially in the field of science. To many people the great value of such an experiment lies in the fact that it serves as a means of detecting the comparative efficiency of the authorities of the individual schools and of their teachers, and comparison can be based upon some kind of objective standard which will be a better criterion than the reports of school inspectors. At the same time the results of the examinations are being accumulated and analyzed, and they will serve as an additional guide to the educational authorities and school teachers in making plans for future work.

VII. ELEMENTARY EDUCATION

A. The Primary Schools.—The modern primary school and the kindergarten were introduced into China in 1891, twenty years before the establishment of the Republic. In 1902 the organization of the primary school and the *Mon Yang Yuan* (similar to kindergarten in nature) were formally prescribed in the school system promulgated by the Imperial Government. Primary schools were then divided into six types: namely, the *Mon Yang Yuan*, the lower primary school, the higher primary school, the vocational school of agriculture or commerce, and the apprentice school. The *Mon Yang Yuan* admitted children aged from four to seven; the lower primary school had a five-year course for children above seven; the higher primary school lasting four years admitted the graduates of the lower primary school; the vocational continuation school, the junior vocational school of agriculture or commerce were of equal standing with the higher primary school, and gave students respectively three years of training; the apprentice school, varying from one to three years, was also a kind of continuation school and of the same standing.

Emphasis in elementary education in various localities was laid on the lower and the higher primary schools. Every district or hsien was required to establish a great number of lower primary schools, and only one or two higher primary schools; and there existed quite a few of the *Mon Yang Yuan* type and vocational continua-

tion schools. As to the curriculum, though moral teaching, arithmetic, physical training, manual work, drawing, singing were all included, special attention was still directed to Chinese classics.

1912–1922.—The school system was reorganized when the Republic of China was founded in 1912. According to this system, the lower primary school lasted four years, and the higher primary school three years. Continuation courses might be provided in both grades for the purpose of preparing graduates either for further education or for joining a vocation, and such continuation courses required two years for graduation. But, as a matter of fact, the continuation course attached to the higher primary school was similar in standing to the first year of the middle school, hence it was no longer a matter of elementary education.

Elementary education made some progress during this period. The primary schools increased a great deal; *Mon Yang Yuan* also increased. Between 1912 and 1922 the number of pupils increased from 2,795,475 to 6,601,802. The curriculum of primary schools was, on the whole, similar to that of former days, the chief difference being (1) the abolition of classics in the lower primary school, and (2) the introduction in 1920 of Chinese in simple language to take the place of the literary language. These were fundamental changes in the curriculum of primary schools. In this period much experimental work was done to test the educational theories newly introduced. In many provinces experimental primary schools were founded. It was a period of great activity in elemental education in China. But most of the primary schools in the interior of China and rural primary schools did not share such benefit, and they made little improvement in teaching method and teaching material.

1922–1935.—In 1922, a new system was applied to primary schools as the result of a special investigation initiated in 1919 by the Union of Provincial Educational Associations in China. The lower primary schools required four years and the higher primary schools two years, but the former might be independently established, while the *Mon Yang Yuan* was reorganized into the kindergarten. Preparatory vocational education might be provided in the curricula of higher primary schools, if required to meet local needs, and continuation courses might be given to the graduates of the lower primary school.

In the meantime an outline of curricula for primary schools was offered by the Union. The subjects in this outline were Chinese language, arithmetic, hygiene, civics, history, and geography (in the lower primary school, hygiene, civics, history, and geography might be combined into social studies), nature studies, (in the lower primary school, social studies and nature studies might be combined into the subject of general knowledge), gardening, industrial arts, graphic art, music, and physical education. The contents of these subjects were prescribed more in detail than formerly. This was the first time that the curricula of primary schools underwent fundamental changes on an extensive scale. Some of the important points of improvement were the following:

(1) Under the new name of Chinese Language, children might read in simple and vernacular language the stories and literature particularly interesting to them. This was entirely different from the old subject of Chinese in which all knowledge was included indiscriminately. It was a change both of language style and content.

(2) The subject matter of fundamental knowledge for pupils in lower primary schools was embodied in the subjects of social studies, nature studies and gardening. Stress was laid on observation, investigation and practice, instead of bookish knowledge.

(3) Moral teaching, which was formerly little more than formality, was abolished. Civics and hygiene took its place.

(4) Manual work was changed into industrial arts and drawing into graphic art so as to wider their scope and facilitate their applicaton.

These four points were the chief improvements in the suggested curriculum for primary schools. Although its adoption was only optional, it served to direct attention to this important aspect of the problem, and as a basis for future planning. It was a great step forward in the history of elementary education in China.

In this period, the number of pupils increased from 6,601,802 to 11,684,300. During these ten years (1922–1931), the average annual increase was about 506,000. The figures for 1929, 1930, 1931, 1932, 1933 and 1934 were, respectively, 8,882,077, 10,948,979, 11,684,300, 12,223,066, 12,324,005, and 13,188,133. In 1934, there were altogether some 260,000 primary schools in China.

By this time the primary schools were in a state of more or less balanced development. Not only were more experienced men put into places of responsibility in supervising and directing the management of primary schools and kindergartens in the districts, cities and villages, but many men of ability had devoted their lives to work for the development of elementary education, especially in the branch known as rural education. Teaching methods were improved a great deal in nearly all provinces, Kiangsu and Chekiang being ahead of the rest in this respect. One important development was the publication for use in primary schools of new books using new material written in a totally different way. Formerly pupils had nothing to read except books in the classical language. But the classical language was now put aside and the vernacular literature introduced into primary schools: as a consequence children's reading matter written in the vernacular greatly multiplied.

The work of improving elementary education during recent years has been approached from several directions, each of which deserves a brief word here because of its great importance. Following promulgation of the Law on Primary Schools of 1932, and based on it, a measure of outstanding importance to elementary education was the set of Regulations on Primary Schools issued by the Ministry in 1933 and revised in certain important respects in July, 1936. In the regulations the primary school system, its establishment and control, finance and administration, curricula and discipline, entrance and graduation examinations, qualifications for principal and teachers, their treatment and duties, were regulated and put on a secure, uniform, legal basis, making possible the healthy development of primary schools. The revisions of 1936 laid special emphasis on a number of points, the most significant of which are intended to secure better treatment and protection for primary school teachers, to lighten their burden and that of the pupils by rational combination of subjects, and in other ways to insure the better service of better teachers in the interest of producing better students. Closely connected with the intention of these provisions are the regulations for the certification of primary school teachers, which were issued in 1934 and revised in December, 1936. Effective certification, adequate facilities in vacation courses for existing teachers and better normal schools and middle schools should go a long way in improving the great profession of primary school teachers.

Another measure of equal importance concerned the curricula in primary schools, which, as issued in 1932, had the advantage of extensive trial for three years and was revised in July, 1936. The revision effected a reduction of something like 10% of the time of instruction for all grades of pupils; it also brought about certain combinations of subjects. The contents of many subjects were revised to bring them in line with existing conditions or methods of teaching. Under the new curriculum it is permissible to hope that the education of the very young will benefit, resulting in their better physical and mental development.

In the matter of textbooks, some progress has been achieved and the accomplishment must reflect much credit on those who shared in the work, especially in view of the crude character of these books twenty years

ago. Private publishers and private authors have done surprisingly good work in enriching the material now written in attractive style and simple language and produced in good printing with plenty of pictures, monochromatic or colored, and at a sufficiently low price to bring them within reach of most people. These textbooks are now of many kinds and it is a pleasure to the young to read them. This is indeed a signal service to education. But there is much room for improvement. The Ministry is now preparing a set of textbooks for both grades of primary schools, and some of them have already been published. Special attention is being paid to the contents and the manner of their presentation.

B. Compulsory Education.—Compulsory Education in China needs no special comment. The urgency of the problem is generally recognized. Specifically, it means that every child of school age should be given a minimum of school education as prescribed by law. For this reason, it has been found necessary to make primary schools free, and nearly everywhere compulsory education is synonymous with elementary education. Although in China elementary education is practically free, only a small proportion of the children of school age have the opportunity of attending school. The problem of providing the remaining majority of children with some kind of elementary education constitutes for China at present the problem of compulsory education.

The main reason for failure to achieve universal compulsory education is the lack of sufficient funds which in any one year could be devoted to this particular purpose. Public authorities, both central and local, have never been in a very enviable position financially. The present supply of teachers and the present equipment in school buildings can take care only of a limited number of children, and beyond this number it is very difficult to go. The immensity of the problem also suggests that, although in principle elementary education is properly a function of the local government, compulsory education in China cannot be brought to any degree of universality unless the National Government takes a substantial share in its finance. These observations are stressed here in order to throw some light on the successive attempts at solution of the problem and on the present scheme of compulsory education now in full operation throughout the country.

Propaganda and agitation in favor of compulsory education have been carried on for many years. As early as 1915 a government order on compulsory education was issued, followed by more orders, regulations and resolutions of one kind or another from many quarters; and universal compulsory education was laid down as a fundamental point in the Provisional Constitution of 1931. Educational Conferences, the National Congress of the Kuomintang, and various other bodies have advocated various measures, each time with more emphasis than before.

The Government fixed the general principles and produced a certain program on universal compulsory education, leaving the provincial and local educational authorities to make plans and carry them out. The different provinces varied greatly in the degree of success achieved in carrying out the principles laid down and measures adopted by the Government. These principles and measures were, in the main, embodied in the plan devised by the Ministry of Education in 1920 at Peking, in the plan adopted by the Second National Educational Conference held in 1930, and in the orders of the Ministry of Education of 1932. These plans possess the advantage of nearly approaching a concrete scheme and thus deserve to be briefly mentioned and their merits assessed.

According to the plan of 1920, universal compulsory education was to be achieved in eight years, and it was to be gradually extended from the municipalities to the remotest villages. It was to be put into effect in the big cities in 1921, extending to villages with 500 households and more by 1923, to villages with 100 household and more by 1927, and to all

villages with less than 100 households by 1928. To reduce the proportions of the problem, only a four-year primary school education was required in the scheme. From the very beginning it was apparent that the problem was more than an arithmetical one. Consequently, in 1930 a plan was put forward by the Second National Educational Conference under which the period was extended to 20 years. It was proposed that the first five years should be devoted to training an adequate supply of teachers, and the next 15 years to the extension of compulsory education. It was also intended to furnish only a four-year elementary education, with modifications to suit special conditions. This also was an ambitious program.

To bring the problem within some degree of feasibility, something less ambitious and more practical was needed. It was with this end in view that the Ministry of Education issued in 1932 the Practical Procedure on enforcing short-time compulsory education, and the Outline for Enforcing Compulsory Education in its first stage. The former required only a one-year course, and the latter was practically the same as the requirements under the eight-year and twenty-year plan, prescribing a four-year primary school course. These two plans were issued simultaneously in order to give the provinces an opportunity to choose the one most suitable to their particular condition.

A number of provinces submitted programs based on either one or both of these plans and the Ministry suggested many devices to enable the local educational authorities to carry their ideas into effect. One of these was to introduce into the primary schools the two shift system (i.e., the forenoon period and the afternoon period) so as to enable the schools to use the same buildings to give instruction to twice as many pupils in a day; or, again, different classes might alternate in the use of classrooms and playgrounds, if only the other problems of teaching personnel and books could be solved adequately. These expedients indicated at once the very earnest desire to extend compulsory education and the seriousness of the obstacles, especially financial, that stood in the way.

Elementary education has progressed from an enrollment of 2,795,475 in 1912 to 11,684,300 in 1931 and 13,188,133 in 1934. The annual increase in the first decade was 380,000 on the average, and in the second decade 506,000. That increase was very remarkable, but relatively too slow from the point of view of compulsory universal education. In 1931 it was estimated that children of school age in the whole country numbered 50,140,000, and the proportion of those in school was only about 23.30% of the total. The degree of universality in education differs from province to province. From the estimated figures of 1931, it would appear that among the municipalities, Greater Shanghai, excluding the foreign concessions, ranks first in having probably the highest percentage of children of school age in school; Weihaiwei ranks second with 68%; Tsingtao third with 55%; Nanking fourth with 38%; while Peiping has only 18%. Shansi ranks first among the provinces with 65%; Kwangsi second with 40%; Liaoning, Kwangtung, Chekiang, Yunnan, Shantung, Hunan are all between 35 and 30%; Honan, Hopei, Shensi, above 20%; Heilungkiang, Szechwan, Kiangsu, Kansu, Suiyuan, Kiangsi above 10%; Jehol, Sinkiang, Sikong less than 5%. These are admittedly estimates in the absence of census data.

In May, 1935, the National Government brought forward the Provisional Outline for Enforcing Compulsory Education, followed in June by the detailed regulations for putting the Provisional Outline into effect. This provisional law on compulsory education involves the realization of universal compulsory education in definite stages and degrees; and all children of school age will be enabled within ten years to receive compulsory education successively in the one-year, and the two-year primary school until a four-year education is completed. The program is to be carried out in three periods. In the first period

extending from August, 1935, to July, 1940, all illiterate adult children and other children of school age must attend the one-year primary school. In the second period extending from August, 1940, to July, 1944, all children of school age will receive two years of education. The third period begins from August, 1944, after which date all children must receive four-year compulsory education. The periods may be shortened whenever financial circumstances permit. Compulsory education is supported financially by the provincial and local governments, but assistance will be granted by the National Government to the poorer and border provinces and those where special conditions exist. The Provisional Outline and the Regulations following from it will function until a permanent law on compulsory education can be framed.

In the Autumn of 1935 the National Government took the leadership in launching compulsory education throughout the whole country by making a special appropriation and requiring the provincial and municipal governments to do likewise. The National Government appropriated for 1935–36 $2,400,000 from the National Treasury, with $500,000 for educational assistance in the border provinces and $300,000 contributed by the various indemnity bodies. Altogether, the share for compulsory education from the National Government amounted to $3,200,000, which was distributed to the different provinces and municipalities. The distribution was partly matched by the amount raised by the local authorities, and partly governed by their special conditions of financial ability and educational needs; but every province received some assistance, ranging from $170,000 for Yunnan to $60,000 for Sikong. Among the municipalities sums varied from $100,000 for Nanking to $8,000 for Weihaiwei.

In the provinces and municipalities a much greater total sum was appropriated for compulsory education in 1935–36. This was in addition to the financial burden already incurred to support education in their respective areas. The total amount, as reported to the Ministry, amounted to some $11,000,000. The provincial appropriations may be divided into three categories. In some provinces, and perhaps in a majority of them, the provincial and local district governments contributed jointly to the fund. In others, such as Kweichow, the local district governments contributed nothing and the whole provincial share fell on the provincial treasury; while in a third group of provinces, such as Kwangsi and Kansu, the local district governments took the whole burden. Chinghai was too poor for its provincial and local district governments to raise any sum, and it depended entirely on assistance from the National Government; but that is a rare exception.

The national appropriation for compulsory education in 1936–37 amounted to $3,847,000; the provincial and local governments reported an aggregate appropriation of more than $12,000,000.

The provincial and municipal authorities were required to concentrate their attention during 1935–36 and 1936–37 on the establishment of a sufficient number of one-year primary schools to accommodate the children. The latter are now required to attend under pain of fines on their parents and disciplinary measures against the local officials for failure to procure their attendance. To widen the facilities, these authorities were required at the same time to establish more regular primary schools, to bring the number of children in the existing classes up to quota, and to enforce strictly the two-shift system in the existing schools, while the improvement of the private primary schools and the institution of a system of traveling teaching in the remote villages were calculated to add something more to the existing facilities. The procedure followed in the provinces and municipalities was framed in accordance with their special conditions. There were various proportions in which they devoted their attention to the one-year primary schools and the several subsidiary measures. But the one-year primary school was the chief work of the year. According to the

statistics which have reached the Ministry for 1935–36 giving detailed figures in each of the respective headings, it would appear that altogether there was an increase of 33,000 one-year and ordinary primary schools, which, with schools having two-shifts and one-year classes, would give an increase of some 3,400,000 students. For 1936–37 the reports that have reached the Ministry would indicate that some 46,000 one-year schools, with 3,000 ordinary primary schools, and with additional two-shifts and classes, would be created during the year, and would probably accommodate another 6,000,000 children. If these figures are realized for the current year, they will indicate an increase of nearly 10,000,000 children receiving elementary education, thereby nearly bringing the children in primary schools from 13,000,000 to 23,000,000 in two years.

The work in compulsory education is admittedly beset with difficulties. Financial conditions are by no means the only problems that have to be overcome. The great demand for teachers to meet the great increase in primary schools, both of the one-year type and the regular type, presents another problem that has to be solved adequately. There is on every hand, however, evidence of enthusiasm and of determination to win the battle against illiteracy within a definite period.

C. The Adult Schools.—The purpose of the adult schools is to provide an opportunity of receiving education for the people above school age who have missed education in their youth. The 1929 regulations on adult schools and those of 1934 governed the development of these schools until 1936, and provided instruction in elementary knowledge in civics, arithmetic, hygiene and sometimes vocational subjects, in three-month courses with free tuition and free books and stationery. The cost was borne mostly by the local public authorities, under whose supervision the whole system operated. A certain number of them were conducted by private persons. In 1934–35, there were in the whole country some 38,000 adult schools, with 1,300,000 students at an expenditure of $1,900,000. Compared with 1928, when the figures stood at 6,700 schools, 206,000 students and $460,000, this showed a notable advance.

The provinces and municipalities differ a good deal in the development of their adult schools, in efficiency and in the amount of money devoted to them. Some provinces have paid much attention to them, and they have more, and probably better schools. The percentage of expenditure in the total provincial educational budget also differs considerably. According to the figures for 1934, the percentage for Kiangsu province and Tsingtao municipality was 14.94% each; Chekiang, 11.17%; scaling down through 7.19% for Suiyuan, 5.61% for Hopei, 4.56% for Anhwei and 3.52% for Kwangsi to 1.67% for Kweichow. For the whole country the percentage was 6.38% of the total local educational budget for the provinces and municipalities. The percentage included of course other items classified under social education, but the adult schools took a substantial share, which in 1934 amounted to $1,900,000 out of a total expenditure of $15,000,000 for social education.

With the introduction of the law issued in August, 1936, under the authority of the Executive Yuan, the development of adult schools evidently is being worked out from some new lines of approach. Coming as it did after the law on compulsory education of 1935, the law was, in an important sense, intended to act as a complement to it. While some of the provisions under the former regulations were modified and incorporated in it, there were several important new features. Generally, those principles of compulsory education that could be profitably adapted to adult schools were followed. The most notable feature of the law of 1936 was that adult education was to be made universal within six years from 1936, and that a definite number of schools was to be established in each district every year, and district educational budgets must make provision for the expenditure, with assistance from the provincial treasury in case of necessity. An age

limit of between 16 and 30 years was given preference in the schools. Under this law the Ministry of Education undertook to share the expenses of such equipment as cinema and radio, which were usually too expensive for the local authorities to bear alone. At present, nearly all the provinces and municipalities have reported their programs based on this law. The Ministry has besides prepared and supplied free to many provinces a large quantity of textbooks for adult schools.

It is still too early for it to be possible to quote figures showing the effect of the operation of this law. But it is permissible to deduce from indirect proofs that the development of adult schools has received considerable stimulation from the law of 1936 and the series of decrees issued under it. In the period ending February, 1937, the Ministry issued some 5,500,000 copies of these textbooks to the provinces. This was in addition to those which the provinces had printed or procured for themselves. With a workable scheme and effective assistance, financial and otherwise, from the national and provincial governments, it is hoped that the law of 1936 may be carried out within the time limit.

With the setting up of cinema and radio equipment, in which the Ministry is giving the adult schools substantial financial support, education in adult schools will be greatly facilitated. These new instruments of education will also improve the quality of education in these schools.

VIII. SUMMARY AND CONCLUSION

A study of the development of education in China since the establishment of the Republic in 1912 suggests certain tentative conclusions. As indicators figures convey only a part of the story, and other parts, not translatable in figures but equally important, have to be borne in mind when reading the figures. As regards higher education during this period there has been registered an increase equivalent to twenty-seven times the number of universities, independent colleges and technical schools, one hundred times the number of students, and forty-five times the total expenditure. The actual rise was from four institutions, 481 students, and $755,730 in 1912 to 109 institutions, 46,758 students, and $34,643,000 in 1933. These figures indicate fairly well the progress made in this period; and it may also be said that as regards the quality of education given, the university of to-day has nothing in common with the university of 1912 except in name.

But the problems of university education are still formidable. The present number of institutions will probably be sufficient to meet the needs of China for a considerable time to come but they need, however, to be more evenly distributed throughout the country, with reference to geography, population, economic and the cultural needs of the various provinces. Leaving aside instances of individual excellence in many of the institutions, it should be the chief preoccupation of educational authorities in China in the near future to make every institution of higher education in the country one of standard excellence. Given stability in finance and sound administration in the institutions and a well considered policy, there is every reason to hope that in the not distant future excellence can be made the rule, and not the exception, in the institutions of higher education.

Several other matters need immediate attention. The ratio between students taking general subjects and those in science and technology, although somewhat improved lately, has remained very unfavorable to science and technology, being in the neighborhood of three to one. If universities are to meet adequately the increasing demand for scientists and technicians, this disparity has to be reduced to more reasonable proportions. In so far as the increasing demand for scientists and technicians will act as inducement for a greater supply, to that extent this problem is solvable in a natural way. But the institutions themselves can do much by a more vigorous policy to supply not only a greater number of scientists and technicians, but also better scientists and better technicians. With

improved equipment and improved teaching staff, the hope of producing men equipped with the best in scientific and technical knowledge can be realized for every institution of the country. This immediately raises another question—the promotion of research in the universities.

The question of research is connected with Chinese universities to-day in several ways—with the teaching staff, with the students, and with the formation of a research tradition. Of the 7,000 teachers in the universities, independent colleges and technical schools in the country, nearly 40% are recruited from graduates of foreign universities, and nearly 33% from universities at home. Without adequate research facilities, it would be very difficult for this 70% of the teaching staff to keep abreast of the progress of knowledge and to make original contributions in their own lines of work. For the students, there is one aspect of the problem easily overlooked, besides the natural demand for research opportunities by university graduates. It is that many of the research problems are best conducted at home in their natural surroundings. This is especially true of economic and social problems, agriculture, engineering connected with rivers and flood control, and many other kinds of engineering. With important exceptions, research problems are as a rule local problems, and are best done on the spot. As to the formation of a research tradition in the universities, the process is a slow one; it can only be brought about by indigenous effort on native soil through years of painstaking labor. No amount of education abroad or assistance from foreign professors would be at all adequate. Thus, for the healthful development of universities, and for the establishment of a new cultural tradition, the promotion of research is of premier importance.

It is very difficult to strike a balance between the achievements and shortcomings of higher education in China. On the whole, the broad foundation has been laid; and on this foundation a great deal of work of permanent value has been done, and is being done. The edifice is growing in solidity and in dignity. If it may be said that China to-day is largely the creation of her universities, then the institutions of higher education in China may well look ahead to still greater responsibilities in the future.

Secondary education showed a steady increase during the period under review. Compared with the growth of universities, the increase has been more balanced and less spectacular. There has been a fivefold increase in the number of middle schools, while there are eight times the number of students, and 13 times as much expenditure; the figures rose from 373 middle schools, 52,000 students and $3,034,703 in 1912 to 1,911 middle schools, 409,335 students, and $39,616,870 in 1932. To the latter number must be added 874 normal schools with 99,297 students at an expenditure of $10,111,853, and 262 vocational schools with 37,580 students at an expenditure of $55,299,939 for the whole country.

So far as numbers were concerned, these figures showed that middle schools in 1932 represented more than two-thirds of all secondary schools, while their students constituted nearly four-fifths and their expenditure more than three-fifths of the total. Taking the country as a whole, the number of middle schools is probably sufficient to meet the present demand. This remark needs a very important reservation, however, in that these middle schools were very unevenly distributed among the provinces. As middle schools are primarily a function of the provincial governments, some have established more and others very many less. In some of them reduction in their number, if accompanied with improvement in their standard, would probably have done no harm and a great deal of good. In many other provinces there is a need to establish a great many more middle schools, and in all of them there is probably a need for some readjustment in the number of senior and junior middle schools. By establishing more middle schools in some provinces needing them, and by making adjustments in those already possessing a great number, a more even distribution of the

middle schools in the country may be worked out.

Conditions are entirely different with respect to the normal schools and the vocational schools. In both respects the country suffers from the very small number of schools in existence and the small amount of funds devoted to each of them. In 1932 there were less than 900 normal schools for the whole country, which is less than half the number of middle schools, but figures for students and expenditure were still more disproportionate, being only about one-fourth in both cases. The same is true of the vocational school, although there has been some improvement of late. In 1932 the number of vocational schools and the expenditure in connection with them were both less than one-seventh of the figures for the middle schools, there being only 262 schools for the whole country, while the students represented even less than one-ninth. But during the period 1934–35 the number of vocational schools in the country rose to 352, and in 1935–36 it stood at 399.

These statistical comparisons do not indicate adequately the relative excellence as between province and province. In most of the provinces there seems to be some correlation between the number of middle schools and the number of normal and vocational schools, showing that shortage in the latter kinds of school in these cases may be partly due to general causes. But there are a few exceptions. Taking the country as a whole, the very small number of normal schools and vocational schools in existence is traceable to failure to appreciate the character of these schools in education and their place in society. It should be the policy of the educational authorities in every province in the near future to see that this deficiency is made up.

The three categories of secondary schools have some common problems. The question of standard of excellence is common to all of them. Although between 1912 and 1932 expenditure increased nearly three times as fast as the number of schools, the benefit was partly offset by the relatively rapid increase in the number of students. Again, individual instances of excellence are by no means rare, both public and private, especially with regard to middle schools; but conditions differ from school to school, and from province to province. The problem resolves itself readily into three parts; adequate and dependable income, better equipment and teaching material, and better teaching staff. With respect to the first of these things, much has been done; but a great deal more has to be accomplished with respect to the second and the third. The objective of insuring a dependable supply of income for public schools has now been realized in many provinces by the independent administration and auditing of the proceeds of taxes earmarked for educational purposes. This procedure has contributed a great deal to the stability of secondary schools during recent years. As to the supply of better equipment, the question is here intimately connected with university education, and the more fully this connection is appreciated, the nearer will be the approach to the solution of the problem.

During the past 20 years or so, elementary education has attained a threefold increase in the number of schools, a fivefold increase in the number of pupils, and a fivefold increase in expenditure, the figures rising from 86,318 schools, 2,795,475 pupils and $19,334,480 in 1912 to 260,665 schools, 13,188,133 pupils and $106,594,685 in 1934. But in all of these respects, both secondary and higher education have done better. In the number of schools the increase has been threefold for elementary education against a fivefold increase for middle schools, and an increase of 27 times as much for universities and technical schools; in the number of students the relative indices were 5, 8, 100; and in expenditure 5, 13, 45 respectively.

Conditions in the field of elementary education so far as these can be measured in figures, again differed from province to province; between some of them there were marked differences. The schools located in the provinces that spent most were not necessarily

the best and most economically conducted; and the same unit of elementary education calculated on the basis of attendance and on money cost need not mean the same thing in standard and in efficiency for different provinces. But, taking the country as a whole, the standard and efficiency of primary schools showed great improvement during the period under consideration. This was due to many causes, but in great part to the establishment of a definite standard for subjects taught in the primary school, and to the improvement of teaching personnel, teaching material, and teaching method. The immediate problem in elementary education is the wide extension of primary schools so that every child of school age in the country will have the opportunity of obtaining a legal minimum of education. The recent program of compulsory education has made a very promising beginning. But much remains to be done to make universality of education a reality. The future is hopeful, but by no means easy. The present facilities of adult schools in the different provinces will have to be greatly extended for the benefit of the grown-ups. In the present circumstances, it is only with the assistance of adult schools that education can be made universal. The extension of elementary education would produce great effects in different ways. It would give a broader foundation to the educational system, and would indirectly help secondary education and higher education in furnishing more and better students for the secondary schools and universities. It would also facilitate the modernization of the country.

APPENDIX I

A LIST OF UNIVERSITIES, INDEPENDENT COLLEGES, AND TECHNICAL SCHOOLS IN CHINA, APRIL, 1937

(Issued by the Department of Higher Education, Ministry of Education, Nanking, China)

GEOGRAPHICAL DISTRIBUTION OF UNIVERSITIES, INDEPENDENT COLLEGES AND TECHNICAL SCHOOLS IN CHINA

Location	*Public*							*Private*			*Total*
	National			*Provincial*			*Municipal Technical Schools*				
	Universities	*Independent Colleges*	*Technical Schools*	*Universities*	*Independent Colleges*	*Technical Schools*		*Universities*	*Independent Colleges*	*Technical Schools*	
Shanghai	3	3	2	—	—	—	—	6	8	3	25
Peiping	4	—	1	—	—	—	1	3	4	1	14
Hopei	—	1	—	—	5	—	—	1	1	—	8
Kwangtung	1	1	—	1	—	—	—	3	1	—	7
Kiangsu	—	—	—	—	1	1	—	1	1	2	6
Nanking	1	—	3	—	—	—	—	1	1	—	6
Hupeh	1	—	—	—	—	—	—	2	—	2	5
Shansi	—	—	—	1	—	3	—	—	—	1	5
Chekiang	1	—	1	—	—	1	—	—	1	—	4
Fukien	—	—	—	—	—	—	—	1	3	—	4
Szechwan	1	—	—	1	1	—	—	1	—	—	4
Honan	—	—	—	2	—	1	—	—	1	—	4
Shantung	1	—	—	—	—	1	—	1	—	1	4
Hunan	—	—	—	1	—	—	—	—	1	1	3
Kiangsi	—	—	—	—	—	2	—	—	—	—	2
Kwangsi	—	—	—	1	—	—	—	—	—	—	1
Anhwei	—	—	—	1	—	—	—	—	—	—	1
Yunnan	—	—	—	1	—	—	—	—	—	—	1
Kansu	—	—	—	—	1	—	—	—	—	—	1
Shensi	—	—	1	—	—	—	—	—	—	—	1
Sinkiang	—	—	—	—	1	—	—	—	—	—	1
TOTAL	13	5	8	9	9	9	1	20	22	11	107

A. Universities

1. *NATIONAL UNIVERSITIES*

Name	*Location*	*Colleges*	*Remarks*
National Central University	Nanking	Natural Sciences, Agriculture, Engineering, Medicine, Arts, Law, and Education	Research Departments in Mathematics, and Agriculture. Technical School of Dentistry attached to the College of Medicine. Special Course of Animal Husbandry and Veterinary Science attached to the College of Agriculture.
National Chiaotung University	Shanghai Peiping Tangshan	Civil Engineering, Mechanical Engineering, Electrical Engineering, Natural Sciences, and Railway Administration	
National Tungchi University	Shanghai	Engineering, and Medicine	College of Natural Sciences in preparation.
National Chinan University	Shanghai	Natural Sciences, Arts, and Commerce	
National University of Peiping	Peiping	Agriculture, Engineering, Medicine, Women's College of Arts and Natural Sciences, Law and Commerce	
National Peking University	Peiping	Natural Sciences, Arts, and Law	Research Departments in Arts, Science, and Law.
National Tsinghua University	Peiping	Natural Sciences, Engineering, Arts, and Law	Research Departments in Chinese Literature, History, Philosophy; in Physics, Geology, Chemistry, Biology, and Mathematics.
National Normal University	Peiping	Natural Sciences, Arts, and Education	
National University of Chekiang	Hangchow	Agriculture, Engineering, Arts, and Natural Sciences	
National Sun Yat-sen University	Canton	Natural Sciences, Engineering, Agriculture, Medicine, Arts, and Law	Research Departments in Arts, Education, and Agriculture.
National Wu-Han University	Wuchang	Natural Sciences, Agriculture, Engineering, Arts, and Law	Research Departments in Economics, and in Civil Engineering.
National Szechwan University	Chengtu	Natural Sciences, Agriculture, Law, and Arts	
National University of Shantung	Tsingtao	Engineering, Arts, and Natural Sciences	College of Agriculture in preparation.

2. *PROVINCIAL UNIVERSITIES*

Name	*Location*	*Colleges*	*Remarks*
Provincial University of Anhwei	Anking	Natural Sciences, Arts, and Agriculture	
Provincial University of Kwangsi	Nanning Wuchow Kweiling	Arts and Law, Natural Science and Engineering, Agriculture, and Medicine	
Provincial University of Hunan	Changsha	Natural Sciences, Engineering, and Arts	
Provincial University of Yunnan	Kunming	Natural Sciences and Engineering, Arts and Law, and Medicine	
Provincial Northeastern University	Sian Kaifeng	Engineering, Arts, and Law	Formerly located in Mukden.
Provincial University of Honan	Kaifeng	Natural Sciences, Agriculture, Medicine, Arts, and Law	College of Law will be discontinued after the students in the departments of law and political science have graduated.
Provincial University of Shansi	Taiyuan	Natural Sciences, Engineering, Arts, and Law	
Provincial Hsiang-Ching University	Canton	Engineering, Commerce, and Education	Special Course of Civil Engineering and Telegraphic Communications attached to the College of Engineering.
Provincial Chungking University	Chungking	Engineering and Natural Sciences	College of Medicine in preparation.

3. *PRIVATE UNIVERSITIES*

Name	*Location*	*Colleges*	*Remarks*
University of Nanking	Nanking	Natural Sciences, Agriculture, and Arts	Registered Sept., 1928. Research Departments in Chemistry, and Agricultural Economics approved
Tatung University	Shanghai	Natural Sciences, Arts, and Commerce	Registered Sept., 1928. Special Course in English and Mathematics.
Great China University	Shanghai	Natural Sciences, Arts, Law, Education, and Commerce	Registered May, 1929. Special Normal Courses in Chinese, English, History and Geography, Mathematics and Physics; and Special Course in Physical Education.
Kwang-Hua University	Shanghai	Natural Sciences, Arts, and Commerce	Registered May, 1929.

Soochow University	Soochow Shanghai	Arts, Natural Sciences, and Law	Registered July, 1929. Research Department in Law.
Fu-Tan University	Shanghai	Natural Sciences, Arts, Law, and Commerce	Registered Oct., 1928.
University of Shanghai	Shanghai	Natural Sciences, Arts, and Commerce	Registered March, 1929.
Cheng-Tan University	Shanghai	Natural Sciences and Engineering, Medicine, and Law	Registered Dec., 1932.
Franco-China University	Peiping	Natural Sciences, Arts, and Medicine	Registered Dec., 1931; and there is a School of Pharmacy at Shanghai attached to this University.
Yenching University	Peiping	Natural Sciences, Arts, and Law	Registered June, 1929. Research Departments in Chemistry and Biology, Political Science, and History.
Foo Jen University	Peiping	Natural Sciences, Arts, and Education	Registered June, 1931.
University of Amoy	Amoy	Natural Sciences, Arts, Law, and Commerce	Registered March, 1928.
University of Canton	Canton	Natural Sciences, Arts, and Law	Registered July, 1932.
Kuo-Ming University of Kwangtung	Canton	Engineering, Arts, and Law	Registered June, 1931.
Lingnan University	Canton	Agriculture, Engineering, Arts, and Natural Sciences	Registered July, 1930. Research Departments in Biology and Chemistry in the College of Natural Sciences.
Chung Hwa University	Wuchang	Natural Sciences, Arts, and Commerce	Registered Dec., 1929. Department of Law to be discontinued.
Central China University	Wuchang	Natural Sciences, Arts, and Education	Registered Dec., 1931.
West China Union University	Chengtu	Natural Sciences, Medicine, and Arts	Registered Sept., 1933.
Nankai University	Tientsin	Natural Sciences, Arts, and Commerce	Registered June, 1929. Research Department in Economics in the College of Commerce.
Cheeloo University	Tsinan	Natural Sciences, Medicine, and Arts	Registered Dec., 1931. Department of Education to be discontinued; Special Course in Pharmacy attached to the College of Medicine.

B. Independent Colleges

1. *NATIONAL INDEPENDENT COLLEGES*

Name	*Location*	*Colleges*	*Remarks*
National College of Commerce of Shanghai	Shanghai	Commerce	
National Medical College of Shanghai	Shanghai	Medicine	
National Engineering College of Shanghai	Shanghai	Engineering	
National Pei-Yang Engineering College	Tientsin	Engineering	Research Departments in Mining and Metallurgy.
National College of Law of Kwangtung	Canton	Law	

2. *PROVINCIAL INDEPENDENT COLLEGES*

Name	*Location*	*Colleges*	*Remarks*
Kiangsu Provincial College of Education	Wusih	Education	
Szechwan Provincial College of Education	Chengtu	Education	Temporarily registered.
Hopei Provincial College of Technology	Tientsin	Engineering	
Hopei Provincial Girls' Normal College	Tientsin	Arts	
Hopei College of Law and Commerce	Tientsin	Law and Commerce	
Hopei Provincial College of Agriculture	Paoting	Agriculture	
Hopei Provincial College of Medicine	Paoting	Medicine	
Provincial College of Kansu	Lanchow	Arts and Law	
Sinkiang College	Tihwa, Sinkiang	Law	

3. *PRIVATE INDEPENDENT COLLEGES*

Name	*Location*	*Colleges*	*Remarks*
Ginling College	Nanking	Natural Sciences and Arts	For women only. Registered Dec., 1930.
Shanghai College of Law	Shanghai	Law	Registered Dec., 1930.
Shanghai College of Law and Political Science	Shanghai	Law	Registered June, 1930.

China College	Shanghai	Arts, Law, and Commerce	Registered June, 1930. Ordered to discontinue after the present students have graduated.
Cheng-Feng College of Arts	Shanghai	Arts	Temporarily registered August, 1932.
Chih-Tze College	Shanghai	Arts and Law	Registered July, 1931.
Chung-Kuo College	Peiping	Natural Sciences, Arts, and Law	Registered Oct., 1930.
Ming-Kuo College	Peiping	Arts and Law	Temporarily registered Dec., 1932.
Peiping Union Medical College	Peiping	Medicine	Registered May, 1930.
Chao-Yang College	Peiping	Law	Registered Nov., 1930.
Nantung College	Nantung	Agriculture and Medicine	Registered August, 1930. With a Department of Textile Industry.
Hangchow College	Hangchow	Natural Sciences and Arts	Registered July, 1931.
Hwa-Nan College	Foochow	Arts and Natural Sciences	For women only. Temporarily registered June, 1933.
Fukien College	Foochow	Law	Registered July, 1932.
Fukien Union College	Foochow	Natural Sciences and Arts	Registered Jan., 1931.
Kwang-Hwa College of Medicine	Canton	Medicine	Registered Sept., 1933.
Hsiang-Yah College of Medicine	Changsha	Medicine	Registered Dec., 1931.
College of Engineering and Commerce	Tientsin	Engineering and Commerce	Registered Aug., 1933.
Chiao-Tso College of Engineering	Chiao-Tso, Honan	Engineering	Registered July, 1932.
Women's Medical College of Shanghai	Shanghai	Medicine	Temporarily registered Dec., 1933.
Tung-Teh College of Medicine	Shanghai	Medicine	Temporarily registered August, 1935.
Tung-Nan College of Medicine	Shanghai	Medicine	Temporarily registered August, 1935.

C. Technical Schools

1. NATIONAL TECHNICAL SCHOOLS

Name	*Location*	*Nature of Study*	*Remarks*
National School of Music	Shanghai	Music	

National School of Fine Arts of Hangchow	Hangchow	Fine Arts	
National Northwestern School of Forestry	Wukung, Shensi	Agriculture and Forestry	In preparation.
National School of Fine Arts of Peiping	Peiping	Fine Arts	Established July 1, 1934.
Technical School of Dentistry	Nanking	Dentistry	Established in August, 1935, and attached to National Central University without a separate principal.
National School of Pharmacy	Nanking	Pharmacy	
Woosung School of Commercial Navigation	Shanghai	Commercial Navigation	Established by the Ministry of Communications.
School of Physical Education	Nanking	Physical Education	Established by the Central Institute of National Physical Exercises.

2. *PROVINCIAL TECHNICAL SCHOOLS*

Name	*Location*	*Nature of Study*	*Remarks*
Provincial School of Medicine and Pharmacy of Chekiang	Hangchow	Medicine and Pharmacy	
Provincial School of Engineering of Kiangsi	Nanchang	Engineering	
Provincial School of Medicine of Kiangsi	Nanchang	Medicine	
Provincial School of Hydraulic Engineering of Honan	Kaifeng	Hydraulic Engineering	
Provincial School of Medicine of Shantung	Tsinan	Medicine	
Provincial School of Commerce of Shansi	Yangchu	Commerce	
Provincial School of Engineering of Shansi	Taiyuan	Engineering	
Provincial School of Agriculture of Shansi	Taiyuan	Agriculture	
Provincial School of Rural Reconstruction of Shantung	Tsinan	Education and Agriculture	Registered Jan., 1937.
Provincial School of Silk-Manufacturing	Soochow	Silk-Manufacturing	Registered April, 1936. Still in the stage of trial.

3. *MUNICIPAL TECHNICAL SCHOOLS*

Name	*Location*	*Nature of Study*	*Remarks*
Municipal School of Physical Education	Peiping	Physical Education	Registered Sept., 1934.

4. *PRIVATE TECHNICAL SCHOOLS*

Name	*Location*	*Nature of Study*	*Remarks*
Shanghai School of Fine Arts	Shanghai	Fine Arts	Registered Oct., 1935.
Far East School of Physical Education	Shanghai	Physical Education	Registered Aug., 1931.
Hsin-Hua School of Fine Arts	Shanghai	Fine Arts	Registered Feb., 1932.
Wusih School of Chinese Classics	Wusih	Chinese Literature	Registered Sept., 1928.
Wen-Hua Library School	Wuchang	Library Science	Registered Aug., 1929.
Soochow School of Fine Arts	Soochow	Fine Arts	Registered July, 1932.
Wuchang School of Fine Arts	Wuchang	Fine Arts	Registered July 1930.
Chuen-Chih School of Medicine	Taiyuan	Medicine	Registered Sept., 1933.
Chun-Chih School of Agriculture and Commerce	Changsha	Agriculture and Commerce	Temporarily registered July, 1936.
Peiping School of Railway Administration	Peiping	Railway Administration	Reorganized from the former Peiping College of Railway Administration in June, 1936.

APPENDIX II

1. COMPARATIVE STATISTICS FOR HIGHER EDUCATION IN 1934–1935

Classification of Schools		Number of Schools	Organization				Annual Expenditure	Faculty and Staff Members			
			Colleges	Departments	Divisions	Subdivisions		Grand Total	Faculty	Administration	Concurrent
GRAND TOTAL		110	200	652	51	88	35,196,506	11,431	7,205	5,332	1,106
National	TOTAL	22	55	214	5	18	15,617,723	4,674	2,784	2,245	355
	Universities	13	50	200	1	1	13,583,508	4,115	2,472	1,940	297
	Independent Colleges	5	5	14	—	—	993,326	321	202	167	48
	Technical Schools	4	—	—	4	17	1,040,889	238	110	138	10
Public Technical Schools		6	—	—	6	7	649,942	214	117	112	15
Provincial	TOTAL	31	45	116	19	31	4,942,554	2,360	1,430	1,169	239
	Universities	8	31	85	2	2	2,767,314	1,223	784	549	110
	Independent Colleges	11	14	31	5	7	1,284,043	646	340	371	65
	Technical Schools	12	—	—	12	22	891,197	491	306	249	64
Private	TOTAL	51	100	322	21	32	13,986,287	4,183	2,874	1,806	497
	Universities	20	66	237	7	9	7,809,334	2,408	1,634	1,095	321
	Independent Colleges	22	34	85	5	5	5,672,232	1,434	1,015	547	128
	Technical Schools	9	—	—	9	18	504,721	341	225	164	48

1. COMPARATIVE STATISTICS FOR HIGHER EDUCATION IN 1934–1935 (*Continued*)

Classification of Schools		Students		Graduates			New Equipment	Library Books	Average Number of Faculty Members in Each School	Average Number of Students in Each School	The Share of Each Student in the Annual Expenditure
		Grand Total	Female	Grand Total	Universities and Independent Colleges	Technical Schools					
GRAND TOTAL		41,768	6,272	9,622	8,325	1,297	6,642,254	4,876,964	66	380	636.61
National	TOTAL	13,430	1,759	3,419	3,369	50	3,336,686	1,755,632	127	610	862.97
	Universities	11,970	1,572	3,120	3,082	38	2,708,456	1,643,465	190	921	860.77
	Independent Colleges	1,247	116	287	287	—	190,864	87,440	40	249	643.51
	Technical Schools	213	71	12	—	12	437,366	24,727	27	53	2,271.77
Public Technical Schools		748	28	356	—	356	125,865	30,565	19	125	700.64
Provincial	TOTAL	7,324	937	1,604	1,316	288	778,264	595,651	46	236	565.67
	Universities	4,476	396	1,001	962	39	489,358	329,081	98	596	502.54
	Independent Colleges	1,850	473	387	354	33	157,639	188,743	31	168	568.04
	Technical Schools	998	68	216	—	216	131,267	77,827	25	83	664.05
Private	TOTAL	20,266	3,548	4,243	3,640	603	2,401,439	2,495,116	56	398	509.87
	Universities	12,153	2,033	2,314	2,055	259	1,577,684	1,637,093	82	608	433.17
	Independent Colleges	6,853	1,063	1,678	1,585	93	746,134	694,208	46	312	678.42
	Technical Schools	1,260	452	251	—	51	77,621	163,815	25	129	332.96

2. COMPARATIVE STATISTICS OF THE ANNUAL INCOME OF CHINESE UNIVERSITIES, INDEPENDENT COLLEGES AND TECHNICAL SCHOOLS IN 1934–1935

Classification of Schools		Total Amount of Annual Income	Public Treasury			Student Fees		
			Total	State Treasury	Provincial Treasury	Total	Tuition	Other Fees Total
GRAND TOTAL		35,759,374	21,373,486	15,755,953	5,617,533	3,931,338	2,728,906	1,152,591
National	TOTAL	16,245,628	14,378,819	13,671,354	707,465	461,654	328,795	112,357
	Universities	14,180,410	12,933,667	12,226,202	707,465	352,259	237,412	94,345
	Independent Colleges	1,013,190	922,581	922,581	—	88,747	17,035	15,712
	Technical Schools	1,052,028	522,571	522,571	—	20,648	18,348	2,300
	Public Technical Schools	641,096	623,333	623,333	—	16,652	8,740	5,130
Provincial	TOTAL	5,121,213	4,807,831	300,000	4,507,831	102,842	70,254	32,588
	Universities	2,763,053	2,675,444	300,000	2,375,444	50,864	45,478	5,386
	Independent Colleges	1,424,436	1,223,809	—	1,223,809	29,500	16,765	12,735
	Technical Schools	933,724	908,578	—	908,578	22,478	8,011	14,467
Private	TOTAL	13,751,437	1,563,503	1,161,266	402,237	3,350,190	2,321,117	1,002,516
	Universities	7,598,799	1,054,250	793,376	260,874	1,895,282	1,211,381	683,901
	Independent Colleges	5,653,402	471,913	338,390	133,523	1,254,820	972,531	256,132
	Technical Schools	499,236	37,340	29,500	7,840	200,088	137,205	62,483
Percentage		100.00	60.50	44.60	15.90	11.13	7.83	3.30

2. COMPARATIVE STATISTICS OF THE ANNUAL INCOME OF CHINESE UNIVERSITIES, INDEPENDENT COLLEGES AND TECHNICAL SCHOOLS IN 1934–1935 (*Continued*)

Classification of Schools		Student Fees				Income from the Properties	Subscriptions	Miscellaneous
		Other Fees						
		Laboratory	Lecture Notes	Library	Etc.			
GRAND TOTAL		129,128	116,101	106,398	737,827	971,522	5,622,290	3,428,414
National	TOTAL	3,261	4,904	7,313	96,879	79,802	243,573	809,267
	Universities	3,261	3,220	5,070	82,794	78,283	243,573	572,628
	Independent Colleges	—	1,684	1,800	12,228	1,519	—	343
	Technical Schools	—	—	443	1,857	—	—	236,296
	Public Technical Schools	—	1,088	—	4,042	525	—	586
Provincial	TOTAL	6,912	12,540	1,331	11,805	5,455	34,200	11,074
	Universities	2,016	1,138	—	2,232	1,914	34,200	631
	Independent Colleges	3,912	3,552	1,256	4,015	3,541	—	7,775
	Technical Schools	984	7,850	75	5,558	—	—	2,668
Private	TOTAL	118,955	97,569	97,754	625,101	885,740	5,344,517	2,607,487
	Universities	80,115	28,145	62,658	508,948	451,226	2,345,668	1,852,373
	Independent Colleges	34,764	67,700	31,548	107,593	296,490	2,906,951	723,228
	Technical Schools	4,076	1,724	3,548	8,560	138,024	91,898	31,886
Percentage		0.39	0.35	0.32	2.24	2.75	15.92	9.70

3. COMPARATIVE STATISTICS OF THE ANNUAL EXPENSES OF CHINESE UNIVERSITIES, INDEPENDENT COLLEGES AND TECHNICAL SCHOOLS IN 1934–1935

Classification of Schools		Total Amount of Annual Expenses	Salaries				Equipment	Administration	Special	Attached Institutions
			Total	Salaries of Faculty Members	Salaries of Staff Members	Wages of Servants				
GRAND TOTAL		35,196,506	20,293,030	12,289,990	4,010,694	1,377,988	6,642,254	3,520,842	2,595,923	2,144,457
National	TOTAL	15,617,723	9,007,934	5,673,220	1,850,644	819,750	3,336,686	1,383,877	1,197,902	691,324
	Universities	13,583,508	8,027,659	5,001,453	1,630,691	731,195	2,708,456	1,178,700	1,097,004	571,689
	Independent Colleges	993,326	623,358	429,597	150,553	43,208	190,864	117,879	61,225	—
	Technical Schools ..	1,040,889	356,917	242,170	69,400	45,347	437,366	87,298	39,673	119,635
	Public Tech. Schools	649,942	376,905	202,590	138,085	36,230	125,865	103,166	44,006	—
Provincial	TOTAL	4,942,554	3,242,377	2,190,489	774,715	219,825	778,264	489,509	231,069	201,335
	Universities	2,767,314	1,886,844	1,371,343	402,116	113,385	489,358	246,114	116,407	28,591
	Independent Colleges	1,284,043	801,982	513,317	233,808	54,857	157,639	156,390	92,495	75,537
	Technical Schools ..	891,197	553,551	305,829	138,791	51,583	131,267	87,005	22,167	97,207
Private	TOTAL	13,986,287	7,665,814	4,223,691	1,247,250	302,183	2,401,439	1,544,290	1,122,946	1,252,798
	Universities	7,809,334	4,011,635	3,078,365	752,550	180,720	1,577,684	504,196	748,487	967,332
	Independent Colleges	5,672,232	3,343,860	964,550	383,337	103,383	746,134	966,253	339,085	276,900
	Technical Schools ..	504,721	310,319	180,776	111,363	18,080	77,621	73,841	35,374	7,566
Percentage		100.00	57.66	40.09	13.08	4.49	18.87	10.00	7.38	6.09

4. COMPARATIVE STATISTICS ON COURSES OF STUDY OF THE STUDENTS IN CHINESE UNIVERSITIES, INDEPENDENT COLLEGES AND TECHNICAL SCHOOLS IN 1934–1935

Classification	*Grand Total*	*Science and Applied Science*					*General Arts*				
		Total	*Engineering*	*Natural Sciences*	*Medical Science and Pharmacy*	*Agriculture and Forestry*	*Total*	*Law, Politics and Economics*	*Literature and Fine Arts*	*Education*	*Commerce*
GRAND TOTAL ..	41,768	15,698	5,910	5,324	2,633	1,831	26,042	11,029	7,921	4,059	3,033
Percentage ..	100.00	37.61	14.16	12.75	6.31	4.39	62.39	26.42	18.98	9.72	7.27
Universities and Independent Colleges	37,257	14,288	5,481	5,268	1,952	1,587	22,941	10,697	6,355	3,177	2,712
Technical Schools	4,511	1,410	429	56	681	244	3,101	332	1,566	882	321

5. COMPARATIVE STATISTICS ON COURSES OF STUDY OF THE GRADUATES IN CHINESE UNIVERSITIES, INDEPENDENT COLLEGES AND TECHNICAL SCHOOLS IN 1935–1936

Classification	*Grand Total*	*Science and Applied Science*					*General Arts*				
		Total	*Natural Sciences*	*Agriculture and Forestry*	*Engineering*	*Medical Science and Pharmacy*	*Total*	*Literature and Fine Arts*	*Law, Politics and Economics*	*Education*	*Commerce*
GRAND TOTAL ..	8,672	2,967	848	502	1,179	438	5,705	1,495	2,649	851	710
Percentage ..	100.00	34.21	9.78	5.79	13.59	5.05	65.79	17.24	30.55	9.81	8.19
Universities and Independent Colleges	7,726	2,548	840	350	1,081	277	5,178	1,245	2,577	725	631
Technical Schools	946	419	8	152	98	161	527	250	72	126	79

6. COMPARATIVE STATISTICS ON COURSES OF STUDY OF THE STUDENTS GIVEN PERMISSION TO CONTINUE THEIR STUDIES ABROAD IN 1935–1936

Nations		Grand Total			Science and Applied Science									General Arts								
		Total	Private	Governmental	Total	Natural Sciences		Agriculture and Forestry		Engineering		Medical Science and Pharmacy		Total	Literature and Fine Arts		Law, Politics and Economics		Education		Commerce	
						Private	Governmental	Private	Governmental	Private	Governmental	Private	Governmental		Private	Governmental	Private	Governmental	Private	Governmental	Private	Governmental
GRAND TOTAL ..		1,033	929	104	501	120	20	79	13	131	36	97	5	530	111	7	253	13	66	5	71	4
Europe	TOTAL	286	240	46	166	47	13	6	4	42	14	35	5	119	43	2	46	6	12	1	8	1
	England ..	102	74	28	46	10	10	1	1	14	5	3	2	56	15	2	20	6	5	1	6	1
	Germany ..	101	91	10	78	21	3	3	2	23	3	21	2	22	4	—	10	—	7	—	1	—
	France	55	54	1	24	12	—	—	1	3	—	8	—	31	19	—	11	—	—	—	1	—
	Switzerland ..	5	5	—	1	—	—	—	—	1	—	—	—	4	2	—	2	—	—	—	—	—
	Belgium ..	15	10	5	12	2	—	2	—	1	4	2	1	3	2	—	1	—	—	—	—	—
	Austria	3	3	—	2	1	—	—	—	—	—	1	—	1	1	—	—	—	—	—	—	—
	Italy	2	2	—	1	1	—	—	—	—	—	—	—	1	—	—	1	—	—	—	—	—
	Holland.. ..	1	—	1	1	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—
	Poland	1	—	1	1	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—
	Denmark ..	1	1	—	—	—	—	—	—	—	—	—	—	1	—	—	1	—	—	—	—	—
America	TOTAL	297	243	54	147	33	7	16	9	51	19	12	—	149	31	5	45	7	20	3	35	3
	The United States ..	294	240	54	145	31	7	16	9	51	19	12	—	148	31	5	45	7	19	3	35	3
	Canada	3	3	—	2	2	—	—	—	—	—	—	—	1	—	—	—	—	1	—	—	—
Other Nations	TOTAL	450	446	4	188	40	—	57	—	38	3	50	—	262	37	—	162	—	34	1	28	—
	Japan	447	444	3	186	40	—	56	—	38	2	50	—	261	37	—	161	—	34	1	28	—
	Turkey	1	1	—	—	—	—	—	—	—	—	—	—	1	—	—	1	—	—	—	—	—
	Philippine Islands ..	1	1	—	1	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Java	1	—	1	1	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—
Percentage		100.00	89.93	10.07	48.59	11.64	1.94	7.66	1.26	12.71	3.49	9.31	0.49	51.41	10.77	0.68	24.54	1.26	6.40	0.49	6.89	0.39

APPENDIX III

STATISTICS FOR SECONDARY EDUCATION

1. COMPARATIVE STATISTICS FOR NUMBER OF SCHOOLS IN SECONDARY EDUCATION, 1934–1935

	Total	*Middle Schools*	*Normal Schools*	*Vocational Schools*
Whole Country	3,140	1,912 (170)	876 (268)	352 (135)
Kiangsu	206	124 (25)	35 (7)	47 (8)
Chekiang..	118	85	15 (12)	18 (8)
Anhwei	78	58 (2)	9 (6)	11 (2)
Kiangsi	66	37 (10)	14 (5)	15 (9)
Hupeh	93	73 (1)	7 (4)	13 (2)
Hunan	149	81 (9)	42 (18)	26 (8)
Szechwan	260	210 (13)	32 (15)	18 (5)
Sikang	1	—	1	—
Hopei	256	72 (20)	161 (5)	23 (9)
Shantung	159	72 (3)	98 (22)	9 (2)
Shansi	101	55 (8)	36 (10)	10 (1)
Honan	230	116 (20)	93 (23)	21 (5)
Shensi	37	21 (6)	9	7
Kansu	25	11 (1)	10 (1)	4
Chinghai	8	3	3	2
Fukien	109	73 (13)	18 (10)	18
Kwangtung	344	257 (19)	56 (63)	31 (20)
Kwangsi	92	52 (1)	37 (18)	3 (5)
Yunnan	108	55 (1)	51 (20)	2 (3)
Kweichow	37	35 (2)	2	(2)
Liaoning	274	130 (2)	109 (5)	35
Kirin	46	29 (6)	14 (4)	3
Heilungkiang	17	10	5 (1)	2
Jehol	15	5	9 (1)	1
Chahar	20	5 (2)	13	2
Suiyuan	8	3 (3)	3 (2)	2
Ninghsia	4	3	1	—
Singkiang	6	3	2	1
Nanking	28	26	(1)	2
Shanghai..	146	120 (1)	7 (8)	19 (34)
Peiping	76	68 (2)	3 (3)	5 (5)
Tsingtao	8	8	(2)	(5)
East Special District ..	10	9	(2)	1 (2)
Weihaiwei	5	3	1	1

2. *COMPARATIVE STATISTICS SHOWING GEOGRAPHICAL DISTRIBUTION OF STUDENTS IN SECONDARY EDUCATION, 1934–1935*

	Total	*Middle Schools*	*Normal Schools*	*Vocational Schools*
Whole Country	541,479	401,449	93,675	46,355
Kiangsu	41,602	31,074	4,668	5,860
Chekiang..	23,756	19,371	1,033	2,452
Anhwei	13,549	10,428	1,666	1,455
Kiangsi	12,554	9,048	1,460	2,046
Hupeh	20,422	17,078	1,520	1,824
Hunan	32,817	23,339	5,487	3,991
Szechwan	33,565	29,156	2,276	2,133
Sikang	120	—	120	—
Hopei	34,609	20,354	11,360	2,895
Shantung	28,008	16,380	10,421	1,207
Shansi	11,847	9,172	2,102	573
Honan	36,424	24,093	10,513	1,818
Shensi	6,493	4,685	1,198	610
Kansu	3,277	1,658	1,305	314
Chinghai	957	475	329	153
Fukien	15,138	11,383	2,252	1,503
Kwangtung	74,405	58,518	10,936	4,951
Kwangsi	14,599	10,427	3,664	508
Yunnan	14,569	8,830	5,169	570
Kweichow	9,176	8,437	658	81
Liaoning*	32,969	20,621	8,463	3,885
Kirin*	5,502	4,345	952	205
Heilungkiang*	2,366	1,183	881	302
Jehol*	873	323	520	30
Chahar	1,885	1,053	680	152
Suiyuan	1,266	735	299	232
Ninghsia	351	267	84	—
Singkiang	555	350	165	40
Nanking	8,380	7,961	128	291
Shanghai..	33,273	26,604	1,588	5,081
Peiping	20,880	19,768	492	620
Tsingtao	2,679	2,339	137	203
East Special District ..	2,173	1,670	207	296
Weihaiwei	440	324	42	74

* Figures for 1930–1931.

3. *COMPARATIVE FINANCIAL STATISTICS IN SECONDARY EDUCATION, 1934–1935*

	Total	*Middle Schools*	*Normal Schools*	*Vocational Schools*
Whole Country	55,479,399	38,488,340	10,001,123	6,989,936
Kiangsu	4,279,275	2,730,616	710,546	838,113
Chekiang..	2,411,286	1,800,149	264,950	346,187
Anhwei	1,833,424	1,073,355	380,441	379,628
Kiangsi	1,478,042	908,923	217,942	351,177
Hupeh	2,399,798	1,757,244	280,187	362,367
Hunan	2,911,925	1,776,904	505,316	629,705
Szechwan	2,947,740	2,364,048	299,119	284,573
Sikang	5,640	—	5,640	—
Hopei	3,655,766	2,242,669	1,075,957	337,140
Shantung	2,679,320	1,453,186	1,033,223	192,911
Shansi	1,492,145	1,044,598	344,016	103,531
Honan	2,520,068	1,535,324	727,695	257,049
Shensi	707,105	437,273	161,946	107,886
Kansu	399,972	137,454	171,771	90,747
Chinghai	94,551	37,984	38,512	18,055
Fukien	1,938,399	1,316,934	313,762	307,703
Kwangtung	7,387,079	5,557,481	987,542	842,056
Kwangsi	1,330,310	1,043,925	239,512	46,873
Yunnan	518,406	314,349	169,611	34,446
Kweichow	470,559	414,776	51,040	4,743
Liaoning*	2,695,675	1,394,951	760,582	540,142
Kirin*	580,092	400,548	136,472	43,072
Heilungkiang*	422,118	193,143	155,563	73,412
Jehol*	100,766	46,174	47,695	6,897
Chahar	298,799	142,579	110,107	46,113
Suiyuan	160,711	82,531	51,780	26,400
Ninghsia	65,754	46,402	19,352	—
Singkiang	442,961	232,960	166,809	43,192
Nanking	807,018	775,069	15,574	16,375
Shanghai..	4,835,197	4,031,866	365,713	437,618
Peiping	2,595,014	2,336,390	151,947	106,677
Tsingtao	335,731	285,290	33,805	16,636
East Special District* ..	592,150	534,186	—	57,964
Weihaiwei	86,603	39,059	6,996	40,548

* Figures for 1930–1931.

4. *COMPARATIVE STATISTICS IN SECONDARY EDUCATION, DISTRIBUTED ACCORDING TO SCHOOL AND SEX, 1934–1935*

		Number of Schools			*Number of Students*		
		Total	*Boys*	*Girls*	*Total*	*Boys*	*Girls*
All Secondary Schools		3,140	2,608	532	541,479	435,404	106,075
Middle Schools	All Middle Schools	1,912 (170)	1,591 (137)	321 (33)	401,449	327,137	74,312
	Middle Schools and Senior Middle Schools	531 (11)	421 (9)	110 (2)	69,026	57,043	11,983
	Junior Middle Schools	1,381 (159)	1,170 (128)	211 (31)	332,423	270,094	62,329
Normal Schools	All Normal Schools	876 (268)	725 (218)	151 (50)	93,675	71,770	21,905
	Normal Schools	164 (71)	117 (47)	47 (24)	29,093	18,718	10,375
	Rural Normal Schools	22 (4)	20 (4)	2	1,732	1,599	133
	Lower Normal Schools	446 (144)	362 (119)	84 (25)	37,496	29,160	8,336
	Lower Rural Normal Schools	244 (49)	226 (48)	18 (1)	25,354	22,293	3,061
Vocational Schools	All Vocational Schools	352 (135)	292 (111)	60 (24)	46,355	36,497	9,858
	Agricultural Vocational Schools	112 (16)	108 (16)	4	10,181	9,532	649
	Industrial Vocational Schools	119 (40)	104 (37)	15 (3)	15,239	13,578	1,661
	Commercial Vocational Schools	72 (58)	67 (50)	5 (8)	14,300	12,099	2,201
	Home Making Vocational Schools	32 (9)	—	32 (9)	4,412	14	4,398
	Other Vocational Schools	17 (12)	13 (8)	4 (4)	2,223	1,274	949

APPENDIX IV

STATISTICS FOR ELEMENTARY EDUCATION

1. *COMPARATIVE STATISTICS FOR NUMBER OF SCHOOLS IN ELEMENTARY EDUCATION, 1934–1935*

Province and City	*Total*	*Kinder-garten*	*Primary Schools*		*Others*
			Junior	*Senior*	
Whole Country	260,665	1,124	236,101	22,726	714
Province					
Kiangsu	8,946	94	7,719	1,117	16
Anhwei	3,866	39	3,114	710	3
Chekiang..	12,546	78	11,193	1,275	—
Fukien	3,150	107	1,887	1,152	4
Kwangtung	22,831	105	17,569	4,933	224
Kwangsi	18,403	92	17,293	1,018	—
Yunnan	10,774	36	10,017	721	—
Kweichow	1,816	10	1,360	446	—
Hunan	18,989	19	18,167	675	128
Kiangsi	8,699	19	7,523	950	207
Hupeh	3,359	31	2,947	373	8
Szechwan ‡	14,514	90	12,516	1,893	15
Sikang	69	3	50	16	—
Chinghai	605	2	547	56	—
Singkiang	103	—	83	20	—
Kansu	2,889	34	2,500	300	55
Ninghsia	215	—	167	48	—
Shensi	9,145	16	8,835	290	4
Shansi	21,696	18	20,974	704	—
Honan	17,801	51	16,587	1,163	—
Shantung	34,007	36	32,226	1,734	11
Hopei	27,747	20	26,636	1,055	36
Liaoning *	9,228	14	8,627	587	—
Kirin *	1,921	3	1,656	262	—
Heilungkiang *	1,649	4	1,494	151	—
Jehol †	808	—	746	62	—
Chahar	2,085	4	1,986	92	3
Suiyuan	972	2	896	74	—
City					
Nanking	168	24	72	72	—
Shanghai..	893	147	249	497	—
Peiping	169	13	51	105	—
Tsingtao	118	10	31	77	—
East Special District * ..	116	2	66	48	—
Weihaiwei	204	1	169	34	—
Mongolia †	158	—	142	16	—
Tibet †	6	—	6	—	—

* Figures for 1929.
† Figures for 1930.
‡ Figures for 1933.

2. *COMPARATIVE STATISTICS FOR NUMBER OF PUPILS IN ELEMENTARY EDUCATION, 1934–1935*

Province and City	*Total*	*Kinder-garten*	*Primary Schools*		*Others*
			Junior	*Senior*	
Whole Country	13,188,133	59,498	11,972,001	1,123,894	32,740
Province					
Kiangsu	838,140	5,341	751,902	80,054	843
Anhwei	216,790	1,496	188,079	27,103	112
Chekiang	736,139	3,266	667,085	65,788	—
Fukien	279,751	7,440	237,332	34,109	870
Kwangtung	1,637,697	6,987	1,424,636	199,132	6,942
Kwangsi	860,111	5,556	781,249	73,306	—
Yunnan..	563,167	2,263	516,728	44,176	—
Kweichow	145,653	517	126,652	18,484	—
Hunan	730,477	1,175	677,248	43,433	8,621
Kiangsi	402,081	881	355,773	33,765	11,662
Hupeh	216,654	1,931	191,201	23,170	352
Szechwan ‡	762,120	5,485	679,795	76,511	329
Sikang	2,178	54	1,759	365	—
Chinghai	28,350	43	25,878	2,429	—
Singkiang	4,540	—	4,287	253	—
Kansu	133,214	810	118,726	12,252	1,426
Ninghsia	12,495	—	11,322	1,173	—
Shensi	302,970	581	285,503	16,596	290
Shansi	759,460	789	722,481	36,190	—
Honan	868,868	1,773	800,349	66,746	—
Shantung	1,328,805	1,520	1,244,396	82,575	314
Hopei	1,098,322	813	1,043,903	52,764	842
Liaoning *	601,830	631	548,649	52,550	—
Kirin *	131,530	134	116,040	15,356	—
Heilungkiang *	73,992	119	67,072	6,801	—
Jehol †	29,334	—	26,306	3,028	—
Chahar	78,149	128	74,527	3,357	137
Suiyuan..	38,866	65	35,804	2,997	—
City					
Nanking	41,325	1,759	33,158	6,408	—
Shanghai	168,275	6,480	133,478	28,317	—
Peiping	32,029	799	23,857	7,373	—
Tsingtao	30,291	486	25,631	4,174	—
East Special District* ..	13,507	123	11,336	2,048	—
Weihaiwei	21,023	53	19,859	1,111	—

* Figures for 1929.
† Figures for 1930.
‡ Figures for 1933.

3. *COMPARATIVE FINANCIAL STATISTICS IN ELEMENTARY EDUCATION, 1934–1935*

Province and City	*Total*	*Kinder-garten*	*Primary Schools*		*Others*
			Junior	*Senior*	
Whole Country	106,594,685	940,769	81,873,732	23,440,455	339,729
Province					
Kiangsu	6,303,785	70,757	4,779,229	1,440,409	13,390
Anhwei	2,117,235	23,482	1,544,151	549,242	360
Chekiang	5,014,221	43,137	4,174,938	796,146	—
Fukien	2,879,726	83,384	2,068,187	724,043	4,112
Kwangtung	17,982,326	92,317	14,070,190	3,799,450	20,369
Kwangsi	5,073,596	4,599	4,149,011	919,986	—
Yunnan..	4,001,784	28,755	3,098,062	874,967	—
Kweichow	770,779	1,259	561,763	207,757	—
Hunan	5,774,242	18,142	4,478,987	1,048,915	228,198
Kiangsi	2,965,604	22,560	2,400,265	514,719	28,060
Hupeh	2,834,517	41,735	2,091,571	699,927	1,284
Szechwan ‡	5,157,130	56,068	3,560,740	1,538,062	2,260
Sikang	21,726	620	16,734	4,372	—
Chinghai	114,476	—	90,046	24,430	—
Singkiang	122,926	—	111,765	11,161	—
Kansu	612,611	4,870	391,672	210,557	5,512
Ninghsia	227,101	—	179,392	47,709	—
Shensi	1,579,637	5,994	1,166,850	399,967	6,826
Shansi	3,766,638	10,757	3,046,728	709,153	—
Honan	4,904,776	27,296	3,701,503	1,175,977	—
Shantung	8,440,932	64,596	6,732,982	1,635,110	8,244
Hopei	8,758,853	27,086	7,347,455	1,373,608	10,704
Liaoning *	4,777,853	23,500	3,939,682	814,671	—
Kirin *	1,943,617	2,109	1,494,021	447,487	—
Heilungkiang *	1,421,564	3,022	974,280	444,262	—
Jehol †	227,325	—	142,347	84,978	—
Chahar	845,913	1,977	694,137	139,389	10,410
Suiyuan..	374,864	120	305,400	69,344	—
City					
Nanking	813,689	26,690	597,174	189,825	—
Shanghai	4,030,603	193,863	2,701,810	1,134,930	—
Peiping	888,817	38,819	561,368	288,630	—
Tsingtao	468,222	9,475	302,778	155,969	—
East Special District*..	1,269,005	12,596	312,881	943,528	—
Weihaiwei	108,592	1,184	85,633	21,775	—

* Figures for 1929.
† Figures for 1930.
‡ Figures for 1933.

APPENDIX V

1. STATISTICS FOR ADULT SCHOOLS AND OTHER POPULAR EDUCATION SERVICE, 1933–1934

Institutions (Items / Numbers)	Institutions			Finance		
	Total	*Public*	*Private*	*Total*	*Public*	*Private*
GRAND TOTAL	97,591	78,657	18,934	17,487,812	9,470,950	8,016,862
Social Educational Institutions of School Type: TOTAL	45,951	40,354	5,597	4,657,996	3,247,838	1,410,158
Adult Schools	36,929	32,461	4,468	1,975,747	1,639,816	335,931
Folks Reading Centers	5,561	5,030	531	40,425	36,000	4,425
Agricultural, Commercial, and Women's Continuation Schools	2,064	1,761	303	596,624	273,642	322,982
General Continuation Schools	740	568	172	411,464	173,755	237,709
Classes of Phonetics	203	202	1	11,392	10,537	855
Asylums for the Orphan and Destitute Children	158	101	57	994,060	621,500	372,560
Classes of Physical Education	124	85	39	116,792	108,290	8,502
Training Classes for Social and Folk Educational Workers	100	100	—	298,332	298,332	—
Schools for Blind-Mutes	28	11	17	87,967	28,133	59,834
Classes of Dramatics and Songs	17	17	—	12,583	12,583	—
Drama Schools	15	7	8	67,410	1,250	66,160
Reformatory Schools	10	9	1	43,500	43,500	—
Schools for the Mentally Defective Children	2	1	1	1,700	500	1,200
General Social Educational Institutions: TOTAL	51,640	38,304	13,336	12,829,816	6,223,112	6,606,704
Popular Newspaper Centers	18,754	15,123	3,631	334,439	285,956	48,483
Consultation Centers for Reading and Writing	18,539	13,995	4,544	35,450	30,360	5,090
Folk Tea Shops	3,567	836	2,731	268,501	20,118	248,383
Halls for Popular Lectures	1,798	1,535	263	154,705	150,376	4,329
Gymnasiums and Swimming Pools	1,731	1,441	290	462,875	431,136	31,739
Libraries	1,634	1,371	263	1,284,282	1,116,383	167,899
Institutes for Popular Education	1,249	1,238	11	2,905,244	2,898,348	6,896
Other Institutions of Social Education	1,207	822	385	1,223,294	447,951	775,343
Centers of Popular Amusements, Cinema Houses and Theaters	1,083	427	656	5,438,731	189,462	5,249,269
Parks	816	658	158	351,773	343,191	8,582
Societies of Physical Education	443	271	172	48,014	31,416	16,598
Musical Clubs	387	195	192	12,490	5,845	6,645
Experimental Districts of Popular Education	193	193	—	160,369	160,369	—
Institutes for Preserving Ancient Relics	118	114	4	11,537	10,697	840
Museums	68	63	5	120,175	88,475	31,700
Saloon of Fine Arts	53	22	31	17,937	13,029	4,908

1. STATISTICS FOR ADULT SCHOOLS & OTHER POPULAR EDUCATION SERVICE, 1933–1934 (Continued)

Items / Numbers / Institutions	Teachers and Staff			Students		
	Total	Public	Private	Total	Public	Private
GRAND TOTAL	153,691	118,619	35,072	1,496,986	1,284,756	212,230
Social Educational Institutions of School Type: TOTAL	93,479	77,910	15,569	1,496,986	1,284,756	212,230
Adult Schools	80,261	67,799	12,462	1,292,672	1,130,362	162,310
Folks Reading Centers	4,904	4,444	460	74,862	65,311	9,551
Agricultural, Commercial, and Women's Continuation Schools	3,905	2,723	1,182	62,968	43,610	19,358
General Continuation Schools	1,081	428	653	28,932	16,683	12,249
Classes of Phonetics	583	538	45	6,708	6,428	280
Asylums for the Orphan and Destitute Children	992	539	453	15,772	9,455	6,317
Classes of Physical Education	591	477	114	6,729	5,565	1,164
Training Classes for Social and Folk Educational Workers	783	783	—	5,777	5,777	—
Schools for Blind-Mutes	178	56	122	917	355	562
Classes of Dramatics and Songs	58	58	—	407	407	—
Drama Schools	85	15	70	533	174	359
Reformatory Schools	46	45	1	619	589	30
Schools for the Mentally Defective Children	12	5	7	90	40	50
General Social Educational Institutions: TOTAL	60,212	40,709	19,503	—	—	—
Popular Newspaper Centers	11,022	8,775	2,247	—	—	—
Consultation Centers for Reading and Writing	15,077	12,233	2,844	—	—	—
Folk Tea Shops	4,706	612	4,094	—	—	—
Halls for Popular Lectures	2,834	2,658	176	—	—	—
Gymnasiums and Swimming Pools	2,094	1,736	358	—	—	—
Libraries	3,209	2,673	536	—	—	—
Institutes for Popular Education	5,467	5,416	51	—	—	—
Other Institutions of Social Education	1,676	946	730	—	—	—
Centers of Popular Amusements, Cinema Houses and Theaters	7,178	1,209	5,969	—	—	—
Parks	1,151	960	191	—	—	—
Societies of Physical Education	1,973	1,235	738	—	—	—
Musical Clubs	2,459	1,031	1,428	—	—	—
Experimental Districts of Popular Education	580	580	—	—	—	—
Institutes for Preserving Ancient Relics	443	437	6	—	—	—
Museums	220	177	43	—	—	—
Saloon of Fine Arts	123	31	92	—	—	—

2. STATISTICS FOR ADULT SCHOOLS AND OTHER POPULAR EDUCATION SERVICE, 1934–1935

Items / Numbers / Institutions	Institutions			Finance		
	Total	Public	Private	Total	Public	Private
GRAND TOTAL	98,122	81,151	16,971	15,726,523	9,520,270	6,206,253
Social Educational Institutions of School Type: TOTAL	48,528	41,729	6,799	4,140,846	2,887,143	1,253,730
Adult Schools	38,565	33,578	4,987	1,979,172	1,730,264	248,908
Folk Reading Centers	7,369	6,053	1,316	111,796	70,827	40,969
Continuation Schools	1,266	1,053	213	572,792	173,168	399,624
Classes of Phonetics	260	257	3	13,974	13,097	877
Asylums for the Orphan and Destitute Children	159	100	59	638,437	397,036	241,401
Classes of Physical Education	121	69	52	73,199	67,869	5,330
Training Centers for Workers in Popular Education	76	75	1	267,242	265,793	1,449
Schools for Blind-Mutes	26	12	14	81,460	25,450	56,010
Classes of Dramatics and Songs	24	24	—	2,551	2,551	—
Drama Schools	15	9	6	81,712	11,430	70,282
Reformatory Schools	12	12	—	56,283	56,283	—
Schools for the Mentally Defective Children	2	1	1	1,600	400	1,200
Other Institutions	633	486	147	260,628	72,975	187,653
General Social Educational Institutions: TOTAL	49,594	39,422	10,172	11,585,677	6,633,127	4,952,550
Consultation Centers for Reading and Writing	19,675	15,532	4,143	33,302	28,804	4,498
Popular Newspaper Centers	18,209	14,863	3,346	341,524	289,949	51,575
Halls for Popular Lectures	2,033	1,898	135	115,583	108,098	7,485
Folk Tea Shops	1,797	590	1,207	166,621	22,242	144,379
Gymnasiums and Swimming Pools	1,732	1,665	67	388,041	379,350	8,691
Libraries	1,479	1,252	227	1,177,404	1,024,312	153,092
Institutes for Popular Education	1,249	1,230	19	3,146,282	3,132,625	13,657
Centers of Amusements, Theaters and Cinema Houses	1,061	442	619	3,978,504	365,072	3,613,432
Parks	651	611	40	501,007	478,732	22,275
Societies of Physical Education	398	265	133	43,812	29,332	14,480
Musical Clubs	277	200	77	19,541	17,463	2,078
Experimental Districts of Popular Education	208	198	10	239,371	235,271	4,100
Institutes for Preserving Ancient Relics	121	116	5	9,700	9,339	361
Museums	74	68	6	139,615	116,055	23,560
Saloons of Fine Arts	55	23	32	6,051	681	5,370
Other Institutions	575	469	106	1,279,319	395,802	883,517

2. STATISTICS FOR ADULT SCHOOLS & OTHER POPULAR EDUCATION SERVICE, 1934–1935 (Continued)

Items / Numbers / Institution	Teachers and Staff			Students		
	Total	Public	Private	Total	Public	Private
GRAND TOTAL	149,957	117,914	32,043	1,693,930	1,415,696	278,234
Social Educational Institutions of School Type : TOTAL	95,425	79,148	16,277	1,693,930	1,415,696	278,234
Adult Schools	80,821	69,576	11,245	1,353,668	1,178,838	174,830
Folk Reading Centers	6,240	4,602	1,638	212,186	159,588	52,598
Continuation Schools	3,613	1,930	1,683	61,088	30,754	30,334
Classes of Phonetics	662	641	21	8,125	7,939	186
Asylums for the Orphan and Destitute Children	939	560	379	14,635	9,164	5,471
Classes of Physical Education	515	333	182	6,142	4,879	1,263
Training Centers for Workers in Popular Education	595	570	25	5,234	4,925	309
Schools for Blind M-utes	165	53	112	955	371	584
Classes of Dramatics and Songs	46	46	—	739	739	—
Drama Schools	175	47	128	1,367	952	415
Reformatory Schools	47	47	—	3,167	3,167	—
Schools for the Mentally Defective Children	14	8	6	111	45	66
Other Institutions	1,593	735	858	26,513	14,335	12,178
General Social Educational Institutions : TOTAL	54,532	38,766	15,766	—	—	—
Consultation Centers for Reading and Writing	15,913	12,324	3,589	—	—	—
Popular Newspaper Centers	8,912	7,094	1,818	—	—	—
Halls for Popular Lectures	3,178	2,927	251	—	—	—
Folk Tea Shops	2,698	755	1,943	—	—	—
Gymnasiums and Swimming Pools	1,820	1,758	62	—	—	—
Libraries	3,001	2,481	520	—	—	—
Institutes for Popular Education	5,265	5,180	85	—	—	—
Centers of Amusements, Theaters and Cinema Houses	6,194	1,258	4,936	—	—	—
Parks	1,089	1,022	67	—	—	—
Societies of Physical Education	1,612	1,051	561	—	—	—
Musical Clubs	1,543	749	794	—	—	—
Experimental Districts of Popular Education	688	678	10	—	—	—
Institutes for Preserving Ancient Relics	398	395	3	—	—	—
Museums	249	198	51	—	—	—
Saloons of Fine Arts	151	24	127	—	—	—
Other Institutions	1,821	872	949	—	—	—

THE PRESS

CHAO MING-HENG (趙敏恒)

I. HISTORY

The question of when the first newspaper appeared in China has been the subject of much controversy. Some authorities claim that the publication of Chinese newspapers began in the Han dynasty (206–220 A. D.) but this claim has not yet been substantiated. Sun Chiao (孫樵), an author, who lived in the Tang dynasty (618–907 A. D.), frequently referred in his writings to *Kai Yuan* or *Miscellaneous Reports*, which probably marked the beginning of the Chinese press in about 712 A. D. Official gazettes appeared during the Sung dynasty (960–1279 A. D.) and Su Tung-po, the famous poet of that period, wrote: "Read the official gazettes and indulge in idle gossips."

These official gazettes continued to appear in the Ming (1368–1644 A. D.) and Ching (1644–1912 A. D.) dynasties but they published only reports concerning happenings in the royal palaces; political events and the everyday life of the common people received no attention. The first modern newspaper in China, the *Macao Pao*, was published seventy-three years ago (1864) at Macao by a Cantonese, Feng Chiu-fen. The paper went out of existence a year later, and was followed by the *Hsun Huan Pao* of Hongkong and the *Shen Pao* and *Sin Wen Pao* of Shanghai. These three papers are still in existence. After the 1911 revolution the number of Chinese newspapers rapidly increased so that by February 1937, there were about 6,000 newspapers, news agencies and periodicals registered with the Ministry of the Interior.

II. PRESS LAWS

The first press law to be adopted by the Chinese Government was promulgated on December 4, 1914, but dealt chiefly with registration of books. In the same year more specific regulations regarding newspapers were promulgated. These laws and regulations were rescinded in 1916. Supervision of the press was left entirely to the discretion of local governments and police offices, which handled such matters in accordance with existing laws and regulations having some bearing on the press. From time to time the Central Government issued executive orders designed to cope with specific problems whenever they appeared.

With the establishment of the National Government at Nanking, in 1927 it was felt that laws and regulations should be drafted as soon as possible for the registration and control of the Chinese press and a Press Law was officially promulgated by the National Government on December 16, 1930. Consisting of 44 articles, the new measure classified the press under the following headings: (1) books, (2) newspapers and (3) periodicals. No detailed instructions were given, however, as to how the law was to be enforced. With reference to the examination of publications by the National Government and the Central Kuomintang, the Press Law made no provision as to how the two offices should work in co-operation with each other. The Ministry of the Interior, therefore, in consultation with the Publicity Department of the Central Kuomintang, drafted a set of regulations, consisting of 25 articles, governing the application of the Press Law. These regulations were promulgated on October 7, 1931.

In the summer of 1935, upon instructions from the Central Political Council of the Kuomintang, the Legislative Yuan of the National Govern-

ment took steps towards making certain important revisions in the Press Law which met with vigorous opposition from the Chinese press and petitions were presented to the Chinese Government, Central Kuomintang and Legislative Yuan asking that the proposed revisions be reconsidered. Among other things the contemplated revisions would have given the local magistrates, and not the judicial offices, the power to render judgments in proceedings against the press, and would have put the press to great inconvenience regarding the publication of corrections. As a result of these objections the promulgation of the revised Press Law was held up and the Central Political Council of the Kuomintang instructed the Legislative Yuan to reconsider the proposed revisions, which are likely to be completed before the end of 1937.

III. REGISTRATION

In accordance with Article 15 of the Press Law, publishers shall at the time of publication of books or other publications, send two copies to the Ministry of the Interior for examination. In May and July of 1932 the Ministry of the Interior instructed all provincial and municipal governments to inform all publishers that procedures as specified in the Press Law must be observed as regards the registration of new books and other publications. For those books and publications which were published after the date of promulgation of the Press Law but which had not been sent to the Ministry of the Interior for examination, copies of such publications must be sent to the ministry within a period of two months after the receipt of the ministry's circular instruction.

Books and other publications registered at the Ministry of the Interior during the period from May, 1936, to February, 1937[1] totaled:

Social Sciences	276
Natural Sciences	166
Applied Sciences	122
Philosophy	45
Religion	2
Literature	225
History & Geography	102
Arts	59
Language	61
Miscellaneous	54
TOTAL	1,112

IV. NEWSPAPERS AND PERIODICALS

In June, 1932, the Ministry of the Interior instructed all provincial and municipal governments to inform all publishers of newspapers ond periodicals that in accordance with Article 7 of the Press Law and Article 3 of the Regulations Governing the Application of the Press Law, publishers of newspapers or periodicals must in 15 days before the date of the first publication apply in written petitions to the ministry for registration through the provincial or municipal government. The application for registration must contain: (a) name of the newspaper or periodical, (b) address of the newspaper or periodical, (c) interval of publication and (d) names, ages and addresses of the publisher and editor. The provincial and municipal governments are to investigate if the above information is correctly stated in the application, and if the publisher or editor is debarred under Article 10 of the Press Law, which states that those who have no addresses in this country, who are of restricted ability, who are serving prison or detention terms of more than one month, and who have not yet recovered their deprived civil rights are not allowed to be publishers or editors of newspapers or periodicals. After satisfactory investigations are made, the provincial or municipal government may forward the application to the Ministry of the Interior for registration.

Since the registration of newspapers and periodicals began only recently in China, while the majority of the newspapers and periodicals have been duly registered, there are still some which are not registered with the Ministry of the Interior. In order to enforce strictly the Press Law the Ministry

[1] Figures from the Ministry of the Interior compiled by Feng Yu-kun, Director of Police Department of the Ministry of Interior.

of the Interior in August and September of 1932 notified the Ministry of Communications that when newspapers and periodicals registered at the Post Office, such applications must be accompanied by certificates of registration issued by the Ministry of the Interior; otherwise such publications would not receive special press privileges. The provincial and municipal governments were also instructed to info m the newspapers and periodicals registered with the Ministry of the Interior to publish serial numbers of their respective certificates on cover pages. In the case of those newspapers and periodicals which had sent in their applications for registration but had not received certificates from the ministry, they were permitted to publish the dates when applications were made, in order to distinguish them from those publications which had neither registered nor applied for registration, and to facilitate future investigations. Up to May 31, 1936, 5,291 newspapers and periodicals had registered with the Ministry of the Interior, and by February, 1937, the number had increased to 5,996. These figures did not include publications of Chinese Government offices, which are regulated not by the Press Law and are not required to register at the Ministry of the Interior.

Newspapers, news agencies and periodicals respectively registered at the Ministry of the Interior during the period from November, 1931, to March, 1936 totaled:

Newspapers	1,503
News Agencies	788
Periodicals	1,875

The totals of newspapers, news agencies and periodicals registered at the Ministry of the Interior from May, 1936, to February, 1937 were:

Province	*News-papers & News Agencies*	*Periodi-cals*	*Total*
Nanking ..	31	54	85
Shanghai ..	19	52	71
Peiping ..	20	26	46
Tientsin ..	41	21	62
Tsingtao ..	1	0	1
Kiangsu ..	56	24	80
Chekiang ..	30	27	57
Anhwei ..	18	5	23
Hupeh	12	15	27
Kiangsi ..	10	6	16
Hunan ..	19	12	31
Honan ..	5	7	12
Shantung ..	23	5	28
Fukien ..	18	13	31
Szechwan ..	46	27	73
Shensi	6	4	10
Kansu	1	0	1
Kweichow ..	4	1	5
Kwangtung ..	11	6	17
Ninghsia ..	0	1	1
Chahar	1	0	1
Hopei	8	14	22
Suiyuan ..	3	2	5
TOTAL	383	322	705

The total number of newspapers, news agencies and periodicals respectively registered with the Central Publicity Department of the Kuomintang from May 1, 1936, to April 17, 1937 was:[1]

Province	*News-papers*	*News Agen-cies*	*Peri-odicals (Social Scien-ces)*	*Peri-odicals (litera-ture & Arts)*
Nanking	7	8	53	1
Shanghai	12	6	9	12
Kiangsu	66	14	15	4
Chekiang	25	20	9	1
Fukien ..	25	8	3	0
Hunan ..	23	3	5	1
Anhwei	24	9	2	2
Hupeh ..	8	6	12	4
Kiangsi	8	2	4	1
Peiping..	8	15	8	1
Tientsin	8	7	0	2
Hopei ..	5	1	11	0
Shansi ..	1	1	4	1
Shensi ..	5	1	8	0
Suiyuan	2	3	7	0

[1] Figures from the Central Publicity Department of the Kuomintang compiled by Peng Kehchen, Director of News Department of the Central Publicity Department.

Kweichow	3	4	0	0
Kwangtung	3	6	0	0
Canton	2	4	1	0
Shantung	11	10	9	0
Tsingtao	2	1	0	1
Honan	6	4	4	1
Szechwan	21	9	9	2
Kansu ..	2	0	0	0
Hankow	0	0	5	2
Chinghai	1	0	0	0
Kwangsi	0	1	0	0
Chahar	1	0	0	0
Ninghsia	0	0	0	0
Yunnan	0	0	1	0
TOTAL ..	279	143	179	36

The above figures do not include those newspapers, news agencies and periodicals whose registration certificates have been withdrawn or which have already applied for registration but whose registration have not yet been approved.

It is extremely difficult to obtain reliable circulation figures as regards Chinese newspapers. The Ministry of the Interior gives the following circulation figures for the more important dailies:

Shanghai *Shen Pao*	150,000	copies	daily
Shanghai *Sin Wen Pao*	150,000	,,	,,
Shanghai *Shih Shih Hsin Pao*	50,000	,,	,,
Tientsin *Ta Kung Pao*	35,000	,,	,,
Shanghai *Shih Pao*	35,000	,,	,,
Tientsin *Yi Shih Pao*	35,000	,,	,,
Nanking *Central Daily News* ..	32,000	,,	,,
Tientsin *Wu Pao*	25,000	,,	,,
Canton *Kung Ping Pao*	20,000	,,	,,
Canton *Kuo Hua Pao*	16,000	,,	,,
Canton *Min Kuo Jih Pao* ..	15,000	,,	,,
Tientsin *Yung Pao*	15,000	,,	,,
Nanking *Chao Pao*	14,000	,,	,,
Canton *Ta Chung Hua Pao*	12,000	,,	,,
Shanghai *Chung Kuo Wan Pao*	9,000	,,	,,
Peiping *Shih Chieh Jih Pao*	8,000	,,	,,
Peiping *Chen Pao*	7,000	,,	,,
Hankow *Wuhan Jih Pao* ..	7,000	,,	,,
Hanchow *Ming Kuo Jih Pao*	5,000	,,	,,
Kaifeng *Honan Min Pao* ..	5,000	,,	,,

V. PRESS CENSORSHIP

Reactionary and indecent publications are suppressed by the Government in accordance with the Press Law. The Ministry of the Interior and the Publicity Department of the Central Kuomintang have jointly instructed the various local authorities to make special efforts to suppress all undesirable publications. The censors at postal, telegraph and wireless offices are also ordered to detain matter which is prejudicial to national interests and good morals. With reference to publications entering Chinese territory from abroad, the Ministry of Finance has been asked to notify the Customs Administration that all undesirable publications should be detained and destroyed.

During the period from May, 1936, to February, 1937, publications suppressed by the Ministry of the Interior and the reasons therefore were as follows:

Agitating class struggle	23
Attacking the Kuomintang	1
Attacking the National Government	23
Spreading communist propaganda ..	65
Proletarian arts	11
Indecent	2
Miscellaneous	81
TOTAL	206

During 1937 some important changes were made in the personnel of the Central Publicity Department of the Central Kuomintang and the Central Press Censorship Bureau. In March Mr. Shao Li-tze was appointed as Chairman of the Central Publicity Department of the Central Kuomintang succeeding Mr. Liu Lu-yin, who had resigned. Mr. Shao is a veteran newspaperman. He was at one time editor-in-chief of Shanghai *Min Kuo Jih Pao* and from 1927 to 1931 he was secretary-general of the Generalis-

simo's Headquarters. He is a member of the Kuomintang Central Supervisory Committee and was chairman of the Shensi provincial government at the time of the Sian revolt in December, 1936.

At a meeting of the Standing Committee of the Central Executive Committee of the Kuomintang on April 1, 1937, it was decided to place the Central Press Censorship Bureau under the direct supervision of the Central Publicity Department of the Kuomintang. Formerly the bureau was under the control of the National Military Council. General Ho Chung-han, director of the Bureau, resigned and on April 1, 1937, Peng Keh-chen, director of the News Department of the Central Publicity Department, was appointed to act concurrently as director. Sun Tung-chen was made assistant director of the Bureau. The Bureau has three sections to take charge respectively of intelligence, examination and general affairs. Branch press censorship offices have been established as follows:

Branch Offices	*Director*	*Address*
Nanking Branch	Chien Hsiao-ho	10 Shou Kau Li, Hung Wu Road
Shanghai ,,	Chen Keh-chen	3rd Floor, Continental Bldg.
Hankow ,,	Yang Ken-ching	7 Hsieh Lung Peh Li
Peiping ,,	Wang Leng-chieh	34 Hsin Pin Road, Ho Pin Men
Tientsin ,,	Tseng Yi-chi	10 Ching Tang Ma Lu
Changsha ,,	Chen Ping-peh	4 Ta Hsiang Tze, Lo Hsin Tien
Nanchang ,,	Hsu Ting-kwei	182 Chang Shan Road

A set of press censorship regulations was approved by the Standing Committee of the Central Executive Committee of the Kuomintang on October 5, 1933, as follows:

1. Following news reports concerning military affairs should be suppressed or corrected:
   - (*a*) Organization, equipment and location of the country's highest military office, forts, warships, barracks, supplies depot, airdromes, arsenals, survey office and other national defence structures,
   - (*b*) Military plans and programs of national armed forces,
   - (*c*) Military strength, classifications, units and movements of national armed forces, and transportation of military supplies,
   - (*d*) Movements and confidential conversations of high military commanders,
   - (*e*) Meetings and records of military offices,
   - (*f*) Unfriendly or inaccurate military reports,
   - (*g*) Other military reports prejudicial to the interests of the country.

2. Following news reports concerning foreign affairs should be suppressed or corrected:
   - (*a*) Unconfirmed or false reports which are harmful to this country's foreign relations,
   - (*b*) News reports or documents concerning diplomatic negotiations which are proceeding secretly or not yet officially released by the Ministry of Foreign Affairs,
   - (*c*) News reports concerning diplomatic conversations which are not officially released by the Ministry of Foreign Affairs.

3. Following news reports concerning local peace and order should be suppressed or corrected:
   - (*a*) News reports unduly alarming in nature or creating disturbances which may cause serious loss of life and property,
   - (*b*) Alarming rumors to disturb financial markets or having disturbing effects on public life,
   - (*c*) Unwarranted or malicious attacks on responsible Government officials affecting the prestige of the Government.

4. Following news reports concerning social morals should be suppressed or corrected:

(a) Exaggerated reports of indecency or robbery which may have harmful influences,

(b) Reports which are prejudicial to good social morals.

In addition to their using the above regulations for guidance, the press censorship offices are also instructed to carry out their work in accordance with the Press Law, and to follow instructions which may be issued from time to time by the Publicity Department of the Central Kuomintang.

VI. FOREIGN PRESS

Due to the existence of treaty ports and foreign concessions in China and the rapid growth of these treaty ports from unimportant foreign settlements less than a century ago into great commercial as well as political centers, the position of the foreign press is far more important in this country than is commonly the case elsewhere.

Following the promulgation of the Press Law, the Ministry of the Interior requested the Ministry of Foreign Affairs in February, 1933, to notify the embassies and legations of various foreign governments that foreign newspapers and periodicals were required to register with the Ministry of the Interior. Meanwhile the Ministry of the Interior also instructed the postal authorities to inform the various foreign newspapers and periodicals that those publications which were not registered at the ministry would not receive the usual press privileges at the Post Office. In October, 1934, the Ministry of Communications instructed the Post Office to give the foreign newspapers and periodicals which had not been registered at the Ministry of the Interior a period of grace, ending on February, 1935, in which to apply for registration. Upon the request of the Ministry of Foreign Affairs, this time limit was later extended to December 31, 1935. Up to April, 1937 forty-nine, foreign newspapers and periodicals had been registered with the Ministry of the Interior and there were more than thirty foreign publications in this country, mostly Japanese, which had still failed to apply for registration.

Number of registered foreign publications from July, 1935, to April, 1937:

American	20	British	14	Russian	6
French	4	German	3	Japanese	2

Regulations governing the issuance of registration certificates to foreign newspaper reporters and correspondents were promulgated by the Ministry of Foreign Affairs on March 3, 1933, and amended on September 8, 1933. The regulations follow:

Article 1. Foreign newspaper reporters and correspondents who are desirous of pursuing their profession in China must apply to the Intelligence and Publicity Department of the Ministry of Foreign Affairs for certificate of registration.

Article 2. Applicant for the certificate of registration must fill in proper application form (obtainable from the Ministry of Foreign Affairs on request) with a two-inch photograph of the applicant attached thereto together with an identification paper issued by his consulate. Applicant who represents more than one agency or newspaper must obtain separate certificates of registration, each of which, however, is good for any number of destination indicated in the application form.

Article 3. Applicant for the certificate of registration must pay a fee of two dollars, Chinese currency, for each certificate issued.

Article 4. The Intelligence and Publicity Department of the Ministry of Foreign Affairs reserves the right to refuse registration to, and to cancel or withdraw certificates already issued from, applicants who have either acted in contravention of the Chinese Publication Law or carried on malicious propaganda in respect of China.

Article 5. Certificates of registration are valid for a period of two years as computed from the date of issue and must be renewed upon expiration.

Article 6. Applicants who have been granted registration by the Ministry of Foreign Affairs may apply to the Ministry of Communications for their R. T. P. cards.

Article 7. The aforementioned regulations shall apply to Chinese newspaper reporters and correspondents representing foreign newspapers or news agencies with the exception of the provisions of Article 2 concerning identification papers.

Article 8. These regulations may be amended as circumstances may require.

Article 9. These regulations shall come into force on the day of promulgation.

Number of foreign correspondents registered at the Ministry of Foreign Affairs from May 1, 1936, to April 27, 1937.[1]

American	17	Japanese	11
British	13	Russian	2
French	5	Others	6
German	4		

Number of foreign news agencies and newspapers having correspondents in China:

American	6	Japanese	5
British	7	Russian	1
French	4	Others	3
German	4		

Number of foreign news agencies in the more important cities:

Nanking	8	Peiping	4
Tientsin	2	Canton	4
Shanghai	23	Other Cities	14
Hankow	2		

VII. NEWS TRANSMISSION

There has been rapid advancement in communication facilities. Direct long distance telephone communications have been established between Nanking and Canton, Hankow, Sian, and Taiyuan, and rates have been lowered considerably. Marking the advent of a new era in Chinese press history, correspondents stationed in remote parts of China are now enabled to telephone news reports to the headquarters of their respective newspapers and news agencies in Nanking and Shanghai at very low cost.

The lowering by 30 % of press rates for outgoing messages to Europe and America has also greatly increased the volume of press dispatches filed from China to foreign countries. It is expected that this far-sighted decision, made by the government after many years of agitation on the part of foreign press associations will do much to promote better understanding between China and other nations, since only the unrestricted flow of information from one country to another can break down prejudice and ignorance.

The development of Chinese telegraph, wireless and telephone communications bears a close relationship to the growth of the Chinese press. The first Chinese telegraph line was installed in 1879 and wireless was first used by the Chinese in 1899. In 1936 there were 1,404 telegraph offices, 129 radio stations and 36 local telephone offices under the control of the Ministry of Communications.[2]

During 1936 a total of 21 long-distance telephone connections, with an aggregate wire length of 5,790 kilometers, were installed on existing connections and long distance telephone stations were established at about 100 different points. Radiophone communication with Tokyo has been possible since February 15, 1936. Tests have been successfully made with San Francisco and London and it will soon be possible to have regular direct radiophone communication between China and the United States and between China and England. On April 26, 1937, Dr. H. H. Kung, Minister of Finance, then on his way to London to attend the coronation ceremony, spoke with Madame Chiang Kai-shek in Shanghai over the radiophone from Genoa.

New telegraph wires laid in 1936 totalled more than 2,800 kilometers in length. At the same time improvements were made in the transmitters and receivers at various important depots so as to increase the speed of transmission. Altogether 97 additional telegraph stations, telegraph and telephone business offices and agencies were established in 1936. In addition to a 2,000-watt short-wave wireless transmitter installed at Shanghai, a large number of wireless sets, varying in capacity from 100 watts to 500 watts, were put up at Nanking, Hankow, Amoy and other cities. In international wireless telegraphy, the installation at Tientsin of a 1,000 watt wireless set has enabled direct communication with Tokyo since June 1, 1936. To facilitate air mail between China and France, an agreement was

[1] Figures from the Ministry of Foreign Affairs compiled by Dr. T. T. Li, Director of Intelligence and Publicity Department of the Ministry of Foreign Affairs.

[2] Figures from the Ministry of Communications compiled by Dr. Y. C. Wen, Director-General of Telegraphs and Telephones of the Ministry of Communications.

reached with the Central Postal and Telegraph Office of French Indo-China whereby direct wireless communication has been possible between Canton and Hanoi since February 15, 1936. The installation of a 20,000 watt wireless set at Chengju near Shanghai, has now made possible direct wireless communication between China and Europe as well as between China and the United States. An extension of 21,112 kilometers of courier, mail-boat, railway, motor-car and air mail routes was effected in 1936.

The existing regulations governing press telegrams were promulgated by the Ministry of Communications on May 21, 1934, and consist of 28 articles. All newspaper correspondents are required to obtain press cards from the Department of Telegraphs and Telephones of the Ministry of Communications before they may file press messages at telegraph and wireless offices.

PRESS MESSAGES IN 1936

		No. of Messages	*No. of Words*
Domestic Press Messages	Telegraph	75,640	6,929,701
Outgoing Press Messages			
Europe	Cable	2,775	182,041
	Radio	3,445	428,881
America	Cable	1,827	214,166
	Radio	2,287	211,803
Japan	Cable	17,103	717,952
	Radio	4,107	109,656
Incoming Press Messages			
Europe	Cable	2,443	306,177
	Radio	1,177	18,914
America	Cable	1,300	59,957
	Radio	3,595	105,967
Japan ..	Cable	17,989	246,790
	Radio	545	39,142

VIII. OFFICIAL PRESS ORGANS

Central News Agency—The Central News Agency was started by the Central Kuomintang in Nanking in 1927 when the National Government was formally established in that city. With its offices established at the Central Kuomintang Headquarters and under the direct supervision of the Publicity Department of the Central Kuomintang, the organization carried chiefly news concerning Kuomintang activities and sent its services to newspapers in other cities by mail. The real growth of the Central News Agency began in 1931 when Mr. Hsiao Tung-tze became its managing-director. In that year it moved to its own offices outside the Central Kuomintang Headquarters, establishing branch offices in important cities throughout the country, organizing its own network of wireless stations, and concluding news-exchange arrangements with leading foreign news agencies.

Today the Central News Agency is undoubtedly the most important publicity machinery of the Chinese Government. Eleven bureaus have been established respectively at Shanghai, Peiping, Tientsin, Hankow, Canton, Nanchang, Sian, Chungking, Chengtu, Kweiyang and Hongkong, where they distribute their news services to subscribers. Except in Hongkong and Sian all of these bureaus have their own wireless stations in direct communication with the head office at Nanking. Beside the eleven bureaus the agency has twenty-one special staff correspondents stationed at various important news centers. The head office at Nanking handles daily an out-going service of 20,000 words and an incoming-service of 15,000 words. By news-exchange arrangements Reuters (British), Havas (French) and

Trans-Ocean (German) release their news services in Chinese in China through the Central News Agency. The Domei (Japanese), United Press (American) and Tass (Russian) news agencies are discussing with the Central News Agency the possibility of similar arrangements.

In its earlier days the Central News Agency was looked upon by the Chinese and foreign press as a propaganda institution and its services, though distributed free of charge, had difficulty in getting into print. Today it is the leading news agency in China and its services are so complete and of such high standard that no respectable native language newspaper in this country can afford to stay off its subscription list. The growth of the Central News Agency benefits greatly the Chinese press in the interior. The Central News Agency has in Nanking a powerful broadcasting station which broadcasts daily the latest news bulletins. This makes it possible for newspapers in the interior and in the smaller cities, which formerly could not afford to pay for special telegraph services, to compete with influential dailies published in Shanghai or other large centers. People in the interior are also thus kept fully informed of the latest domestic as well as international events.

Not content with its news-exchange arrangements with leading foreign news agencies, the Central News Agency is now making plans to station its own special correspondents in foreign countries. Mr. Chen Peh-sen, former managing-director of the Peiping *Chen Pao*, was sent to Tokyo in June, 1936, as special correspondent in Japan. In view of the importance of Sino-Japanese relations at the present moment, the agency's own interpretations of developments in Japan for publication in the Chinese press and its reports of Chinese news for release to the Japanese press, should render great assistance in the adjustment of Sino-Japanese relations. Preparations are also under way to send special correspondents to Europe and America where they are to be stationed in London and New York respectively. Mr. Feng Yu-tseng, chief of the reporting section of the Central News Agency, was sent to Berlin in June, 1936, to cover the World Olympic Games.

In June, 1936, the Central News Agency had a paid subscription list of 159 newspapers distributed as follows:

Nanking	51
Shanghai	20
Peiping	21
Hankow	20
Tientsin	15
Chungking	9
Chengtu	9
Nanchang	8
Hongkong	6
TOTAL	159

Kuo Min News Agency.—The Kuo Min News Agency was established in Canton at the time of the Kuomintang. anti-northern expedition in 1926. Its offices were moved to Hankow when that port was captured by the Kuomintang troops and later to Shanghai after the establishment of the National Government in Nanking. This agency was the official organ of the Kuomintang for the release of news to the foreign press and from 1926 to 1928 it had a branch office in New York. Formerly it had news exchange arrangements both with the United Press (American) and Trans-Ocean (German) news agencies. With the recent organization and expansion of the Central News Agency, Kuo Min, of which Mr. Lee Choy is director, has become a subsidiary press organ of the Chinese Government.

Central Daily News.—The Central Daily News was founded in February, 1928, in Shanghai but moved its offices to Nanking in February, 1929. As the official organ of the Central Kuomintang and the National Government, the paper soon established its unquestioned position as the leading paper in the Capital. Formerly an eight-page paper, it now has twelve pages and its daily paid circulation has jumped from 7,000 copies in 1929 to 32,000 copies in 1937. The paper moved into its own offices on Chung Shan Road, near the Municipal Center, in 1935 and now represents an investment of $350,000 (Chinese currency).

Not only does the paper attract the public attention because it reflects the

attitude and policy of the Chinese Government, but it has come to be recognized as a well edited and well printed journal. Indicating its widespread popularity, its circulation statistics show that among its subscribers Government offices amount to only 30.03 %. Business and commercial establishments account for 47.15% and the other figures are: social institutions 10.12%, private individuals 8.30 %, and schools and colleges 4.40%. Its readers can be found all over the country and are distributed as follows:

Nanking	55.81	%
Kiangsu	11.31	,,
Honan	5.24	,,
Anhwei	5.03	,,
Shantung	3.41	,,
Hopei	2.73	,,
Kiangsi	2.47	,,
Shansi	.65	,,
Kwangsi	.55	,,
Yunnan	.54	,,
Kweichow	.39	,,
Hupeh	2.10	,,
Chekiang	1.68	,,
Hunan	1.68	,,
Shensi	1.61	,,
Szechwan	1.49	,,
Fukien	1.33	,,
Kansu	.66	,,
Suiyuan	.33	,,
Kwangtung	.31	,,
Chinghai	.05	,,
Chahar	.04	,,
Sinkiang	.05	,,
Foreign Countries	.54	,,

Mr. Chen Tsang-po, managing-editor of the *Central Daily News*, is concurrently a member of the Legislative Yuan and was formerly editorial writer for the Shanghai *China Times*. Mr. Chow Pang-shih is in charge of the editorial department and Mr. Ho Chuan-yu is the head of its business department. The paper has special sections for important domestic news, foreign news, educational and sports news, correspondence from the interior, society news and financial news. Special weekly supplements are published concerning agriculture and industry, history, geography, medicine, drama, women and social research. It carries a daily literary page and on Wednesday and Sundays a pictorial page.

IX. SUPPLY OF NEWS PRINT

The phenomenal rise in the price of imported news print is a grave problem now confronting the Chinese press.

As paper manufactured in this country is not suitable for the modern printing process, the Chinese press is dependent on imported news print for the production of newspapers, magazines and books. Formerly it was possible to purchase the average grade of imported news print at $2.70 (Chinese currency) per ream. Late in 1936, however, the price of imported news print rose to unprecedented levels. At the time of writing the figure stands at $5.50 or $5.60 per ream and many observers believe that the price will go still higher. The cause of this sudden rise is obscure. Some suggest that there is a shortage of imported news print while others maintain that the rise has been due to manipulation by unscrupulous merchants.

Whatever the cause may be, the Chinese press is now faced with a most serious handicap which threatens to put many of the smaller newspapers out of existence. In a few big cities like Shanghai, Tientsin and Canton the situation, while difficult, is less acute than in the interior. The bigger papers obtain their principal income from advertising revenue, and, being in a better financial position, are able to order their news print direct from manufacturers abroad. In the interior, however, the papers get very little revenue from advertisements and they are obliged to purchase their supplies in small quantities from local agents. At present prices it costs such a paper about one cent (Chinese currency) for the news print used in one copy of its daily issue. This figure does not include the cost of printing, paper wastage or expenses connected with the editorial and business departments of the paper. From direct subscribers the paper gets about two and half cents per copy. But as the Chinese newspapers rely for their circulation largely on sales through agents who pay the paper one cent per copy, the situation is naturally alarming.

Chinese newspapers throughout the country have made repeated representations to the government urging the immediate adoption of measures to solve the news print problem. They

have proposed that either the price of the commodity be regulated or plants be established in China for the manufacture of news print. In response to these suggestions the Ministry of Industry is now making plans to establish a paper mill in Wenchow, Chekiang, to which region experts have been dispatched for the purpose of investigating available resources for raw material and water power. It was decided on April 23, 1937, that the proposed plant should have a capital of $3,200,000, the government to raise $2,500,000 while various publishers and bankers were to furnish $1,700,000. In addition to this sum, £330,000 ($4,000,000) will be allotted from the British Boxer Indemnity Fund. The plant will have a daily output of 35 tons, or 2,240 pounds of news print and its annual output will amount to 12,250 long tons. At present the *Shun Pao*, *Sin Wan Pao*, *Eastern Times* and *China Times* consume between them nearly 20,000 tons of news print paper annually, and the Commercial Press, Chung Hwa Book Company, World Book Company and other Chinese publishers in Shanghai use very large quantities of this class of paper. In 1934 China imported $46,000,000 worth of news print, representing about 34% of the total paper import. If the educational and industrial demand continues to develop at its present pace China's consumption of news print is bound to increase. As the output of the projected plant will not be sufficient to meet the requirements even of Shanghai, the ministry feels that there will be no difficulty in disposing of the output when production starts in 1938.

PUBLICATIONS

Y. W. Wong (王雲五)

I. STATISTICS OF PUBLICATIONS

Accurate statistics of publications are, to a certain extent, the most reliable indication of trends in the intellectual life of a nation. Not only do they show the growth or decline of public interest in the world of knowledge, but they make it possible to form a conception of the cause and tendency, the existing conditions and future prospect of the national mental phenomenon. A comparative study of the statistics of several successive years shows the vicissitudes of this mental phenomenon among the various branches of world knowledge in a remarkably strong light. Unfortunately, it is still the case that statistics on this subject in China to-day can be regarded as hardly adequate, though a steady effort has been made and some progress has been attained in this direction. In preparing this article, the writer has resorted to data obtained from every source generally considered as reliable. While his observations, therefore, cannot be taken as conclusive, they are probably not far from the facts.

A. Books: 1. *Statistics of Books Published in the Year 1936 by the Six Leading Houses.*—According to the statistics of the six leading publishers in China, the Commercial Press, Ltd. (商務印書館), the Chung Hwa Book Company (中華書局), the World Book Company (世界書局), the Cheng Chung Book Company (正中書局), the Kai Ming Book Company (開明書局) and the Ta Tung Book Company (大東書局), the new publications for the year 1936 may be divided into three classes and tabulated as follows:

TABLE 1. BOOKS FOR GENERAL READING

Classification	Commercial Press			Chung Hwa			World Book Co.		
	No. of Kinds	No. of Vols.	Value in $	No. of Kinds	No. of Vols.	Value in $	No. of Kinds	No. of Vols.	Value in $
General Works ..	14	15	7.00	8	13	7.20	11	19	26.45
Philosophy	50	51	51.35	9	13	6.90	7	11	4.90
Religion	7	9	29.85	—	—	—	—	—	—
Social Sciences ..	286	319	441.12	73	88	57.13	17	17	14.26
Philology	25	32	32.23	20	25	9.40	26	26	29.08
Natural Science ..	106	119	85.05	15	15	8.05	5	5	8.70
Useful Arts	101	104	122.63	21	21	17.05	7	7	3.01
Fine Arts	74	86	104.70	39	51	98.43	14	15	4.68
Literature	167	225	185.45	79	302	107.13	50	56	49.78
History and Geography	96	204	273.20	28	38	24.30	14	17	23.40
Total	926	1,164	1,332.58	292	566	335.59	151	173	164.26

Classification	Cheng Chung			Kai Ming			Ta Tung		
	No. of Kinds	No. of Vols.	Value in $	No. of Kinds	No. of Vols.	Value in $	No. of Kinds	No. of Vols.	Value in $
General Works ..	3	3	1.00	3	3	13.00	1	1	.20
Philosophy	10	13	5.97	4	4	1.10	2	2	.32
Religion	—	—	—	—	—	—	—	—	—
Social Sciences ..	78	207	95.26	6	6	2.55	18	26	16.72
Philology	7	7	3.40	14	14	7.40	2	5	.45
Natural Science..	9	9	11.45	11	11	4.65	—	—	—
Useful Arts.. ..	22	22	14.30	3	3	1.75	3	15	9.10
Fine Arts	19	19	6.25	9	9	3.10	2	2	1.40
Literature	12	12	7.00	24	32	16.90	1	1	.10
History and Geography	26	35	24.45	17	17	6.45	2	2	.50
TOTAL	186	327	169.08	91	99	56.90	31	54	28.79

TABLE 2. SERIAL PUBLICATIONS

Publishers	Titles	Totals		
		No. of Kinds	No. of Vols.	Value in $
Commercial Press	1. "*Tsorng Shu Jyi Cherng*," First Series, 2nd & 3rd Collections.	1,261	1,600	280.00
	2. First Series of "*Szu Pu Tsung Kan*," Small Edition, 1st, 2nd and 3rd Collections.	323	430	250.00
	3. Third Series of "*Szu Pu Tsung Kan*," 3rd and 4th Collections.	54	300	135.00
	4. Second Series of "The Complete Library," 3rd and 4th Collections.	156	807	221.24
	5. Selected Series of "Basic Chinese Classical Works."	50	120	30.00
	6. Library of "Supplementary Readers for Elementary School Students," 2nd Collection.	295	380	38.00
TOTAL		2,139	3,637	954.24
Chung Hwa Book Co.	1. "*Tu Shu Jyi Cherng*," 4th and 5th Collections.	7	194	194.00
	2. "*Szu Pu Bai Yao*," Cloth Bound Edition.	132	27	151.20
	3. "The Middle School Students' Library."	128	150	32.00
	4. "Children's Library."	270	338	27.04
	5. "Supplementary Readers Library."	120	120	11.00
TOTAL		657	829	415.24

World Book Company	1. "Chinese Medical Series." 2. "Rare Volumes of Chinese Medical Works."	1 1	14 14	20.00 25.00
TOTAL		2	28	45.00
Cheng Chung	———	—	—	—
Kai Ming	1. "Supplement to the Twenty-Five Dynastic Historics." 2. "Sixty Lyrical Works."	1 60	3 60	30.00 36.00
TOTAL		61	63	66.00
Ta Tung	1. "Chinese Medical Series," 1st Collection.	40	100	15.00
GRAND TOTAL		2,899	4,657	1,495.48

TABLE 3. TEXTBOOKS

Classification	*Commercial Press*			*Chung Hwa*			*World Book Co.*		
	No. of Kinds	*No. of Vols.*	*Value in $*	*No. of Kinds*	*No. of Vols.*	*Value in $*	*No. of Kinds*	*No. of Vols.*	*Value in $*
For Elementary Schools	21	50	8.71	20	49	8.82	4	16	1.26
For Middle Schools	24	40	20.19	33	69	35.88	6	14	4.41
For Normal and Vocational Schools	12	13	10.74	14	26	13.71	—	—	—
For Colleges and Universities ..	42	54	131.10	8	9	17.50	—	—	—
TOTAL	99	157	170.74	75	153	75.91	10	30	5.67

Classification	*Cheng Chung*			*Kai Ming*			*Ta Tung*		
	No. of Kinds	*No. of Vols.*	*Value in $*	*No. of Kinds*	*No. of Vols.*	*Value in $*	*No. of Kinds*	*No. of Vols.*	*Value in $*
For Elementary Schools	—	—	—	6	16	2.80	2	2	.10
For Middle Schools	18	30	13.76	2	3	1.28	10	15	3.78
For Normal and Vocational Schools	21	35	17.48	—	—	—	—	—	—
For Colleges and Universities ..	—	—	—	—	—	—	—	—	—
TOTAL	39	65	31.24	8	19	4.08	12	17	3.88

2. *Statistics of Books Published in the Whole Country.*—The following statistics of new books published in the year 1936 by publishers in the whole country, including the six establishments mentioned in the previous section, is based on the advertisements of new publications in the leading newspapers of the country, such as the *Shun Pao* (申報), the *Sin Wan Pao* (新聞報) and the *Ta Kung Pao* (大公報) of Shanghai; and the *Morning Post* (晨報) of Peiping. Efforts have also been made, however, to secure information regarding those new works which have not received any newspaper publicity. In the absence of more accurate statistics, the following figures may be taken as a tentative estimate:

TABLE 4. STATISTICS OF BOOKS PUBLISHED IN THE YEAR 1936 IN ACCORDANCE WITH PUBLISHING AGENTS

Classification	Individuals			Societies			Publishers		
	No. of Kinds	No. of Vols.	Value in $	No. of Kinds	No. of Vols.	Value in $	No. of Kinds	No. of Vols.	Value in $
General Works	1	1	.90	11	11	15.10	2,043	3,736	1,408.80
Philosophy	3	4	3.50	5	12	8.80	122	141	104.41
Religion	—	—	—	4	44	53.00	9	11	30.90
Social Sciences	23	24	40.61	55	57	89.35	1,926	2,502	1,086.65
Philology	6	6	4.60	4	4	30.60	160	195	152.60
Natural Science	—	—	—	7	7	7.43	210	229	199.39
Useful Arts	19	26	44.00	39	49	56.10	306	449	412.99
Fine Arts	6	13	12.10	23	25	91.17	229	301	285.25
Literature	4	5	3.70	10	12	12.15	644	993	617.99
History & Geography	7	7	4.00	33	105	98.73	274	469	553.24
TOTAL	69	86	113.41	191	326	462.43	5,923	9,026	4,852.22

TABLE 5. STATISTICS OF BOOKS PUBLISHED IN THE YEAR 1936 BY VARIOUS PUBLISHERS (INCLUDING THE SIX LEADING ONES) IN ACCORDANCE WITH THEIR LOCALITIES

Classification	Nanking			Shanghai			Canton		
	No. of Kinds	No. of Vols.	Value in $	No. of Kinds	No. of Vols.	Value in $	No. of Kinds	No. of Vols.	Value in $
General Works	7	11	65.80	2,046	3,735	1,357.50	—	—	—
Philosophy	17	17	7.22	105	128	97.14	2	3	1.35
Religion	—	—	—	13	55	83.90	—	—	—
Social Sciences	155	268	177.50	1,801	2,260	963.25	7	8	6.70
Philology	9	9	5.15	148	175	138.05	5	7	3.10
Natural Science	9	9	11.45	197	215	182.44	1	1	.70
Useful Arts	26	48	37.36	315	444	445.93	1	1	1.40
Fine Arts	20	20	6.35	212	287	285.42	3	3	1.10
Literature	19	28	33.80	625	955	561.89	2	2	1.40
History & Geography	30	39	27.25	259	441	513.09	1	1	.20
TOTAL	292	449	371.88	5,721	8,695	4,628.61	22	26	15.95

Classification	Tientsin			Peiping			Hankow			Others		
	No. of Kinds	No. of Vols.	Value in $	No. of Kinds	No. of Vols.	Value in $	No. of Kinds	No. of Vols.	Value in $	No. of Kinds	No. of Vols.	Value in $
General Works	—	—	—	—	—	—	—	—	—	2	2	1.50
Philosophy	2	6	3.00	2	4	6.30	2	2	1.70	—	—	—
Religion	—	—	—	—	—	—	—	—	—	—	—	—
Social Sciences	12	13	20.60	17	18	37.71	2	3	7.00	10	10	3.85
Philology	3	3	3.50	7	11	38.00	—	—	—	—	—	—
Natural Science	1	1	.40	7	8	8.63	—	—	—	2	2	3.20
Useful Arts	1	1	.80	4	4	7.10	—	—	—	17	26	20.50
Fine Arts	1	1	.75	20	25	89.90	—	—	—	2	3	5.00
Literature	3	3	1.35	7	20	34.10	1	1	.40	1	1	.90
History & Geography	2	2	1.70	17	40	58.73	1	1	1.00	4	57	54.00
TOTAL	25	30	32.10	81	130	280.47	6	7	10.10	38	101	88.95

TABLE 6. STATISTICS OF BOOKS PUBLISHED IN THE YEAR 1936 BY VARIOUS PUBLISHERS (INCLUDING THE SIX LEADING ONES) IN ACCORDANCE WITH THEIR LIST PRICES

Prices	General Works		Philosophy		Religion		Social Sciences		Philology	
	No. of Kinds	No. of Vols.	No. of Kinds	No. of Vols.	No. of Kinds	No. of Vols.	No. of Kinds	No. of Vols.	No. of Kinds	No. of Vols.
Under $ .50	1,685	2,399	68	72	8	11	1,213	1,228	65	66
$.51– 1.00	162	227	24	25	2	4	550	556	53	55
$1.01– 2.00	132	605	27	27	—	—	146	148	33	34
$2.01– 3.00	56	312	6	6	—	—	36	140	13	18
$3.01– 4.00	2	2	2	3	—	—	28	134	1	2
$4.01– 5.00	4	4	—	—	—	—	8	54	—	—
$5.01–10.00	1	1	1	10	—	—	13	111	1	2
$11.00–50.00	13	198	2	14	3	40	10	212	4	28
TOTAL	2,055	3,748	130	157	13	55	2,004	2,583	170	205

Prices	Natural Science		Useful Arts		Fine Arts		Literature		History & Geography	
	No. of Kinds	No. of Vols.	No. of Kinds	No. of Vols.	No. of Kinds	No. of Vols.	No. of Kinds	No. of Vols.	No. of Kinds	No. of Vols.
Under $ .50	94	97	120	167	95	114	361	366	134	155
$ .51– 1.00	67	70	110	141	69	75	148	204	89	146
$1.01– 2.00	23	23	51	60	46	50	116	128	45	83
$2.01– 3.00	19	19	38	40	25	37	13	24	12	35
$3.01– 4.00	6	6	19	21	16	18	7	14	8	10
$4.01– 5.00	3	3	14	15	3	5	2	2	6	16
$5.01–10.00	3	3	10	50	1	2	5	52	15	85
$11.00–50.00	2	15	2	30	3	38	6	220	5	51
TOTAL	217	236	364	524	258	339	658	1,010	314	581

B. Newspapers and Magazines.— According to the statistics of the Ministry of the Interior, the number of newspapers and magazines existing in the country in the year 1936 was as follows:

TABLE 7. STATISTICS OF NEWSPAPERS AND MAGAZINES REGISTERED WITH THE MINISTRY OF THE INTERIOR FROM THE YEAR 1936

Name of City or Province	*Newspapers*	*Magazines*	*Total*
Nanking	24	88	112
Shanghai	23	109	132
Tientsin	56	26	82
Peiping	29	34	63
Tsingtao	1	—	1
Kiangsu	81	27	108
Chekiang	39	28	67
Anhwei	28	5	33
Hunan	26	12	42
Szechwan	48	19	67
Fukien	20	16	36
Hopei	12	23	36
Honan	13	13	26
Hupeh	12	22	34
Shantung	25	13	38
Shansi	2	2	4
Shensi	8	4	12
Suiyuan	2	3	5
Kiangsi	13	6	19
Chinghai	—	1	1
Kweichow	3	—	3
Kwangtung	9	4	13
Chahar	—	2	2
Kansu	2	—	2
Ninghsia	—	1	1
TOTAL	476	458	939

II. SOME FEATURES

Growth of Literary Works. — To have a general idea of the new tendency in the publication world of China in 1936 it is necessary to refer to the statistics of books published during the year by publishers throughout the country in accordance with their classification.

TABLE 8. STATISTICS OF BOOKS PUBLISHED IN THE YEAR 1936 BY PUBLISHERS OTHER THAN THE SIX LEADING ONES IN ACCORDANCE WITH THEIR CLASSIFICATION

Classification	*No. of Kinds*	*No. of Vols.*	*Value in $*
GENERAL WORKS:			
Bibliography	7	10	23.30
Library Science	4	4	8.40
General Encyclopedias	4	5	14.50
Chinese Culture	10	12	54.95
Journalism	2	2	1.40
TOTAL	27	33	102.55

PHILOSOPHY:			
Philosophy in General	9	9	5.85
Chinese Philosophy	14	22	22.20
Western & Eastern Philosophy	6	6	4.25
Psychology	1	2	1.50
Logic	1	1	.60
Ethics	13	14	7.52
TOTAL	44	54	41.92
RELIGION:			
Religion in General	2	2	.85
Buddhism	3	42	52.00
Christianity	1	1	1.20
TOTAL	6	45	54.05
SOCIAL SCIENCES:			
Social Science in General	9	9	6.46
Statistics	4	4	6.20
Political Science	55	56	27.35
Economics	70	72	73.78
Law	42	50	75.37
Administration	51	53	54.33
Military Science	5	5	5.35
Education	348	542	69.27
Commerce & Communication	20	22	51.71
Customs	10	11	7.58
TOTAL	614	824	377.40
PHILOLOGY:			
Philology in General	1	1	.35
Chinese Philology	40	56	64.31
Japanese ,,	12	15	20.05
French ,,	1	1	.25
Russian ,,	1	1	1.50
TOTAL	55	74	86.46
NATURAL SCIENCE:			
Natural Science in General	3	3	.80
Mathematics	14	14	17.13
Astronomy	2	2	.90
Physics	9	12	19.53
Chemistry	6	6	11.30
Geology	1	1	2.00
Biology	5	5	2.38
Zoology	4	4	4.45
TOTAL	44	47	58.49
USEFUL ARTS:			
Medicine	66	88	98.65
Engineering	26	52	50.36
Agriculture	24	24	24.85
Home Economy	2	2	1.40
Business Practice	4	4	8.90
Chemic Technology	5	5	11.50
Building Construction	7	12	30.70
TOTAL	134	187	226.36
FINE ARTS:			
Fine Arts in General	5	24	7.60
Sculpture	7	10	71.20
Painting	21	38	13.86
Chinese Painting & Calligraph	25	33	40.60
Photography	19	24	20.90
Music	11	11	4.17
Amusement	11	14	9.75
TOTAL	99	154	168.08

LITERATURE:			
Literature in General	24	26	13.75
Chinese Literature	177	220	178.61
English ,,	6	6	4.55
German ,,	3	3	2.50
French ,,	2	2	.55
Others	28	33	20.50
TOTAL	240	290	220.46
HISTORY AND GEOGRAPHY:			
Civilization	4	4	1.80
Geography	49	135	119.30
Biography	29	69	57.50
History	19	40	39.49
TOTAL	101	248	218.09
GRAND TOTAL	1,364	1,957	1,553.86

TABLE 9. STATISTICS OF BOOKS PUBLISHED IN THE YEAR 1936 BY VARIOUS PUBLISHERS (INCLUDING THE SIX LEADING ONES) IN ACCORDANCE WITH THEIR CLASSIFICATION

Classification	*No. of Kinds*	*No. of Vols.*	*Value in $*
GENERAL WORKS:			
Bibliography	11	17	36.42
Library Science	7	7	9.62
Reading and Aids	2	2	1.40
General Encyclopedias	4	5	14.50
Chinese Culture	22	27	70.55
Journalism	2	2	1.40
Polygraphy	2,007	3,688	1,290.88
TOTAL	2,055	3,748	1,424.77
PHILOSOPHY:			
Philosophy in General	26	36	32.09
Chinese Philosophy	38	48	39.17
Western & Eastern Philosophy	10	10	8.30
Psychology	17	18	16.15
Logic	7	7	3.95
Ethics	32	38	18.40
TOTAL	130	157	11.806
RELIGION:			
Religion in General	3	3	2.05
Buddhism	7	47	63.45
Christianity	3	5	18.40
TOTAL	13	55	83.90
SOCIAL SCIENCES:			
Social Science in General	608	736	153.49
Sociology	12	12	13.90
Statistics	11	12	95.30
Political Science	101	108	64.70
Economics	183	191	203.24
Law	89	120	176.52
Administration	81	88	92.43
Military Science	9	13	24.15
Criminology	3	3	2.80
Insurance	2	2	.60
Education	852	1,241	294.45

Commerce and Communication	37	40	81.20
Customs	16	17	13.83
TOTAL	2,004	2,583	1,216.61
PHILOLOGY:			
Philology in General	1	1	.35
Chinese Philology	64	72	64.29
Japanese ,,	13	17	21.55
English ,,	88	111	97.06
French ,,	3	3	3.05
Russian ,,	1	1	1.50
TOTAL	170	205	187.80
NATURAL SCIENCE:			
Natural Science in General	53	56	26.26
Mathematics	43	45	45.50
Astronomy	12	12	8.10
Physics	30	33	36.53
Chemistry	28	38	49.60
Geology	6	7	4.80
Biology	31	31	20.33
Botany	7	7	4.75
Zoology	7	7	10.95
TOTAL	217	236	206.82
USEFUL ARTS:			
Useful Arts in General	63	138	43.26
Medicine	109	156	165.83
Engineering	61	90	11.036
Agriculture	66	68	76.35
Home Economy	10	10	6.74
Business Practice	22	24	36.30
Chemic Technology	20	20	27.55
Manufacturing	5	5	5.80
Building Construction	8	13	40.90
TOTAL	364	524	513.09
FINE ARTS:			
Fine Arts in General	55	88	51.12
Sculpture	13	16	75.85
Painting	35	52	24.45
Chinese Painting & Calligraph	76	96	152.80
Photography	23	28	24.80
Music	37	37	45.90
Amusement	19	22	13.50
TOTAL	258	339	338.42
LITERATURE:			
Literature in General	98	101	67.75
Chinese Literature	435	759	468.57
Japanese ,,	10	10	7.60
English ,,	40	59	37.17
German ,,	14	14	8.80
French ,,	25	25	18.55
Others	36	42	25.40
TOTAL	658	1,010	633.84
HISTORY AND GEOGRAPHY:			
Civilization	23	45	45.20
Geography	120	215	160.12
Biography	78	153	97.35
History	93	168	353.30
TOTAL	314	581	655.97
GRAND TOTAL	5,369	9,438	5,429.28

Comparing the foregoing statistics with those for the years 1934 and 1935, it will be seen that publication activities in China in 1936 attained a steady progress from 6,197 volumes to 9,223 volumes, and from 9,223 volumes to 9,438 volumes. The portion contributed to this growth by the Commercial Press still predominated the whole circle of publications, its annual output being increased from 4,293 volumes to 4,958 volumes. In this general growth of publications the peculiar feature of the year 1936 is the unique rise in the number of literary works published. While in 1934 this subject accounted for 796 volumes out of a grand total of 6,197 and dropped to 491 volumes of a grand total of 9,223 in 1935, it not only revived its position in the 1934 percentage in 1936 but exceeded it in number, accounting for 1,010 volumes out of 9,438, and an increase of 519 volumes as against the 1935 figure of 491 volumes. The next greatest growth was seen in the publication of useful arts, from 374 to 524 volumes, followed by philology from 170 to 205 volumes, fine arts from 316 to 339 volumes, and history and geography from 569 to 581 volumes.

While the public attention turned to the foregoing branches of knowledge, there was a concomitant decrease in other subjects. The greatest decrease in the classes of publications in 1936 was seen in general works, which totaled only 3,748 volumes as against 4,043 volumes in 1935; religion, 55 volumes as against 176 volumes; social science, 2,583 volumes as against 2,647 volumes; natural science, 236 volumes as against 270 volumes; philosophy, 157 volumes as against 167 volumes. The following comparative figures of the publications of the country for the years 1935 and 1936 may give us a more or less definite idea of the movements in the mental sphere of the nation.

Classification	*Number of Volumes in 1935*	*Number of Volumes in 1936*	*Difference*
General Works	4,043	3,748	− 295
Philosophy	167	157	− 10
Religion	176	55	− 121
Social Science	2,647	2,583	− 64
Philology	170	205	+ 35
Natural Science	270	236	− 34
Useful Arts	374	524	+ 150
Fine Arts	316	339	+ 23
Literature	491	1,010	+ 519
History and Geography	569	581	+ 12
TOTAL	9,223	9,438	+ 215

Attention has already been called to the sudden jump in the production of literary works. But, looking at it from a broader viewpoint, there was little decrease in the public interest in social science, which still retained the second highest number in the grand total of the publications of 1936. And from a more specific point of view, the publications devoted to general social science even increased from 30 volumes in 1935 to 736 volumes in 1936. This enthusiasm for the solution of various social problems clearly reflects the Chinese psychic and mental activities in the national and international situation of the country in the year 1936. A collateral development to the growth of public interest in general social works is the increase of newspapers and magazines. Elsewhere in this article it has been mentioned that in the single year 1936 the number of newspapers registered at the Ministry of the Interior was 477 and that of magazines 462. This comparatively large number of new registrations is a promising prospect for the national intellectual life.

MOTION PICTURES

CHANG PEI-HAI (張北海)

I

The motion picture was first introduced into China by a Spaniard named Ramos at Shanghai early in the year 1904, and by several Christian missionaries at Hongkong and Canton in the following year. In the course of the three succeeding decades great progress has been made along all of the three main lines of this "Art Industry" —viz: production, exhibition and distribution. However, everything has its dark side as well as its bright one, and this applies to the introduction of foreign motion pictures into China. While China may have gained much from foreign films, she has also absorbed much that is detrimental to her social life. For instance, the effect of the "gangster" pictures on the minds of the people has been a contributing factor in the increase of crime in our larger cities. Such films unfortunately have not been without influence on Chinese production.

As regards the development of the industry itself, a reference to the statistical table below will show that from the few theatres of several years ago the number of cinemas in China has now increased to more than 320, spread over 20 provinces with a total investment of over two billion dollars.

More than 100 studios have been erected and about $4,000,000 has been attracted to this field of investment. The number of daily attendances has increased enormously during the last few years. While they cannot compare with those of Europe and America, the figures given above are of significance as indicating the growth of the local industry.

TABLE 1. NUMBER OF THEATRES IN CHINA

Province	*No. of Theatres*	*Total Seating Capacity*
Kiangsu	71	842,000
Chekiang	13	13,000
Anhwei	7	7,000
Kiangsi	6	6,000
Hunan	26	26,000
Hupeh	13	14,000
Honan	12	12,000
Hopei	34	34,000
Shansi	3	3,000
Shensi	3	3,000
Szechwan	10	10,000
Shantung	20	20,000
Yunnan	4	4,000
Kweichow	4	4,000
Kwangtung	46	48,000
Kwangsi	8	8,000
Fukien	19	19,000
North-East Provinces	18	18,000
Kansu and Ninghsia..	3	3,000

II

Each year the films produced in China show an unquestionable improvement in technique, etc. over those of the preceding years. While China has not been able to keep pace with European and American production, it must be remembered that the Chinese motion picture industry has a history of less than 20 years behind it and its development has been hampered by inadequate capital, inexperienced technicians and inferior equipment. However, the Chinese motion picture industry has on the whole made clearly defined progress. Better actors and writers are gradually being attracted to the industry, many well-known stage actors having forsaken the stage for the screen.

III

From 1924 onward the government began to take an interest in the potentialities of the film and a motion picture section, directed by the late Mr. Huang Ying, was set up under the Publicity Department of the Central Executive Committee of the Kuomintang. During the Northern Expedition of the National Revolutionary Forces a certain number of documentary films were made. This section was at first a technical rather than an administrative body. Until 1929 the Film Censors Board was organized under the administration of both the Ministry of Education and the Ministry of the Interior, but in the same year certain members of the abovementioned section were appointed by the Publicity Department of the C. E. C. to supervise the Film Censors Board, thus changing its functions from a technical to a more administrative and political nature.

In the following year, as the industry in China increased in importance, the C. E. C. decided to organize a "Motion Picture Direction and Guidance Committee," in which many of the prominent members of the C. E. C. participated. On the other hand, the powers of the motion picture section of the Publicity Department were also proportionately enlarged, so that today it is not only an agency for the manufacture of films but also an authority for the film industry on all matters within its sphere.

The Film Censors Board operated for a little over three years. From March 18, 1934, in pursuance of the resolution of the 109th meeting of the C. E. C., it ceased to function and surrendered all its official equipment and effects to its legal successor, the newly created Central Board of Motion Picture Censors, which was placed under the Motion Picture Direction and Guidance Committee of the Kuomintang. The Central Board has functioned since then with increasing efficiency.

In 1935 the motion picture section of the publicity department was enlarged and re-organized as a division of motion picture affairs. It included after its re-organization two administrative sections and one motion picture studio. The studio is the Central Motion Picture Studio under the direction of Mr. Fanai Chang and is situated on Lotus Lake, Nanking.

MOTION PICTURES CENSORED BY THE CENTRAL BOARD OF MOTION PICTURE CENSORS DURING 1936 (official figures)

Make	*Features*		*Shorts*	
	Number	*Metres*	*Number*	*Metres*
Chinese ..	51	142,425	21	8,375
American	291	781,544	778	247,069
British ..	13	30,635	8	2,357
Russian ..	10	23,312	12	6,271
French ..	3	8,360	—	—
German ..	1	3,128	14	9,623

MOTION PICTURES CENSORED BY THE CENTRAL BOARD OF MOTION PICTURE CENSORS 1931–1936

Year	*Foreign Films*	*Chinese Films*
1931	2,262,780 m.	1,117,376 m.
1932	1,494,379 m.	317,227 m.
1933	944,174 m.	265,530 m.
1934	1,007,702 m.	327,832 m.
1935	1,674,527 m.	267,843 m.
1936	1,065,735 m.	150,800 m.

Summary of Essential Points of the Film Censorship Law.—The present Censorship Law may be summarized as follows:

All films, whether of foreign or Chinese make, must be censored before they may be exhibited to the public. No firm which prejudices the dignity of the Chinese people, contravenes the three basic principles of the Kuomintang, injures customs or peace or good order, or promotes superstition and heterodoxy may be exhibited in China.

When a film has been approved by the Central Board of Motion Picture

Censors a permit, also known as a censorship card, is issued therefor. This permit is valid for three years from date of issue; upon the expiration of the stated period the film should be resubmitted for examination and a new permit issued if the continued exhibition of the picture is desired. In the event of loss or destruction of the permit a duplicate copy may be issued upon application to the board and upon payment of the legal fee required.

The local educational authorities may attend any performance at will for the purpose of inspection. Should they find that some infringement of the Censorship Law has occured, they may petition the Central Board of Film Censors to cancel the permit. Contravention of the Censorship Law may subject the distributors or exhibitors concerned to a fine not exceeding $300.

The censorship fee is $20 per 500 meters or a fraction thereof; the fee for the issuance of a permit to show is $2 plus $1 stamp duty for the original or subsequent copies of the permit.

Movement of motion picture film is not allowed unless covered by a permit to show. Chinese films destined for export abroad must be covered by a certificate for export abroad. Violation of this rule will cause the films to be detained and to be handed over to the Central Board of Film Censors for disposal or the producers concerned may be fined a sum not exceeding $300.

REVISED REGULATIONS GOVERNING THE ENFORCEMENT OF THE FLIM CENSORSHIP LAW

Article 1. These Regulations are enacted in accordance with article 13 of the Film Censorship Law.

Article 2. Any film, made in China or abroad, submitted for censorship, shall be transported to the capital and censored by the Film Censorship Board.

Article 3. Where a portion of any film submitted for censorship violates any of the provisions contained in Article 2 of the Film Censorship Law, the applicant shall be ordered to amend or cut out such portions and then reapply for censorship.

Article 4. Each approved film shall be granted a licence for exhibition. For each license a fee of $2 and a stamp tax of $1 shall be charged.

Article 5. Whenever a licence for exhibition is granted, a copy of the scenario of such film shall be examined, affixed with the seal of the Film Censorship Board and returned to the applicant.

Article 6. Where any license for exhibition is lost or damaged, reissue may be applied for with a statement of the reason and the number and date of issue of such license, provided that a license fee of $2 and a stamp tax of $1 shall be paid.

Article 7. Films made in China which have not yet been censored and approved shall not be allowed to be exported abroad. Whoever intends to export abroad any film in respect of which a license for exhibition has already been granted shall file a separate application, together with such exhibition license, for a license to export. For each such license to export, a license fee of $2 and a stemp tax of $1 shall be charged.

Article 8. Whoever secretly exports any film abroad without the approval of the Film Censorship Board shall be punished according to Article 2 of the Film Censorship Law.

Article 9. All penalities provided for in Article 2 of the Film Censorship Law shall be enforced by the Film Censorship Board or by police organs upon the request or the Board.

Article 10. The license for exhibition of any approved film shall be exhibited before each screening of the film.

Article 11. The period during which a license for exhibition shall remain effective, as provided in Article 7 of the Film Censorship Law, shall be calculated from the date of issue of such license. The Film Censorship Board may, in the light of circumstances, issue short-term licenses for exhibition or permits for provisional exhibition. The prescribed term of such licenses shall not exceed one year.

Article 12. The Film Censorship Board may authorize the educational organ to dispatch representatives, duly authorized by certificate issued by the Board, to conduct censorship at any place where a film is being exhibited.

Article 13. Wherever a representative is dispatched by the Film Censorship Board or the local educational organ in charge to conduct censorship at any place where a film is being exhibited, such representative may, besides requiring the exhibitor to produce the license for exhibition, examine the scenario previously approved, sealed and returned by the Film Censorship Board.

Article 14. In case of omission in these regulations, the Film Censorship Board may petition the Executive Yuan for revision.

Article 15. These regulations shall come into effect on the date of promulgation.

The division of motion picture affairs has been responsible for much work of a varying nature, viz: the organization of a motion picture workers' association; the censorship of scenarios before actual filming; the convening of an annual meeting of workers connected with motion pictures throughout the country; the supervision of foreigners planning to take up motion picture work in this country; the planning of a nation-wide

projection net similar to that in broadcasting; and the making of documentary and other propaganda films. Though it has seen only three or four years of actual activity the division's studio has produced a total of several millions of feet of documentary films. During this period the revolutionary feature "Secret Code" was released.

The motion picture section of the National Military Council has produced a large number of documentary films during the last few years in its studio in Hankow. Work will shortly commence on a super-production to be named "Iron Blood Loyality" in the near future.

IV

The utilization of the motion picture as a means of education was started in 1932 by members of the Kuomintang prominent in political and educational circles. They created a National Educational Cinematography Association which was authorized as the Chinese branch of the International Educational Cinematography Association in Rome. The association numbers over 900 members in China alone. During the past five years it has interested itself in three main lines of activity, viz.:

1. The selection of scientific films on physics, chemistry, etc. and their circulation among the middle schools in Kiangsu, Chekiang, Kiangsi and Anhwei provinces.

2. Coöperation with the University of Nanking in making films on scientific subjects and films of Chinese scenery.

3. The erection of a people's projection center at Nanking in coöperation with the municipality of Nanking and the Kiangsu provincial authorities.

A year book on the motion picture industry has been published, and it has been decided to issue a monthly periodical on motion picture technique and other matters of interest. Further, the National Educational Cinematography Association proposes to establish a motion picture school. The active members of the association are Messrs. Kuo Yu-shou, Chen Chien-hsiu and Tai Tze.

The Ministry of Education is naturally interested in the application of the motion picture to education. In 1936 it set up an educational film committee which has carried out three important projects as follows:

1. Organization of a movie projection class. Students from every province have been trained in this class, from which 86 have been graduated.

2. Division of the country into 80 sections to facilitate the circulation of educational films. To aid in the circulation, projectors and films are to be issued by the ministry.

3. Announcement of a contest for the best Chinese scenario. The drawback in the use of imported educational films is the language difficulty, hence the Ministry is planning to produce these films in China.

The universities also have realized the importance of the educational film. The college of science of the University of Nanking was the first of such institutions to pay attention to this question. In 1930 it imported a series of American made scientific films to supplement lectures on physics, chemistry, biology and geology. It has likewise established a motion picture studio, and has made several 16 m.m. films.

The University of Nanking's lead has been followed by the Great China University of Shanghai and the Kiangsu Provincial College of Education. These two schools have aroused a great deal of interest in the study of motion picture theory and techniqne.

V

It is to be deplored that the majority of the Chinese studios concen-

trate their efforts on the production of those films which appeal only to the sensation-seeking section of the public, but the increasing criticism of such films in the daily newspapers is a hopeful sign.

China is far from satisfied with the technical and financial results thus far achieved, but she has no doubt that with the increasing efficiency of her technical workers and equipment better results can be expected in the near future.

PHYSICAL EDUCATION

GUNSUN HOH (郝更生)

The historical development of physical education in China may be traced back to the years 1900–1906, when track and field activities, baseball and football were first adopted as physical exercises by the Nanking, Soochow and Boone Universities; but at that time physical education did not form any part of the curriculum. However, from 1907 to 1915 physical education became a school subject, and two or three hours a week were allotted to it. Exercises in the Japanese and German styles were practiced in south and north China respectively. Physical training academies and special physical training courses in the normal schools were founded gradually for the purpose of training instructors.

In 1911 the Nanyang Exhibition was held in Nanking, and the first session of the National Athletic Meet, held as part of the exhibition, marked the beginning in China of track and field competition on a large scale. From 1916 to 1921 a special, two-year, physical training course was inaugurated in the Nanking High School with Professor C. H. McCloy as its director. A similar course was established at the Peking High Normal School with Mr. Arthur Shoemaker in charge. The success and efficiency of the methods of these two men is abundantly shown by the number of capable teachers in the field who graduated from their courses.

In addition to these facilities, the Kiangsu Provincial Association of Education opened in 1915 a short course physical training institute which provided one year's training under Professor McCloy and Mr. R. W. Clack. According to the regulations of this institute each district in Kiangsu province was permitted to enter two students. After graduation they were to return to their districts as the local directors of public playing fields. This was the starting point in the development of the public stadium. In the following year public athletic grounds were founded in Shanghai, Nanking, Yangchow, Tungchow and Wusih. Professor McCloy became one of the leading contributors to the *The Physical Education Quarterly*, which was first published in the spring of 1922.

Since the establishment of the National Government, the organization of physical education has undergone several changes. In December, 1927, the Ta Hsueh Yuan (大學院)[1] established the National Supervisory Committee on Physical Education to promote actively public physical education. In April, 1929, the Ministry of Education petitioned the Government to promulgate the Law on People's Physical Education. In August the Central Government ordered the Chekiang Provincial Government to build a stadium at Hangchow, where the fourth session of the National Athletic Meet took place in April, 1930. A year later the ministry issued ministerial decrees to the provincial and municipal educational authorities to enforce the physical education of the masses. Within the ministry itself, in June, 1932, an organizing committee for the National Conference on Physical Education was set up, Dr. Chu Ming-yi and other physical education leaders being invited to act as members. The National Conference on Physical Education was held in Nanking in August of the same year. More than 150 experts attended the conference, at which more than 200 motions were passed. In September the ministry proclaimed its plan on

[1] It had then the powers of a ministry of education.

enforcing popular physical education which had been drafted by Mr. T. L. Yuan (袁敦禮), Mr. Y. S. Wu (吳蘊瑞) and the writer. The National Committee on Physical Education came into existence in October as part of the ministry, with Dr. Chu Ming-yi and other specialists as members. Its functions are to direct, supervise and formulate plans for the enforcement of physical education throughout the country. The provincial and municipal educational authorities were ordered to organize committees to facilitate the spread of physical education. From July to August, 1933, a summer course for teachers of physical education in primary and secondary schools was conducted in the National Central University with Dr. Chu Ming-yi as its director.

The National Athletic Meet deserves special mention. The first session of the meet was held in Nanking in 1910, and the second session in Peking in 1914. Owing to continual political disturbances the third session was postponed for 10 years. Dr. Chang Po-ling, president of Nankai University, then organized the China National Amateur Athletic Federation.

The fourth session of the meet was held at Hangchow in April, 1930, under the auspices of the Chekiang Provincial Government. This was the first time in China's history that government authorities had sponsored an athletic meeting. The fifth session, which took place at Nanking in October, 1933, was remarkable for the many records broken in both track and field events. Two years later the sixth session was held at the stadium which had been newly built at the Shanghai civic centre.

There are numerous athletic organizations in China, both sectional associations and clubs conducted under private or public auspices. Formerly most of the athletic meetings were arranged by the Young Men's Christian Association. The Hongkong Chinese Recreation Club—formed in 1910 with Dr. Ho Ko-tsun as its first chairman—was the first association to be formed exclusively for the promotion of physical education, though its sporting activities did not begin until 1912. In the north the Peking Athletic Association was established in the spring of 1914, and in May of the same year the North China Athletic Association came into existence to take charge of several provincial athletic meetings in that area. At about the same time the East China Athletic Federation and the East China Intercollegiate Athletic Association were founded. The Central China Athletic Federation appeared in 1923 when the sectional athletic meeting took place at Wuchang.

In the spring of 1919 the representatives of north, south and east China elected Messrs. Clark, J. H. Gray and others as members of the organizing committee of the China Amateur Athletic Union. In 1924, under the leadership of Dr. C. T. Wang and Dr. Chang Po-ling, the China National Amateur Athletic Federation was formed to replace the former Union. According to its rules each section of the country is a unit of the federation, the governing power of which is vested in a board of directors and an executive committee, the former consisting of nine members, and the latter of five members from each unit of the Federation.

China and Japan were invited by the Philippines in 1913 to participate in the first of the Far Eastern Championship Games. The regulations stipulated that there should be a session of the games every two years and that each of the three competing countries should in turn be the site of the games. Up to 1937 there have been 10 sessions, but China has won only one—the second session held in Shanghai in 1915. In 1932 China joined the tenth World Olympic Games held in the United States.

In August, 1929, the Ministry of Education promulgated the tentative curriculum for primary and middle schools, in which physical education was included as one of the most important subjects. The scope of the athletic activities prescribed in that curriculum for pupils of primary schools was divided into two categories, namely, regular physical education classes, and extra-curricular ath-

letic activities. The former consisted of games, dancing, track and field events and ball games; the lattar comprised extra-curricular physical exercises (morning exercises and games) and periodical athletic competitions. The length of the class period varied from 150 to 180 minutes per week.

For the middle schools the length of the class period was three hours per week. The scope of the regular physical education classes included games (ball games, skating and rowing), track and field athletics, swimming, self-defence (national gymnastics and wrestling) and other activities such as camping, fishing, riding and hunting. Extra-curricular athletic activities consisted of exercises, under the auspices of the students themselves, such as inter-class and inter-school competitions.

In 1932 the tentative curriculum was revised by the ministry, and the formal curriculum developed from it. The content of the subject of physical education for both primary and middle schools underwent some changes; for example, from 1934 boy scout work became obligatory for pupils of the junior middle schools. The present tendency of physical education inclines towards the development of the physique rather than the training of individual athletes for athletic competition.

RECENT DEVELOPMENTS

The department of physical education was established as a part of the Ministry of Education in March, 1936, its functions being to promote physical education in primary, secondary and higher schools, (colleges and universities), and to take charge of affairs concerning boy scouts, health education and military drills.

In the people's military education department of the Directorate-General of Military Training a third division has been lately established. This division has charge of the physical education of soldiers, and conducts short period training classes in physical education for military officers.

In January, 1936, a division for the supervision of physical education was established in the mass training department of the Kuomintang Central Headquarters. It supervises and directs affairs concerning the popular physical training under the auspices of the provincial, municipal and district party headquarters. In addition, a committee on the formulation of plans for physical education was organized for the purpose of planning the physical education of the people. The achievements of this committee include (a) a plan for the enforcement of supervisory work concerning popular physical education; (b) regulation of the Amateur Athletic Association of the Kuomintang Central Headquarters, and (c) issuance of regulations governing the appointment of athletic secretaries of provincial and municipal party headquarters.

The plenary conference of the committee on physical education (of the Ministry of Education) was held in 1935 at Chiao Tung University, Shanghai. All of the committee members and more than 20 directors of provincial and municipal stadiums attended. Nine important resolutions were adopted and tentative regulations for athletic grounds were formulated.

Certain specialists on physical education and athletics were invited by the Ministry of Education in 1934 to prepare detailed outlines on the subject of physical education for both boys and girls in primary and middle schools. These outlines were to be based upon the contents of the curriculum mentioned above, and their aims were to be directed towards the standardization of teaching materials, and to the building up of a foundation for the physical education of the people. These outlines were recently been completed after two year's work and have been promulgated by the Ministry of Education. The more important provisions may be summarized as follows:

(1) Outline for Senior Middle School: (*a*) gymnastic exercises; (*b*) track and field events (races in full military uniform are added for boys; (*c*) swimming, skating, riding and rowing; (*d*) ball games; (*e*) national gymnastics (special emphasis is laid on the use of swords,

spears, etc., and weight-lifting); (*f*) dancing; (g) corrective exercises; (*h*) exercises for weaker students; and (*i*) other games.

(2) Outline for the Junior Middle School: (*a*) gymnastic exercises; (*b*) track and field events; (*c*) ball games; (*d*) other games; and (*e*) self-defence.

(3) Outline for the Primary School: (*a*) games; (*b*) gymnastic exercises; and (*c*) other items.

In 1936 the Curriculum for the Junior and Senior Middle Schools was revised by the Ministry of Education, but the subject of physical education underwent only minor changes. Hence the summary given above remains substantially correct.

The 11th World Olympic Games were held in Berlin in August, 1936, and the Chinese Government accepted the invitation to participate. The funds appropriated for this purpose amounted to $220,000, of which $170,000 was donated by the Executive Yuan, while the remainder was raised by contributions from various sources. After a period of half a year spent in selection and training, the Chinese representatives, numbering more than 70, were sent to Germany in June, with Dr. C. T. Wang as head of the delegation, and with the writer as a delegate from the Ministry of Education. The events in which the Chinese team participated were basketball, football, bicycling, certain track and field events, and an exhibition of Chinese national gymnastics.

During the latter half of 1936 the Ministry of Education organized a commission to study physical education in Europe, where they were to go to Berlin with the Chinese athletic representatives. The ministry fixed three strict qualifications for membership and issued ministerial orders to the various provincial and municipal educational authorities, asking them to send qualified directors and inspectors of physical education to join the commission. The passage fees and other expenses of the commission members, amounting to $750 per capita, were to be paid by the provincial or municipal educational bureaus sending these members. If the fees paid by the bureaus were not sufficient to meet the actual expenses, the difference was to be made up by the China National Amateur Athletic Federation. Members were limited to 10 in number; in addition the federation offered grants-in-aid to 12 persons who joined the commission for the tour, while seven self-supported persons were approved by the federation and the ministry to accompany the commission members.

The duty of this commission was to investigate the present status of physical education in Germany, the period of investigation covering the four months from June to September. In Germany the commission participated in the Sports Congress and the Congress of Leisure. After a thorough investigation the commission returned to China to present its detailed report.

In China there are two main national sports, namely, national gymnastics and the game of shuttlecock. The former consists of both boxing and fencing with the sword and spear. Since the establishment of the Central Academy of National Gymnastics in March, 1928, the government has actively encouraged this sport, which occupies an important place in the subject of physical education as set out in the curriculum of the Ministry of Education and is usually one of the events at athletic meetings.

Shuttlecock is played universally throughout China and though in different localities there may be slight differences of method the general principle remains everywhere the same.

In January, 1937, the Ministry of Education ordered the provincial and municipal bureaus of education to form physical education sections and to appoint physical education inspectors to the bureaus. The inspector and the head of each section were to be athletic experts approved by the ministry after the expiration of a probationary period. The bureaus have been steadily carrying out this order.

In February, 1937, the Ministry of Education passed and put into effect a measure concerning compulsory physical activities in primary and

secondary schools. This measure stipulates that no student shall attend classes after 3 p.m., after which hour all students shall be compelled to join in athletic activities. The time allotted to morning exercise, intermission exercise and extra-curricular athletic activities is also prescribed. This insures the student a balanced physical and mental development.

NATIONAL ATHLETIC RECORDS

While the records attained in track and field events in China cannot as yet compare with those created in western countries, considerable progress has been made in this direction since the establishment of the National Government, as will be seen from the following tables:

A. Track and Field Events:

1. MEN'S RECORDS

Event	*Record*	*Event*	*Record*
100 Metres	10.7 seconds	High Jump	1.871 metres
200 ,,	22.1 ,,	Pole Vault	4.015 ,,
400 ,,	51.6 ,,	Broad Jump	6.912 ,,
800 ,,	3 min. 2.2 ,,	Hop, Step & Jump	14.192 ,,
1,500 ,,	4 ,, 11.1 ,,	12 lb. Shot Put	14.292 ,,
3,000 ,,	9 ,, 57.3 ,,	16 lb. Shot Put	13.260 ,,
5,000 ,,	17 ,, 13.4 ,,	Discus Throw	41.130 ,,
10,000 ,,	34 ,, 1.0 ,,	Javelin Throw	53.850 ,,
110 ,, high hurdles	16.2 ,,	Pentathlon	3020.15 points
400 ,, ,, ,,	58.3 ,,	Decathlon	5887.59 ,,
200 ,, low hurdles	26.4 ,,		
400 ,, relay	44.4 ,,		
1,600 ,, ,,	3 ,, 31.8 ,,		

2. WOMEN'S RECORDS

Event	*Record*	*Event*	*Record*
50 metres	6.8 seconds	High Jump	1.355 metres
100 ,,	13.2 ,,	Broad Jump	5.060 ,,
200 ,,	27.5 ,,	8 lb. Shot Put	10.350 ,,
80 ,, low hurdles	14.3 ,,	Hop, Step & Jump	9.140 ,,
200 ,, relay	28.6 ,,	Javelin Throw	32.290 ,,
400 ,, ,,	54.6 ,,	Discus Throw	30.055 ,,

B. Swimming:

Although organized swimming is still in its infancy as a sport in China, the records listed below command considerable respect:

1. MEN'S RECORDS

Event	*Record*
50 metres free style	27.8 seconds
100 ,, ,, ,,	1 min. 5.7 ,,
400 ,, ,, ,,	5 ,, 33.2 ,,
1500 ,, ,, ,,	22 ,, 59.2 ,,
100 metres back stroke	1 ,, 16.0 ,,
200 metres breast stroke	2 ,, 58.0 ,,
200 metres relay	2 ,, 1.1 ,,

2. WOMEN'S RECORDS

Event	*Record*
50 metres free style	36 seconds
100 ,, ,, ,,	1 min. 23 ,,
100 metres back stroke	1 ,, 37 ,,
200 metres breast stroke	3 ,, 38.5 ,,
200 metres relay	2 ,, 39.2 ,,

STATISTICS

1. *INSTITUTES OF NATIONAL GYMNASTICS*

Provincial or Municipal Institutes	*Number on Teaching Staff*	*Annual Funds in Dollars*	*Attached District Institutes*
Honan ..	35	6,000	102 institutes
Szechwan ..	44	2,400	44 ,,
Shantung ..	23	12,000	41 ,,
Kiangsu ..	22	9,600	30 ,,
Anhwei ..	20	4,800	18 ,,
Suiyuan ..	10	2,400	3 ,,
Tientsin ..	8	3,600	4 ,,
Nanchang..	17	1,800	0 ,,

The total number of provincial and municipal institutes of national gymnastics and short-period training institutes was 121 in 1934, with a total staff of 515 members and with 6,142 students. The annual expenditure was $73,482.

2. *ATHLETIC GROUNDS AND SWIMMING POOLS IN CAINA, 1934*

	No. of Athletic Grounds and Swimming Pools	*No. of Staff Members*	*Annual Expenditure*
Public ..	1,665	1,758	$379,350
Private ..	67	62	$ 8,691
TOTAL..	1,732	1,820	$388,041

HEALTH EDUCATION

Closely allied to physical education is health education. Though inaugurated as early as 1926 in Peiping under the direction of Dr. Lee Ting-an (李廷安), health education had its real start in 1929 when a school hygiene class was conducted at Shanghai under the joint auspices of the Ministries of Education and of Health. In 1933 the committee on health education—the first well organized bureau for the administration of health education—was established by the Nanking Municipal Government with the aid of the National Health Administration. A plan for the enforcement of school hygiene was promulgated by the Ministry of Education in 1935, while a summer school course on school hygiene was conducted in Nanking under the direction of the National Health Administration to train teachers sent by the provincial and municipal educational authorities. During the last two years committees on health education have been established successively in the provinces of Fukien, Honan, Kiangsi, Hunan, Shensi, Kansu and Shantung, and in the municipalities of Nanking, Peiping and Shanghai.

In December, 1934, a committee on the formulation of plans for health education was formed jointly by the Ministry of Education and the National Health Administration. A national technical conference on school hygiene was held in Nanking in April, 1936, at which 43 representatives from 12 provinces and municipalities as well as the members of the above-mentioned committee were present. Regulations defining (*a*) tentative hygienic standards for primary and secondary schools (including both urban and rural schools), (*b*) objectives of school hygiene and (*c*) systems of school hygiene administration were among the measures passed. These were adopted and promulgated by the Ministry of Education.

School authorities of the various grades are paying a great deal of attention to such aspects of health education as, for instance, the ventilation of the classrooms and the relation of the height and width of dasks and chairs to the mental and physical development of the students.

CONCLUSION

For want of space the writer has referred in the above paragraphs merely to modern developments in connection with physical education in China. On the whole the educational authorities have now recognized that physical education should be an item —and a very important item—in the educational program, since there is a close relationship between physical education and a balanced biological development of youth.

Another thing worth noting is that the Ministry of Education has laid more emphasis upon the training of teachers of physical education. In 1937 summer training classes are being provided for them in Nanking, Peiping and Canton.

The ministry plans to systematize and adapt physical exercises of Chinese origin to the needs of the present day. In other words, all of the forms which were in vogue in ancient times will be continued in the modern spirit and finally will become a branch of educational science.

PUBLIC HEALTH

P. Z. KING (金寶善)

I. NATIONAL HEALTH ADMINISTRATION

Under the direction of Dr. J. Heng Liu, director-general of the National Health Administration, strengthening of the foundations of public health throughout the country has continued during the past year. The National Health Administration, the Central Field Health Station, and the subsidiary organizations mentioned in previous issues of the *Chinese Year Book* have been maintained. The training of public health personnel remained under the station until November, 1936, when the Executive Yuan recognized the Public Health Training Institute as a separate organization under the National Health Administration. This institute has continued to train all types of health personnel required for provincial health centers, local health stations, municipal bureaus of health, hygienic laboratories, etc. Recognizing the special needs of the Mongolians, there was established in December, 1936, at Kweishui, Suiyuan, a Mongolian health center. Particularly significant was the inauguration, in February, 1937, of the Commission on Native Chinese Medicine, which is also under the National Health Administration.

Certain administrative functions of the National Health Administration and certain scientific and technical activities of the Central Field Health Station are summarized under appropriate sections below. Brief mention may be made here, however, of the Central Hospital, Nanking, which is directly under the administration. In all departments save one or two it served significantly larger numbers of patients in 1936 (see Table 2) than in 1935.

The Army Medical College, which is under the Army Medical Administration, was reorganized late in 1935 so as to give the new generation of army doctors a more thorough scientific foundation and a deeper sense of the importance of military hygiene and sanitation as well as of preventive medicine as applied to whole populations. Army doctors from the field have been brought in to Nanking, some to make a tour of the various health institutions and others to receive a further course of instruction in preventive and curative medicine.

TABLE 1. NATIONAL HEALTH BUDGET FOR 1936–37

CENTRAL INSTITUTIONS:	
National Health Administration	$288,000
Central Field Health Station	360,000
SUBSIDIARY ORGANIZATIONS:	
Central Hospital	514,642
Central Hygienic Laboratory	96,000
Public Health Training Institute	145,020
National Epidemic Prevention Bureau	261,516

Northwest Epidemic Prevention Bureau	50,000
Mongolia-Suiyuan Epidemic Prevention Bureau	28,800
Shanghai Quarantine Station	108,000
Amoy Quarantine Station	40,800
Wuhan Quarantine Station	18,000
Tsin-Tang-Chin Quarantine Station	26,400
Yulin Plague Prevention Bureau	8,400
Mongolian Health Center	48,000
Red Cross Society of China	36,000
Central Midwifery School	42,000
First National Midwifery School	55,008
SUBSIDIES FROM THE CENTRAL GOVERNMENT FOR REGIONAL SERVICES:	
Health Work in Shensi	10,800
Health Work in Kansu	30,000
Health Work in Ninghsia	15,120
Health Work in Chinghai	14,760
Health Work in Fukien	20,000
Health Work in Yunnan	20,920
Antiplague Work in Fukien	43,300
Construction of Provincial Hospital in Hupeh	60,000
Study of Parasitic Diseases in Hainan Island	5,000
TOTAL	$2,346,486

TABLE 2. NUMBERS OF OUTPATIENT VISITS AND OF INPATIENTS AT THE CENTRAL HOSPITAL, NANKING, DURING 1936[1]

	Out-patient Visits	*Inpatients*
Medicine	48,606	2,702
Surgery	51,565	1,508
Ophthalmology	20,766	273
Oto-Laryngology	14,238	604
Obstetrics and Gynecology	16,490	1,713
Infants Born in Hospital*	—	1,081
Dentistry	9,172	—
Physiotherapy	4,002	—
TOTAL	164,839	7,881

* The number of infants born in the hospital during 1935 was 947.

[1] *Erratum* in the data for 1935 (*Chinese Year Book* for 1936–1937, p. 1403): In Table 10, columns for Surgery and for Medicine were inadvertently interchanged.

TABLE 3. NUMBERS OF GOVERNMENT HEALTH INSTITUTIONS IN CERTAIN PROVINCES IN 1936

Province	*Provincial Center*	*Hsien Centers and Hospitals*	*Stations and Substations*	*Others*
Anhwei	1	3	1	—
Chekiang	1	12	22	—
Chinghai	1	—	1	2 Traveling Clinics
Fukien..	1	15	—	3 Traveling Clinics
Hopei	—	1	2	—
Hunan..	1	6	4	13 Health offices attached to schools
Kansu..	1	5	6	44 Health offices
Kiangsi	1	81	17	—
Kiangsu	1	44	9	17 Maternity Homes
Kwangsi	—	5	—	—
Ninghsia	1	—	2	1 Traveling Clinic
Shantung	—	4	1	—
Shensi	1*	8	4	3 Traveling Clinics
Suiyuan	1	—	—	1 Anti-Malaria unit
Yunnan	1	2	10	—
TOTAL	12	186	79	84

* No "provincial health center" has been organized, but the Provincial Hospital, the Provincial Commission on Public Health, or the Health Division in the Provincial Government serves as a center for public health activities.

II. PROVINCIAL AND HSIEN HEALTH SERVICES

A. Provincial.—During 1936 the work of the provincial health services organized previously in Kiangsi, Hunan, Chinghai, Kansu, Ninghsia and Shensi continued to grow with the support of the National Health Administration and the Central Field Health Station. With the technical or financial assistance of the two authorities last mentioned, new public health organizations were set up in Fukien, Yunnan and Suiyuan; and plans were made for others in Hupeh, Sikang and Sinkiang. Information is given below regarding some of the work in the provinces of Chekiang, Fukien, Kiangsi, Hunan, Yunnan, Chinghai, Sinkiang, Kansu, Ninghsia, Suiyuan and Shensi. For data on particular activities see later sections of this chapter.

1. *Chekiang.*—The Provincial Health Center includes, in addition to the administrative office, the Hygienic Laboratory and the Provincial Midwifery School. Two new hsien health centers were organized during 1936. Successful efforts were made to further extend health services to the rural areas by means of health stations and substations, there being now 12 of the former and 22 of the latter. The Provincial Health Center also participated in special activities such as maternity and child health work in Ningpo, in control of typhus in Wuhsing, and in investigation of the prisons in Kinghwa and in Kiangsan.

2. *Fukien.*—As a nucleus for the Provincial Health Center, there were established in 1936 a Division of Health under the Provincial Bureau of Civil Affairs, a Provincial Hygienic Laboratory, a Provincial Midwifery School, and an Anti-Opium Hospital. Construction of the Provincial Hospital has been begun, and hsien health centers and health stations were rapidly organized, staffed by doctors, public health nurses, and sanitary inspectors especially recruited in the province and trained at the Central Field Health Station. At the end of May, 1937, there were in all 15 hsien health centers and 20 rural health

stations. Three special medical units were organized for the numerous island and boat dwellers. Sanitation has been advanced in Foochow and in some of the villages, by well and latrine improvement and by rat eradication. A municipal health center was established in Foochow in July, 1936.

3. *Kiangsi.*—The Provincial Health Center in Nanchang established in 1936 twelve new hsien health centers, making a total of 81 in this province of 83 hsien. It also supervises the health divisions in the 10 rural welfare centers for farmers. Progress was made by all institutions, including the Hygienic Laboratory, the Provincial Higher Vocational Schools of Midwifery and of Nursing, the School Health Commission, and the Nanchang Anti-Opium Hospital. The $300,000 Provincial Hospital was opened in March, 1936, with 300 beds, of which 60 are free. The Municipal Health Station in Nanchang added in 1936 a maternity and child welfare division.

4. *Hunan.*—Work has been greatly consolidated in the Provincial Health Center and in the hsien health centers, of which there are now six. To serve the rural population, short courses were conducted during 1936 for the training of village health workers in school health, first aid, smallpox vaccination and antiseptics. Activities are now being concentrated on environmental sanitation, preventive inoculation, school health, and the provision of free medical care through the co-operation of private institutions and practitioners.

5. *Yunnan.*—After a preparatory period, the Yunnan Provincial Health Center was formally established on July 1, 1936. At the same time the Municipal Health Station was opened in Kunming. In September construction of new buildings for the Provincial Hospital and for the Health Center in the Kochiu (箇舊) mining area was started. A Hsien Health Center was organized in Iliang. The Provincial Joint Higher Vocational School of Midwifery and Nursing was opened on October 1. A comprehensive plan has en devised for the investigation, ıtrol, and prevention of malaria, and work has actually been started in Kunming City (昆明) and its environs.

6. *Chinghai.*—The work of the Chinghai Provincial Health Center in 1936 included medical care for 32,469 out-patients and 786 inpatients, in addition to the work on maternity and child health, school health, animal health, etc. To supplement the services of the provincial hospital, one traveling clinic for people and another for animals were organized in 1936; with the assistance of the tribal chief, both have gradually gained the confidence of the people. The activities of the Provincial Health Center have thus been extended to eight hsien.

7. *Kansu.* — At the Provincial Health Center, new buildings were completed in March, 1936, for the Provincial Midwifery School and for the Provincial Hospital. The latter now has departments of Medicine, Surgery (including Ear, Nose and Throat service), Ophthalmology, Pediatrics, and Dermatology and Venereal Diseases. During 1936 it cared for 22,921 out-patients and 845 inpatients. Two ambulances, newly purchased to serve as traveling clinics, visited rural districts to care for wounded soldiers and civilians. One new hsien health station was established, and the school health service has been expanded. Smallpox vaccination was compulsory in all schools as well as in the army. Activities in the prevention and control of animal health were also extended.

8. *Ninghsia.*—The Provincial Hospital, the Provincial Midwifery School, and the Clinic for the Examination and Care of Prostitutes were formally opened in January, 1936, and during the year two new village health stations were established. As animal raising is very important in this province, veterinary work has been undertaken.

9. *Suiyuan.* — On December 4, 1936, a Mongolian Health Center was established in Kweishui (歸綏). It played an important part in emergency medical relief work when conditions in the area became disturbed during the first month of its existence. Two traveling clinics were organized and equipped. In co-operation with the

Mongolian Commission of Political Affairs, short courses are to be opened in 1937 for the training of Mongolian youths in self-government, elementary public health, and veterinary medicine.

10. *Shensi.*—Under the Provincial Health Center, a Provincial Midwifery School and three hsien health centers were established in 1935. In 1936 health services were extended to 69 hsien by the training and distributing of 83 village health workers; five additional hsien health centers were established and preparations were made for several others; and three new health stations and a sanatorium were established. New health committees were formed in 22 more hsien. The Provincial Midwifery School now has three classes with a total of 52 students. The school health service in Sian alone covers 20 schools with a student population of 12,416. In Hwahsien, two thirds of the schools have health offices.

B. Hsien.—Whereas only a few years ago the health station was an entirely new project, by the end of 1936 there had been established 186 hsien health centers, 86 health stations and substations, and 91 rural clinics. Of special significance in the promotion of hsien health work was an order issued by the Executive Yuan in March, 1937, to the provincial governments directing them to organize hsien health centers after a pattern evolved by the National Health Administration. (See Appendix 2.)

Most of the work thus far accomplished in different hsien is referred to in other sections of this chapter, but mention may be made here of a few projects.

1. *Rural Health Demonstration in Kiangninghsien, Kiangsu.*—This rural demonstration has continued to receive technical assistance from the Central Field Health Station and to serve as a training field for the many health workers studying at the Public Health Training Institute. (See Section VII, Training of Medical and Allied Personnel.) Its aim has been to provide, during the initial period, a network of health services performed by 68 village health workers, 10 health substations, and six health stations, all co-ordinated and supervised by the hsien health center. The network has become more and more successful in extending health services to the mass of the population. In every two villages there are a census and a health policeman; and, in all the 44 villages, health offices have now been opened. The activities of the latter include the investigation and reporting of communicable disease, vaccination against smallpox, promotion of environmental sanitation, and simple first aid and medical relief. Training for this village health work was given during 1936 to 44 census and health police and 93 members of the village offices.

2. *Others.*—Progress in hsien health work was also significant in Changsha (長沙), Hunan; Lintsuan (臨州), Kiangsi; Tinghsien (定縣), Hopei; Wuhsing (吳興), Lanchi (蘭谿), and Shaohsing (紹興), Chekiang; Chowping (鄒平), Shantung; Hwahsien (華縣), Sanyuan (三原), and Yulin (榆林), Shensi; and Ihing (宜興), Kiangsu. For statistics and details concerning certain hsien and rural health organizations during 1935, see Tables 4 and 5.

TABLE 4. DETAILS CONCERNING CERTAIN RURAL HEALTH ORGANIZATIONS DURING 1936

Location			*Organization*	*Organization Responsible*	*Year Established*	*Number on Staff*							*Current Budget*
Province or Municipality	*Hsien*	*District*				*Doctors*	*Nurses*	*Midwives*	*Pharmacists*	*Sanitary Inspectors*	*Others*	*Total*	
Chekiang ..	Wuhsing		Health Center	Hsien Gov't.	1933	1	2	2	0	0	1	6	$ 4,800
	Wukang		Health Center	Hsien Gov't.	1932	3	0	1	1	0	1	6	5,800
	Lanchi		Health Center	Hsien Gov't.	1935	2	6	7	0	0	6	21	11,069
Hopei	Wanping	Chingho	Health Station	Private	1931	1	0	2	1	0	2	6	4,540
	Tinghsien		Health Center	Hsien Gov't.	1929	7	10	0	1	0	32	50	35,500
Kiangsu	Ihing		Health Center	Hsien Gov't.	1936	2	4	1	0	0	5	12	11,988
	Hsiaohsien		Health Center	Hsien Gov't.	1933	2	1	0	0	0	1	4	4,452
	Kiangning		Health Center	Hsien Gov't.	1931	9	19	10	0	0	29	67	41,900
	Chujung		Health Center	Hsien Gov't.	1934	2	2	3	1	1	1	10	4,080
	Taihsien		Health Center	Hsien Gov't.	1932	2	1	2	1	0	7	13	7,824
	Yencheng		Health Center	Hsien Gov't.	1933	1	1	1	1	0	3	7	6,369
Shanghai	Kaochiao		Health Station	Municipality	1929	3	2	4	0	1	6	16	15,000
	Kiangwan		Health Station	Municipality	1933	3	3	1	1	0	17	25	14,596
	Woosung		Health Station	Municipality	1929	3	6	1	1	1	6	18	13,000
Shantung ..		Lungshan	Health Station	Private	1932	½	½	0	0	0	0	1	2,200
	Chowping		Health Center	Hsien Gov't.	1934	4	3	1	0	0	16	22	15,360
Shensi	Hwahsien		Health Center	Hsien Gov't.	1934	4	3	1	0	0	10	18	10,800

TABLE 5. STATISTICAL SUMMARY OF MISCELLANEOUS ACTIVITIES OF CERTAIN HSIEN HOSPITALS AND HEALTH STATIONS IN VARIOUS PROVINCES DURING 1936

	*Chekiang**	*Kiangsu*†	*Shensi*‡
Outpatient Visits	52,315	198,234	25,437
Inpatients	476	2,672	295
CURATIVE SERVICE:			
Dispensing	32,148	136,606	12,007
Dressing	60,991	147,628	16,518
Treatment of Eye Condition	11,605	44,719	6,064
Injection	1,582	14,455	1,190
Operation	1,460	3,586	301
Other	16,109	78,525	6,938
TOTAL	123,895	425,519	43,018
PUBLIC HEALTH:			
PREVENTIVE WORK:			
Malaria Examination	536	532	59
Physical Examination, Complete	20,736	6,413	1,516
Trachoma or Other Treatment	37,439	122,307	48,264
Home Visit	5,910	622	777
TOTAL	64,621	129,874	50,616

* In Chuhsien, Haiyen, Lanchi, Shaohsing, Wukong, and Wuhsing.
† In Kiangninghsien, Taihsien, and Yencheng.
‡ In Hwahsien, Sanyuan, and Yulin.

III. MUNICIPAL HEALTH SERVICES

In general, work has been continued along lines similar to those of previous years. Reports on special municipal health services are included in other sections of this chapter. Brief notes are given below regarding work in Canton, Shanghai, Nanking, Tientsin and Peiping. In Foochow, reorganization of the sanitary services has been undertaken.

1. *Canton.*—Toward the end of 1936 a close investigation was made, with the assistance of the National Health Service, of the existing health organization, water supplies, sewage collection and disposal systems, hospitals, markets, dairies, etc. The Bureau of Public Health was reorganized and now consists of divisions for school health, industrial health, maternity and child health, medical administration, and environmental sanitation. Reorganization of the Municipal Hospital and of the Diagnostic Laboratory, and organization of an antiopium hospital, were also undertaken immediately. A study on the prevalence and control of clonorchiasis has been begun.

2. *Shanghai.*—The Bureau of Public Health now maintains, besides its administrative headquarters, eight hospitals, five public health stations, two public cemeteries, a hygienic laboratory, a clinic in Pootung, and a school of nursing. The new 200-bed Municipal Hospital, officially opened on April 3, 1937, is equipped for Eye, Ear, Nose and Throat, Pediatrics, Gynecology, Medicine, Surgery, and Physiotherapy services. More than 14,000 patients were treated in the hospital during 1936, and the clinics cared for 291,194

cases. The Municipal Hygienic Laboratory has a new modern $200,000 building completed in 1936. The new Public Health Station in Chapei includes a public bath. (Public baths, common in China, are usually private enterprises.) To control the quality of meat sold, 302,560 pigs, cows, and sheep at the slaughter houses and 14,400,925 catties of imported salted meat were examined during 1936.

3. *Nanking.*—The Municipal Health Administration has carried out extensive work in medical relief, in the promotion of maternity and child health and school health, and in the prevention of communicable diseases. The new 120-bed Municipal Hospital, officially opened on February 1, 1936, is equipped with X-ray and other diagnostic facilities. A Municipal Higher Vocational School of Nursing was opened September 1, 1936.

A comprehensive system of health stations and substations was organized to bring medical and health services within the reach of practically the whole population of the city, 707,089 cases having been given medical care during 1936. 15,554 patients were treated in the Municipal, Isolation and Antiopium Hospitals. Special mention may be made of the Health Station at Ssupailou. Established towards the end of 1935 as the Urban Health Demonstration, it is under the Municipal Health Administration but receives financial and technical support from the Central Field Health Station and the Central University. Its objectives are to demonstrate an urban health program suitable to Chinese social and economic conditions and to provide field facilities in urban health teaching for medical, nursing, midwifery, and other students of public health, as well as to serve the local population of over 150,000.

4. *Tientsin.*—In January, 1936, the Third Division of the Municipal Government was reorganized to form the Bureau of Health, and on April 1 nine health stations were officially opened. Four of these stations had been reorganized from old municipal clinics and four were newly organized. Services to the poor are entirely free, while middle and upper class patients pay only a small registration fee.

5. *Peiping.*—The activities of the Health Bureau continued along much the same lines as previously. The First Health Station still plays an important role as an experimentation field for public health activities and serves at the same time as a center for the training of public health personnel. Likewise the Second Health Station continues to serve as the teaching station in public health for students of the National Medical College. A fourth municipal health station was established in January, 1936. During the year special emphasis was placed on campaigns against communicable diseases. (See appropriate sections below.)

IV. MISSIONARY HEALTH SERVICES

The dispensaries opened by the Jesuits, the hospitals, dispensaries, and vaccination sessions conducted by surgeons of the East India Company, and possibly a few other early efforts must not be underestimated as foundation stones of modern medicine in China. Special appreciation is due, however, to the later Christian medical missions, whose work has been continuous from the beginnings made by Parker and by Hobson practically a hundred years ago.

Since the recent great advances in communications and in national health planning, however, the unsystematic conducting of pioneer hospitals as isolated units has been supplanted to a remarkable degree by inter-denominational and inter-hospital conferences and reorganizations aimed at providing the utmost service in a particular community or region. Further advances in this direction were foreshadowed in the discussion at the meeting of the Medical Mission Section of the Chinese Medical Association, March–April, 1937. There has also been growing up a recognition that the medical missionary stations in all parts of the country can be of great service in the promotion of public health, by assisting in rural extension,

disease-prevention campaigns, health education, etc., whereas previously they necessarily devoted their best skill to the alleviation of suffering and disease.

A. Interco-operation.—In the spring of 1935 all mission hospital superintendents of Anhwei province met in Wuhu and pledged co-operation in the public health program of the Provincial and the National Health Administrations. There are now in this country several union medical colleges and hospitals instead of competing units; and, in Chekiang, Kiangsu, Kwangtung, and elsewhere, numbers of nursing schools are working out details for combining their facilities. Some mission hospitals accept recent graduates as interns; while, in others, specialists are prepared to give advice to less experienced doctors in the region. In one city in Kiangsu private practitioners are invited to attend ward rounds weekly in one of the hospitals, and in Chekiang native practitioners have been invited to one of the hospitals for evening conferences and for museum and laboratory demonstrations and ward visits. In Fukien three separate missions decided in February, 1937, to unite the medical work they had established in and around Amoy, Changchow and Chuanchow. All of their work in this southern part of Fukien province is now considered as essentially belonging to a single plan, and outlying hospitals are considered branches of those in the larger centers.

In 1931 the mission hospital at Hwaiking, Honan, undertook to co-operate with all persons in the area who claimed to practice western or modern medicine. The hospital gives professional co-operation to registered physicians; and to unqualified men it gives encouragement toward better work, as, for instance, its small semi-annual classes on specific topics such as Common Eye Diseases, Smallpox Vaccinations, Malaria, Dental Caries and Tooth Extraction, etc.

B. Mission-Government Co-operation.—Early in 1935 a meeting was held by members of the National Health Administration and the Council on Medical Missions of the Chinese Medical Association, as a result of which the Council appointed a full-time co-ordinator who received at the same time an official appointment from the Central Field Health Station. During his first year, this doctor visited 369 missions and other institutions located in 13 provinces and in Hongkong, besides calling on government officials and magistrates, convening meetings, etc. In 1936, the city government asked the St. Luke's Hospital at Hinghwa, Fukien, to provide free maternity service for the city and for the neighboring town of Hankang. The magistrate at Mienchuh, Szechwan, instructed all of the schools in his hsien to set a date for voluntary vaccination by members of the mission hospital. All expenses were borne by the hospital, which welcomed the friendly attitude of the Government.

From 1934, efforts to serve in rural areas have been numerous and varied. The Huchow General Hospital was one of the first hospitals to co-operate with the Government in starting health projects in the hsien as well as in neighboring villages. The National Health Administration now subsidizes this hospital to the extent of $3,000 a year for undertaking health work for the area. In 1935 the Hunan Provincial Health Commissioner invited some of the mission hospitals to undertake the very significant experiment of continuing to work as mission hospitals and in addition serving as hsien health centers. Around Hangchow a mobile clinic has been developed and work is done in co-operation with Christian leaders, Buddhist monks, local police, etc. Even visits at intervals of two weeks or more are found to give much assistance to persons suffering from trachoma, leg ulcers, leprosy, etc., as simple drugs can be left with the patients. It is hoped that these visits may pave the way for a locally supported rural nursing service, which has already been undertaken in at least one place.

In late years, as previously, the mission hospitals and their staff have stood ready to serve unstintingly in any emergency, as did the staff and students of Cheeloo University

(see Table 8), in co-operation with the Shantung Provincial Government and the China International Famine Relief Commission, after the Yellow River burst its dikes in the summer of 1935. Enthusiastic help has also been given in minor emergencies, such as epidemics in orphanages or foundlings' homes, as well as in regular service to such institutions and to blind schools, prisons, etc.

TABLE 6. SUMMARY OF BEDS AND PATIENTS OF MISSION HOSPITALS, ACCORDING TO REPORTS PUBLISHED IN 1935[1] AND IN 1936[2]

Province	*Hospitals*	*Beds*		*Inpatients*	*Outpatient Visits*
		Hospital	*Hostel*		
1935 REPORT:					
Anhwei	9	410	30	6,434	157,485
Chekiang	7	844	31	12,836	140,819
Fukien	29	1,977	16	23,800	210,938
Honan	9	638	467	8,102	169,602
Hopei	11	762	31	9,023	284,844
Hunan	14	742	—	9,891	260,810
Hupeh	14	1,245	22	20,034	282,525
Kansu	2	90	—	442	8,643
Kiangsi	6	469	32	5,689	82,685
Kiangsu	26	3,106	160	45,456	791,630
Kwangsi	4	256	—	2,506	32,004
Kwangtung	27	1,616	185	25,983	359,142
Kweichow	1	—	—	—	—
Manchuria	16	1,041	—	11,758	224,369
Shansi	9	666	—	5,565	72,617
Shantung	18	1,021	32	12,442	265,822
Shensi	1	120	—	1,234	53,710
Szechwan	21	1,166	24	13,000	392,781
Yunnan	5	107	10	2,508	81,154
TOTAL (*incomplete*)	229 (main)	16,276	1,040	216,703	3,871,580
1936 REPORT:					
TOTAL	232	16,492	1,231	217,028	3,942,604

[1] From *Occasional Leaflet*, Vol. 3, No. 14, p. 106 (Oct., 1935), Council on Medical Missions, Chinese Medical Association, Shanghai.
[2] From an unpublished summary furnished by the Council on Medical Missions.

TABLE 7. RATIO OF INPATIENTS TO BEDS AND OF OUT-PATIENTS TO DOCTORS, IN MISSION HOSPITALS ACCORDING TO REPORTS PUBLISHED IN 1935[1]

Province	*Inpatients per Bed per Year*	*Out-patients per Year per Doctor*	*Province*	*Inpatients per Bed per Year*	*Out-patients per Year per Doctor*
Anhwei	15½	6,057	Kiangsu	14½	4,686
Chekiang	15	3,435	Kwangsi	10	3,556
Fukien	12½	3,102	Kwangtung	16	3,356
Honan	13	7,067	Manchuria	11	3,739
Hopei	12	6,624	Shansi	9½	3,458
Hunan	13	4,657	Shantung	12	3,420
Hupeh	16	6,141	Shensi	10	8,985
Kansu	5	2,161	Szechwan	11	5,532
Kiangsi	12	4,593	Yunnan	23	8,115

[1] From *Occasional Leaflet*, Vol. 3, No. 14, p. 106 (Oct., 1935), Council on Medical Missions, Chinese Medical Association, Shanghai.

TABLE 8. FLOOD RELIEF WORK OF THE CHEELOO UNIVERSITY MEDICAL COLLEGE AND HOSPITAL, OCT. 15, 1935, TO MAR. 31, 1936

HOSPITAL:	
Patients Admitted	374
Patients Discharged Relieved	321
Babies Born in Hospital	10
Died	52
Hospital-days	5,658
OUTPATIENT DEPARTMENT:	
Visits of More Serious Cases	8,805
CAMPS:	
PREVENTIVE AND CURATIVE WORK:	
Group Visits	819
Individual Doctors' Visits	430
Smallpox Vaccinations	9,910
Antityphoid Inoculations	72
Antidiphtheria Inoculations	1,230
Baths and Delousing	8,518
Treatments in Camp	25,717
Cod Liver Oil given to Children by Spoonfuls (lb.)	269
Carrots (lb.)	14,800
Cabbages (lb.)	20,160
Vitamin-Rich Meals	3,000
Persons Given Vitamin-Rich "Red Fruit"	1,627
Contributed Garments	371
Quilts (Materials Complete)	1,100

V. MEDICAL RELIEF AND PRIVATE MEDICAL INSTITUTES

A. Special Investigation and Service in and near Hunan.—To investigate and control disease among the soldiers and the civilian population along the Canton-Hankow Railway lines and the highways leading from Hunan to Kwangsi and to Kweichow, a unit from the Central Field Health Station established two field laboratories to co-operate with the Military Medical Service. As malaria and dysentery were of special importance, 1,100 examinations were made of stool and blood film samples. Special lectures and demonstrations were given to officers, 167 wells and about a million gallons of river water were disinfected, and latrines and ponds in some places were treated. Especially in Hengyang, popular health education measures were carried out for the benefit of the civilian population.

B. Medical Relief for Dike Workers in Hupeh.—For the health of the Dike workers in Hupeh, the provincial government obtained the co-operation of the Central Field Health Station in organizing traveling clinics for the Chunghsiang area in July, 1936, and maintaining them for a period of six months. Preventive inoculations were given and general sanitary services were performed, including cleaning ditches, inspecting premises, burying the dead, etc. The clinical attendance was 27,827, composed of 12,839 at the clinic in Chunghsiang and 14,988 at traveling clinics.

C. Flood Relief Work.—Flood relief work in the various inundated areas of Shantung, Honan, Anhwei, Hupeh, Hunan, Kiangsi, and Kiangsu from August, 1935, to May, 1936, is set forth in Table 9.

D. Private Medical Institutes.—An important role in the field of medical relief is played by the large number of private institutions scattered over the country. Besides clinical work, a number of them are participating in emergency medical relief and other public health activities, conducting important research in medical science, and proving of real benefit to the population. An outstanding example is the Peking Union Medical College Hospital, which, financed largely by the Rockefeller Foundation, has for years been known as the best hospital in the Orient. During 1935–1936 it extended medical care to 173,810 outpatients and 6,505 inpatients. Another significant private institution is the Henry Lester Institute of Medical Research, with attached hospital, in Shanghai. Mention may also be made of the Mercy Hospital in Shanghai, the Peiping Municipal Hospital for Mental and Nervous Diseases, the Ellzabeth Blake Hospital in Soochow, and the Kerr Hospital in Canton, all of which are giving proper care to patients suffering from mental diseases.

TABLE 9. STATISTICAL SUMMARY OF ACTIVITIES OF NATIONAL GOVERNMENT TRAVELING CLINICS IN THE FLOOD AREA, AUGUST, 1935, TO MAY, 1936[1]

Service \ Unit	*Anhwei*	*Honan*	*Hunan*	*Hupeh*	*Ichang-Shasi*	*Kiangsi*	*Kiangsu*	*Shantung*	*Tsining*	*Wuchang-Hankow*	*Total*
CLINICAL ATTENDANCE	8,707	9,094	8,330	57,480	7,013	11,632	1,210	11,391	5,835	27,781	148,473
SERVICES:											
Smallpox Vaccination	3,535	2,856	1,079	17,632	2,767	1,748	1,304	13,494	8,777	45,817	99,009
Preventive Inoculation.. ..	14,143	5,864	2,573	57,263	4,692	5,265	1,436	28,664	16,879	30,811	167,590
Sanitary Inspection	93	60	63	319	31	23	52	76	21	0	738
Sanitary Improvement..	126	37	47	85	28	68	38	53	37	0	519
Water Disinfection ..	0	0	0	725	105	0	43	332	79	504	1,788
Latrine Disinfection	137	145	0	537	0	0	0	0	0	314	1,133
Garbage Disposal (No. of Loads)..	0	2,379	0	0	237	0	0	3,572	563	0	6,751
Corpses Buried ..	0	0	379	0	0	0	0	394	34	0	807

[1] The work was concluded at that time.

VI. PERSONS IN THE MEDICAL AND ALLIED PROFESSIONS

To secure the greatest possible returns in health for the people as a whole in spite of the limited number of doctors and other trained people available and the comparatively small budget for medical and health work, the system of state medicine is being developed and emphasis is being laid on disease prevention. Efforts are thus being made to register the doctors, dentists, pharmacists, midwives, nurses, etc., and to conserve their time and energy so as to enable them to render maximum service. Registration of dentists and nurses was begun in 1936. Recognizing a special need, the National Health Administration promulgated in 1936 the following measures concerning those physicians and dentists already practising who could not meet the usual qualifications.

Such a practising physician or dentist who does not possess the qualifications required by the Regulations Governing Medical Practitioners or by Sections *a* or *b* of Article 2 of the Tentative Regulations Governing Dentists,[1] may, provided he possess one of the following qualifications, apply to the National Health Administration for a Certificate of Scrutinization, granted on the recommendation of the appropriate scrutinizing committee. This certificate entitles him to take the corresponding examination, after passing which he may apply for a regular license. The qualifications are: for a doctor, (1) graduation from an unregistered medical school with at least a four-year curriculum, or (2) a medical practitioner's license or a certificate issued by a local government to the effect that he has studied medicine in a hospital for at least five years; or, for a dentist, (1) a record of previous dentist's registration with a local government, or (2) a certificate from the local government that he has studied dentistry with a registered dentist for a least three years. Of the 316 persons who applied for permission to take the December, 1936, examination for dentists, 268 were granted certificates.

Practitioners of Native Medicine are also being registered, the provincial and the municipal governments being responsible, for the time being, for such registration.

TABLE 10. NUMBERS OF PERSONS IN MEDICAL AND ALLIED PROFESSIONS REGISTERED WITH THE NATIONAL HEALTH ADMINISTRATION DURING AND THROUGH 1936

	During 1936	*Through 1936*
Doctors	1,041	8,922
Dentists*	119	191
Pharmacists	109	489
Dispensers	829	2,263
Midwives	557	3,174
Nurses[1]	575	575

* Registration was begun only in 1936.

VII. EDUCATION IN THE MEDICAL AND ALLIED PROFESSIONS

A. Commission on Medical Education.—The education of doctors as well as of supplementary health and hospital workers, is supervised and assisted by the Ministry of Education; but the co-operation of the National Health Administration is secured through mutual participation in the Commission on Medical Education. This commission, which earlier had only three technical committees (on medical, midwifery, and nursing education), added in 1936 committees on dental education and pharmacy education.

During 1936, 24 medical schools, 66 nursing schools, and 23 midwifery schools were inspected, and interviews were held with school directors and teachers. Specific recommendations for the improvement of teaching facilities were made, and a program for the

[1]*Chinese Year Book* for 1936–37, pp. 1425–1426.

training of personnel for the system of state medicine was prepared with great care. A three-year program for the preparation and editing of teaching materials (including both textbooks and standards of medical terminology) was set up in 1936 by the Editorial Board. The circulation of *Medical Culture*, the commission's official monthly publication, started in 1935, has already reached 2,000 copies.

The Chung Cheng Medical College, at Nanchang, is to be opened in September, 1937. The Kiangsi Provincial Government has donated over 200 acres of land; and the National Government has appropriated $280,000 for the building, which is already under construction. The aim of this new school, which will be experimental in nature, is to train men and women for the future state medical service, particularly in rural areas.

To the postgraduate teacher-training courses organized in anatomy, physiology, pharmacology and pathology, there were added in 1936 similar course in bacteriology, biochemistry, and parasitology, all three at the Peking Union Medical College. Two types of postgraduate courses for training teachers for nursing schools have been held, under the joint auspices of the Public Health Training Institute of the National Health Administration and the Commission on Medical Education: (1) a six-month course concluded at the Central School of Nursing at Nanking in November, 1936; and (2) a nine-month course of which two classes, one at the School of Nursing of the Peking Union Medical College and the other at the Central School of Nursing, were concluded in November, 1936, and three more were started in December in Nanking, Peiping and Shanghai. Altogether the commission has given 66 fellowships for such training.

Since 1934 the Ministry of Education has also subsidized a number of medical schools to the extent of $129,000 for the improvement of facilities and teaching staff.

B. Public Health Training Institute.—The reorganization of this teaching unit is mentioned in Section I of this chapter. Increased work, continuing along the lines indicated in last year's issue of the *Chinese Year Book*, was made possible by a 50% increase in staff. (See Table 12.) Adjoining the new building which houses classrooms and laboratories there is a modern auditorium seating about 600 people.

C. Schools of Pharmacy.—In September, 1936, the Central Government opened in Nanking an independent National Technical School of Pharmacy. Graduation from senior middle school is an entrance requirement, and the four-year course includes one year of practical work in a hospital pharmacy. In addition, the training of pharmacists was continued at L' Université Franco-Chinoise, la Faculté de Pharmacie, Shanghai; the West China Union University, Department of Pharmacy, Chengtu, Szechwan; the National Medical College of Shanghai; Cheeloo University, Department of Pharmacy, Tsinan; Tsingtao University; the Army Medical College, Nanking; and the Chekiang Provincial College of Medicine and Pharmacy, Hangchow.

TABLE 11. DISTRIBUTION BY PROVINCES (INCLUDING MUNICIPALITIES) OF REGISTERED COLLEGES OF MEDICINE AND SCHOOLS OF DENTISTRY, PHARMACY, MIDWIFERY AND NURSING, DECEMBER 1936

Province	*Colleges and Schools*				
	Medicine	*Dentistry*	*Pharmacy*	*Midwifery*	*Nursing*
Anhwei ..	0	0	0	0	2
Chekiang ..	1	0	1	1	4
Fukien ..	0	0	0	2	2
Honan ..	1	0	0	0	0
Hopei ..	4	0	0	3	8
Hunan ..	1	0	0	1	3
Hupeh ..	0	0	0	1	2
Kansu ..	0	0	0	1	0
Kiangsi ..	2	0	0	1	1
Kiangsu ..	9	1	2	9	8
Kwangtung	3	0	0	0	0
Shansi ..	1	0	0	0	0
Shantung ..	2	0	0	1	1
Shensi ..	0	0	0	1	0
Suiyuan ..	0	0	0	0	1
Szechwan ..	1	1	0	0	3
Yunnan ..	1	0	0	1	0
TOTAL ..	26	2	3	22	35

TABLE 12. SUMMARY OF PUBLIC HEALTH TRAINING COURSES GIVEN BY THE CENTRAL FIELD HEALTH STATION OR THE TRAINING INSTITUTE DURING 1936 AND TOTAL NUMBER OF GRADUATES THROUGH 1936

Course	*No. of Classes Given in 1936*	*Nos. of Students*			*Total No. of Graduates through 1936*
		Sent by Institutions	*Volunteers*	*Total*	
For Public Health Officers *	5	12	66	78	228
Internships and Assistant Residentships †	3	0	61	61	162
Special, in Bacteriology and Serology, and in General Public Health	—	0	10	10	8
For Sanitary Engineers	3	0	20	20	14
For Graduate Pharmacists	2	0	10	10	5
For Public Health Nurses	5	114	40	154	205
For Laboratory Technicians ..	2	0	65	65	—
For Sanitary Inspectors	2	28	12	40	142
In Health Education for School Teachers	0	0	0	0	119
TOTAL	22	154	284	438	883

* Including one on Maternity and Child Health.
† Conducted in the Central Hospital.

VIII. MEDICAL AND ALLIED SOCIETIES

The Chinese Medical Association, which was formed in 1932 by the merging of the China Medical Association (formed in 1925 from the 40-year-old China Medical Missionary Society) and the National Medical Association of China (1915), has continued to publish the *Chinese Medical Journal* (in English) and the *National Medical Journal of China* (in Chinese). Its *Chinese Medical Directory* for 1936 introduces many improvements over previous issues. The Association held its Fourth Biennial Conference in Shanghai from April 1 to 8, 1937. More than 1,000 doctors from all parts of the country attended, and scientists of international repute from Europe and America were present as guest speakers. Two new sections were inaugurated, the Army Medical Section and the Antiopium Section. Still under the parent Association, there were organized also 12 autonomous societies (Table 13.) Funds are being enthusiastically raised for a new association building.

Concurrently with the above were held meetings of the Chinese Physiological Society, the Chinese Society of Pathology and Microbiology, and the Chinese Mission to Lepers. Many persons attending these various meetings in Shanghai stopped off at Nanking to see some of the work of the National Health Service.

In August and September, general meetings were held in Shanghai by the Chinese Medical Practitioners' Federation and the China Dental Association and in Nanking by the Chinese Pharmacological Association, each serving as a source of inspiration to all who attended.

The Nurses' Association of China held its Thirteenth Biennial Conference at the University of Nanking, from September 30 to October 6, 1936, More than 300 delegates, representing 174 nursing institutions throughout the country, attended. Close cooperation was maintained with the National Health Administration by addresses and by inspection visits to the administration's headquarters, the new Public Health Training Institute, the Central Hospital, etc.

The National Red Cross Society of China, which had been dormant, was reorganized early in 1936 and put under the National Health Administration. The new program is gradually being put into practice, and questionnaires have been circulated to all Chinese members of the Chinese Medical Association and to mission hospitals. In Shanghai and a few other cities, the training of doctors and nurses for military service has been begun. During the fighting in Suiyuan in 1936 a representative was sent to investigate the needs; if hostilities had continued, the Red Cross Society would have sent workers and supplies to the field.

The Shanghai Birth Control Information Bureau, sponsored jointly by the Women's Christian Temperance Union and the Shanghai Birth Control League, has secured the sympathetic interest of government officials and the co-operation of members of the medical profession. Since the beginning of 1935 the bureau has handled 360 cases, the number during the past year having been nearly double that in the preceding year. In more than two thirds of the cases the woman had from two to six children, the average number of pregnancies being 4.75. The search for simpler and more economical methods of birth control will be continued, and efforts will be made to reach a larger number of really poor people.

TABLE. 13 SCIENTIFIC SOCIETIES ORGANIZED UNDER THE CHINESE MEDICAL ASSOCIATION IN APRIL 1937

Chinese Surgery Society
Chinese Otolaryngology Society
Chinese Radiology Society
Chinese Tiberculosis Society
Chinese Dermatology Society
Chinese Pediatrics Society
Chinese Public Health Society
Chinese Medical History Society
Chinese Society of Internal Medicine
Chinese Hospital Society
Chinese Society of Obstetrics and Gynaecology
Chinese Ophthalmology Society

IX. PREVENTION AND CONTROL OF EPIDEMICS AND EPIZOOTICS

A. Endemic and Epidemic Diseases.—During 1936 there were no exceptional outbreaks of epidemic disease in China.

Both the Central Hygienic Laboratory and the National Epidemic Prevention Bureau have maintained large collections of bacterial cultures, including both those isolated in this country and others obtained from abroad. Information on the manufacture of sera, vaccines, etc., is included in Section XI below.

Certain epidemic and endemic diseases have remained the subject of special study or of persistent curative and control measures. The Kala-Azar Research Station at Tsingkiangpu recorded in 1936 an attendance of 28,938; but it is estimated that more than 200,000 people in that one endemic area in northern Kiangsu are suffering from the disease. Work of the Schistosomiasis and the Fasciolopsiasis units in Chekiang was also continued, the latter unit taking care of an average of 600 patients a day. A study on the prevalence and control of clonorchiasis in Canton was started by parasitologists from the National Health Service and later continued by the municipal health bureau.

In Nanking an efficient scheme for the control of communicable diseases has been developed. Facilities for preventive inoculation were made available, shops of public health importance were visited regularly, and sanitary improvements were made.

In Peiping campaigns for inoculation against diphtheria, scarlet fever, and other communicable diseases were conducted both early in 1936 and again late in the year. During the summer a campaign was conducted for inoculation against cholera and typhoid, and wells throughout the city were disinfected.

Data on vaccinations and preventive inoculations given throughout the country are summarized in Tables 14 and 16. Diagnostic laboratories in various places performed increasing numbers of examinations for hospitals and physicians, the Central Field Health Station alone performing 59,151 free of charge and the Kiangsi Provincial Health Center 26,755 during 1936.

Reports received by the National Health Service concerning deaths and notifiable diseases in certain large cities during 1936 are summarized in Table 15. Special information is given below on cholera, bubonic plague, smallpox and malaria.

1. *Cholera.*—For several years to date (June 1, 1937) there has been freedom from cholera. Although it is possible that the disease is merely passing through a quiescent stage in a cycle, it is likely that the present satisfactory condition is due in very large part to the public health measures which have been taken—mass inoculation, disinfection of wells and other water sources, provision of free piped water during the summer (in Shanghai and Nanking) for those who would otherwise have to depend upon contaminated creeks and wells, propaganda regarding personal hygiene, etc.

2. *Bubonic Plague.*—Plans made in 1935 for plague control in the endemic centers in Fukien were carried out. Rat eradication was effected by poisoning, both by biated barium carbonate and by cyanide gas pumped into ratholes. Trapping was done only to obtain live rats for examination. Rat prevention was emphasized, and much attention was given to the elimination of harborage and of food supplies for the rodents. The town's sewerage system was reconstructed, and a new dam was made to provide river water for flushing the sewers. Pneumonic or suspected-pneumonic cases were isolated; plague houses and their vicinity were fumigated. Outside the town 7,000 persons were vaccinated with antiplague vaccine prepared from local strains of plague bacilli. Appropriate research was also conducted.

Since, in the past, plague has been present in the Ordos region in Shensi, preparation of a Plague Prevention Station at Yulin was undertaken in 1936. For the present the local hsien health center will examine any suspected cases; the discovery of any case

of true plague will be promptly reported to the Central Health Organization, which will then immediately dispatch a unit to combat the disease.

3. *Smallpox.*—Again in 1936 a national smallpox vaccination campaign was carried out, following the transmission of the Government's suggestions to local governments, hospitals, and national medical societies. Over 400 vaccinators were trained for the provinces of Shantung, Honan, Anhwei and Hupeh. The Central Government provided free to local governments in these and other provinces three million doses of calf lymph, besides other supplies; and other orders during the year were filled at half price.

4. *Malaria.*—In the fall of 1936 a severe malaria epidemic occurred in the lower Yangtze Valley, especially in nine hsien in Anhwei and Kiangsu. The local governments and charitable organizations in these hsien, with the assistance of units sent by the Central Field Health Station, took measures to control the disease. Popular talks were given, antimalaria posters etc. were distributed, and a survey of anopheles mosquitoes was made. Of 1,008 children under 12 years of age who were examined for spleen and parasite indices, 78% were found to be suffering from subtertian infection.

In Nanking the restricted area under malaria control was enlarged from six to nine *li* in diameter. Within the walled city, where the control area was situated, the ratio between cases of malaria and of other diseases was 1 to 20, while outside the city the ratio was 1 to 3.

B. Epizootics.—Owing to the importance of animal husbandry in the northwestern provinces, veterinary work has been given considerable attention in recent years.

The Northwest Epidemic Prevention Bureau established three field stations for the control of animal diseases: one in Viyuanhsien (亶縣), Chinghai, one in Hungkwangying (洪廣營), Ninghsia, and another in Kansu. An investigation of health conditions among animals in 12 hsien and 30 banners in those provinces indicated that the average death rate of horses and oxen from epizootics was 10% (the highest being 25%), mostly from anthrax, glanders and pleuropneumonia. The average death rate of sheep and goats was 20% (highest 50%): mostly from parasitic diseases, but some from anthrax, scabies and sheeppox, and a few from pneumonia. Foot-and-mouth disease was not so severe in 1936 as in 1935.

In Chinghai an Association for the Protection of Domestic Animals was organized in Sining (西寧) in September. It has been joined by 6,422 families in two *chen* including 159 villages. A traveling veterinary clinic has gained the confidence of the tribal chief as well as of the people.

In Suiyuan in 1936 the Mongolia-Suiyuan Epidemic Prevention Bureau investigated animal diseases. In two regions in Inner Mongolia the death rate of cattle from rinderpest alone was 20 and 60–70%. Glanders was also present. Only after repeated urging did the superstitious people allow their animals to be vaccinated. Toward the end of the year the death rate appeared to have been reduced to about 1%. In another region about half of the cattle died from pleuropneumonia. In the western part of the province many sheep died; and in the eastern part there was foot-and-mouth disease. Among camels, parasites and scabies still occur. As there has been a great demand for more branch stations, more apparatus has been ordered for the bureau. A short course in veterinary medicine is to be given to Mongolian youths during 1937.

For the control of rinderpest, anthrax, swine plague, and other animal diseases, sera and vaccines were prepared by the Central Agricultural Research Bureau, the Northwest Epidemic Prevention Bureau, the Mongolia-Suiyuan Epidemic Prevention Bureau, and their institutions.

TABLE 14. NUMBERS OF PREVENTIVE INOCULATIONS REPORTED FROM CERTAIN AREAS FOR 1936

	Provincial Health Centers			*Hsien Hospitals and Health Stations*			*10 Traveling Clinics in Flood Area*	*Dike Health Units, Hupeh*	*Municipal Health Services*		
	Chinghai	*Hunan*	*Kiangsi*	*6 Hsien in Chekiang*	*3 Hsien in Kiangsu*	*3 Hsien in Shensi*			*Nanking*	*Peiping*	*Shanghai*
INOCULATIONS AGAINST:											
Cholera	—	41,946	18,770	1,894	11,716	26,277	—	—	189,906	17,642	426,064
Typhoid	—			—	—	—	—	—			
Meningitis..	—	4,532	269	1,413	493	—	—	—	—	—	248
Diphtheria ..	23,755	—	1,945	—	—	—	—	—	12,839	—	510
Rabies	—	—	—	—	—	—	—	—	—	—	402
Diseases not Specified	—	—	—	—	—	—	167,590	6,031	—	—	—
Sick Tests	—	—	—	—	—	—	—	—	—	—	2,549
TOTAL (*incomplete*)..	23,755	46,478	20,984	3,307	12,209	26,277	167,590	6,031	202,745	17,642	429,773

TABLE 15. NUMBERS OF CASES OF SEVEN COMMUNICABLE DISEASES IN CERTAIN LARGE CITIES DURING 1936

	Smallpox	*Typhoid*	*Dysentery*	*Diphtheria*	*Scarlet Fever*	*Cerebrospinal Meningitis*	*Typhus*
NANKING							
January-March ..	107	38	14	90	12	48	—
April-June	170	68	53	61	12	67	1
July-September ..	5	169	218	26	13	17	2
October-December ..	5	72	102	131	12	13	—
TOTAL	287	347	387	308	49	145	3
SHANGHAI							
January-March ..	58	147	61	270	109	45	—
April-June	116	222	75	216	194	96	11
July-September ..	24	455	733	107	100	28	2
October-December ..	164	291	226	353	190	19	2
TOTAL	362	1,115	1,095	946	593	188	15
PEIPING							
January-March ..	17	21	115	74	117	14	5
April-June	82	28	204	75	267	22	65
July-September ..	26	41	600	44	47	6	6
October-December ..	122	62	200	99	178	2	7
TOTAL	247	152	1,119	292	609	44	83
TSINGTAO							
January-March ..	—	16	39	10	10	2	—
April-June	—	4	86	6	2	1	—
July-September ..	—	2	250	2	4	—	1
October-December ..	—	4	104	19	—	—	1
TOTAL	—	26	479	37	16	3	2
TIENTSIN							
January-March ..	5	13	28	14	14	3	2
April-June	6	35	46	17	36	5	8
July-September ..	1	69	82	1	11	1	6
October-December ..	6	42	22	13	39	4	1
TOTAL	18	159	178	45	100	13	17
CANTON							
January-March ..	—	48	3	61	—	11	—
April-June	1	80	11	9	—	6	—
July-September ..	—	275	15	22	—	6	—
October-December ..	2	181	1	59	1	2	—
TOTAL	3	584	30	151	1	25	—
HANKOW							
January-March ..	5	61	58	11	2	30	—
April-June	4	123	133	21	—	55	5
July-September ..	—	182	400	10	1	7	—
October-December ..	5	70	126	42	—	15	—
TOTAL	14	436	717	84	3	107	5
HANGCHOW							
January-March ..	25	5	2	38	14	6	—
April-June	15	12	1	41	18	14	—
July-September ..	2	30	136	33	9	4	—
October-December ..	1	10	2	92	10	2	—
TOTAL	43	57	144	204	51	26	—
SWATOW							
January-March ..	3	36	2	17	14	—	—
April-June	4	27	4	3	2	4	—
July-September ..	—	61	34	1	—	2	—
October-December ..	—	43	12	11	—	—	—
TOTAL	7	167	52	32	16	6	—
AMOY							
January-March ..	3	31	2	25	—	17	—
April-June	1	—	—	11	—	7	—
July-September ..	2	21	11	2	—	3	—
October-December ..	—	17	4	11	—	2	—
TOTAL	6	69	17	49	—	29	—

TABLE 16. NUMBERS OF SMALL-POX VACCINATIONS REPORTED FROM VARIOUS PROVINCES (INCLUDING MUNICIPALITIES) FOR 1936

Anhwei	4,712
Chahar	3,729
Chekiang	199,497
Chinghai	35,391
Fukien	22,487
Honan	14,485
Hopei	234,188
Hunan	107,242
Hupeh	68,177
Kansu	8,590
Kiangsi	472,897
Kiangsu	370,274
Kwangsi	1,986
Kwangtung	149,958
Kweichow	151
Ninghsia	881
Shansi	3,909
Shensi	40,579
Shantung	100,222
Suiyuan	6,066
Szechwan	20,095
Yunnan	13,788
TOTAL (*incomplete*)	1,879,304

X. QUARANTINE SERVICE

Routine work was carried out in accordance with the practice of former years in the three northern quarantine stations at Tientsin, Tangku-Taku, and Chinwangtao; but an administrative change took place in 1936 when the three were reorganized to form the Tsin-Tang-Chin Quarantine Station. New quarantine hospitals (besides the ones previously established in Woosung, Amoy, Tangku-Taku and Chinwangtao) have been opened in Shanghai and Hankow. Fumigation work was extended to up-river ports as far as Chungking, Szechwan. Plans have also been made for the organization of new stations at Chiungchow and Hoihow.

Aside from the usual routine activities (quarantine and medical care of cases of communicable diseases, fumigation, issuing of bills of health, etc., as detailed in the *Chinese Year Book* for 1935–1936), the quarantine authorities have been disinfecting, since December 1935, old newspaper rags, cotton and wool waste, gunny bags, etc. for which the importers or consignees have not been able to produce disinfection certificates issued by recognized health authorities.

TABLE 17. SERVICES OF QUARANTINE HOSPITALS OF THE NATIONAL QUARANTINE SERVICE DURING 1936

Hospital	*Inpatients*	*Outpatients*
Shanghai and Woosung	—	235
Amoy	208	238
Hankow	0	265
Tsin-Tang-Chin	54	522

XI. PREPARATION OF DRUGS AND BIOLOGICAL PRODUCTS

With the aim of encouraging the manufacture of reliable products from native raw materials, the drug factory of the Central Field Health Station continued to conduct research to serve as a basis for production. A large number of preparations, many of which are not readily available through the usual commercial channels, were produced and distributed throughout the provinces at cost price. (For quantities of certain products see Table 19.)

Special importance is attached to the research work on native drugs and synthetic products to find out their pharmacological actions and clinical application. Of particular interest are the studies of *tang-kwei* (當歸), *han-fang-chi* (漢防已), *tang-shen* (黨參), *huang-chin* (黃芩), *pei-mu* (貝母), *i-mu-tsao* (益母草), *ta-huang* (大黃), *wan-nien-chin* (萬年青), *huang-lien* (黃蓮), *chien-hu* (前胡), and *wu-yao* (烏藥), all of which are widely used by practitioners of native medicine.

The National Epidemic Prevention Bureau has kept up the quality of all its sera, vaccines, and analogous products by research and by checking against the international standards received from the League of Nations. The number of kinds produced has

TABLE 18. SUMMARY OF ACTIVITIES OF THE QUARANTINE STATIONS AT CERTAIN PORTS DURING 1936

Station	Medical Inspection of Vessels				Fumigation			Preventive Inoculations	
	Vessels	Gross Tonnage	Passengers	Members of Crew	Vessels	Underdeck Tonnage	Rats Destroyed	Anti-Small-pox Vacci-nations	Anti-Cholera Inoculations
Shanghai ..	1,821	14,173,277	112,764	203,154	591	1,049,720	1,402	970	211
Amoy	283	1,518,834	49,459	33,408	14	27,301	165	66,647	—
Hankow..	25	145,979	195	1,139	552	121,763	319	1,051	2,454
Tsin-Tang-Chin	154	495,408	—	—	63	86,530	138	1,931	2,224
Swatow..	0	0	28,300*	—	0	0	0	0	0
Canton ..	1,152	1,808,094	69,049	99,795	30†	43,540†	190†	0	0

* September to December only.
† Fumigation of vessels prior to September 4th was directly controlled by the Bureau of Public Health.

increased to 53. Quantities of the more important products distributed during the fiscal year 1935–1936 are shown in Table 20. Even more important, however, is the fact that the Bureau is able to supply the required quantities promptly during emergencies. For example, only 861,451 c.c. of cholera vaccine were distributed, but 5,264,000 c.c. (enough to vaccinate about 2,105,600 people) were produced; and orders received from Fukien for plague vaccine were filled immediately.

During 1936 the Shanghai Municipal Hygienic Laboratory manufactured 1,346,919 c.c. of biological products. Recently certain drug firms in Shanghai have also introduced modern equipment for the preparation of chemicals and drugs.

Sera, vaccines, and analogous products were prepared also by a number of institutions interested in animal husbandry, as is mentioned in Section IX.

TABLE 19. QUANTITIES OF CERTAIN PHARMACEUTICAL PRODUCTS DISTRIBUTED BY THE CENTRAL FIELD HEALTH STATION DURING 1936

	Quantity	
	Unit	*No. of Units*
CHEMICALS AND NEW DRUGS		
Vitamin B	c.c.	73,457
Vitamin B Comp.	gm.	2,504,780
Liver Ext. Powder	gm.	109,830
Liver Ext. Liquid	c.c.	20,657
Hybroflucin	gm.	66,634
Tissue Fibrinogen Amp.	c.c.	4,594
Ephedrine	gm.	4,371
Chaulmoogra Inj., "Painless"	c.c.	145,595
Plaster of Paris	kgm.	5,923
Carotene	gm.	43,207
Thyroid Powder, Ch. P.	gm.	2,400
Bismuth Inj., "Painless"	c.c.	9,574
Catgut, Sterile	ft.	22,591
PHARMACEUTICAL PREPARATIONS		
Ampoules	c.c.	8,432,139
Extracts, Spirits, Tinctures, etc.	c.c.	1,068,059
Ointments	gm.	227,239
Tablets	tab.	4,870,667
Lecithin "Jelly"	gm.	580,050
First Aid Boxes and Packages	pc.	781,789
Miscellaneous	gm.	605,250

TABLE 20. QUANTITIES OF THE MORE IMPORTANT BIOLOGICAL PRODUCTS DISTRIBUTED BY THE NATIONAL EPIDEMIC PREVENTION BUREAU DURING THE FISCAL YEAR 1935–1936

Product	*Quantity**	*Product*	*Quantity**
SERA:		VACCINES:	
Antidysenteric	75,820	Cholera	861,451
Antimeningococcus	144,340	Cholera-typhoid	2,840,595
Antiscarlatinal	57,460	Dysentery	60,070
Antistreptococcus	74,440	Gonococcus	18,578
Diagnostic	1,633	Meningococcus	87,498
Normal Horse	18,970	Pertussis	11,658
ANTITOXINS:		Plague	624,395
Diphtheria (units)	92,360,000	Rabies:	
Tetanus (units)	45,578,000	For Man	23,324
TOXINS:		For Dogs	6,356
Shick Test Toxin	19,340	Smallpox (tubes)	1,317,805
Dick Test Toxin	7,460	Staphylococcus	12,150
TOXOIDS:		Streptococcus	9,220
Diphtheria	34,641	Triple Typhoid	170,058
Diphtheria, Alum-Precipitated	29,768	Diagnostic Suspensions	70,730
Scarlatinal	27.559	Kahn-test Antigen	13,580
		Tuberculin	462
		Mallein	1,492

* Quantities are in c.c. unlesss otherwise specified.

XII. CONTROL OF FOOD AND DRUGS

A. Food and Drinks.—Testing of food and drinks has gradually become accepted as a responsibility of local governments.

In Shanghai water from various sources is regularly tested for purity, and various food products are analyzed. Both animals for slaughter and salted meat are examined. In Nanking 588 offenses concerning food and drugs were punished during 1936. Twice a month samples are taken from dairies and "bean-milk" factories.

Native common salt from 16 provinces has been studied by the Central Hygienic Laboratory. The sodium chloride content of 149 samples was found to vary from 36.88% to 99.30%. The majority of the crude samples were of poor quality, and in several cases harmful ingredients were found to be present.

B. Drugs.—Revised Regulations Governing Patent Medicines (Appendix III) were promulgated by the National Health Administration on December 4, 1936. The revision, among other things, simplified the registration of patent medicines. Through April, 1937, the administration has analyzed and passed 991 applications.

At the Central Hygienic Laboratory the testing of drugs reached its peak in 1936. Of the 313 samples of drugs and the 182 samples of patent medicines, 85.6% and 86.3% respectively were found to be up to standard.

The quick and sensitive method for the detection of morphine in urine, worked out at the Central Hygienic Laboratory in 1934, is now widely employed for the diagnosis of opium addiction. During the early part of 1936, 73.4% of all samples examined toxicologically at that Laboratory were urine samples for this test.

The problem of distinguishing between heroin, morphine, and opium addiction by the examination of body fluids has been partially solved by recent experiments at the Central Hygienic Laboratory, where it has been found that, in the animal body, the hydrolysis of heroin to morphine is incomplete. In a series of experiments, heroin, in quantities small yet sufficient for identification, was recovered from the urine of dogs.

XIII. SANITATION

Water supply, drainage, latrines, sewerage, incinerators, housing, and other sanitary matters received extensive attention during 1936. The Central Field Health Station in Nanking, made 2,088 bacteriological or chemical examinations of water or sewage and gave advice and assistance on sanitary matters to the authorities in Canton, Chikow, Foochow, Huchow, Lushan, Nanking, etc., as well as to Kiangninghsien, in Kiangsu. The station's sanitary exhibit is mentioned in Section XV of this chapter. The Nanking municipal health administration promulgated a municipal sanitary code, prepared in co-operation with the Central Field Health Station. In Peiping and elsewhere, large-scale disinfection of wells formed a part of the summer campaign against cholera and typhoid.

Detailed designs and plans were made for new waterworks in Foochow and Sian, and construction will be started in the near future. In view of the very rapidly increasing population in Nanking, plans were also made for an additional waterworks in that city. A new sewerage system was designed, and construction was partly carried out in 1936.

To find the most economical and sanitary means of handling village sewage problems, both surveys of present practices and parasitological studies have been made in Kiangninghsien. During 1937 the Central Field Health Station is to make studies on the effects of the storage and digestion of feces on their fertilizing value and on the viability of parasite eggs; new type latrines have been introduced into some village homes to test their practicability.

In Shanghai and Nanking surveys have been made of various tenement houses, poor people's villages, and welfare centers. Recommendations and plans have been prepared for cer-

tain improvements to be made with the co-operation of the Central Field Health Station and municipal and charitable organizations.

In the Rural Health Demonstration, Kiangninghsien, work in environmental sanitation during 1936 included sanitary and water surveys, latrine and well construction, shop inspection, and refuse collection. Unhealthy rural housing was attacked by four types of work: plastering or whitewashing walls, opening glass-plate skylights, making ventilation holes in walls, and repairing leaky straw roofs. For the really poor families all material was supplied free, but many families offered to pay at least a part of the cost. Further housing improvements have been planned for 1937.

In the Urban Health Demonstration area in Nanking, 491 wells and 47 latrines were examined during 1936; some were improved, and construction of new ones was begun. Throughout the municipality, all shops of public health importance (grain shops, markets, dairies, hotels, laundries, etc.) are required to secure permits from the municipal health administration, which first investigates the sanitary conditions. Only about half of the requests for permits have been granted. All registered shops, numbering about 8,500, are regularly inspected. Schools and tenement houses were investigated. Popular education was also attempted, particularly in barber shops, restaurants, etc.

XIV. MATERNITY AND CHILD HEALTH

A. Midwifery Training.—The First National Midwifery School in Peiping and the Central Midwifery School in Nanking continued their work under the supervision of the National Health Administration and the Central Field Health Station. Besides giving the regular course, the school in Peiping served also as the training field for a special class of 16 graduate midwives selected by the Ministry of Education to become teachers, supervisors, and maternity and child health workers in 11 institutions and also for six medical students from the Peiping Union Medical College. In October, 1936, the school in Nanking moved into the first unit of its new building, which now provides beds for 40 patients.

To encourage midwifery education, the trustees of the Boxer Indemnity funds remitted by the British Government subsidised during 1936, the provincial midwifery school of Kansu, Shensi, Kiangsu, and Chekiang provinces, each to the extent of $10,000 for construction of new buildings and the purchase of additional equipment. A similar sum was granted towards the capital expenses of a new branch school of the First National Midwifery School which will soon be opened in Wuchang.

The Foochow Midwifery Training Center was reorganized in 1936 to become the Fukien Provincial Midwifery School. The Kunming Municipal Midwifery School was also reorganized, becoming in August, 1936, the Yunnan Provincial Midwifery School. Both schools were strengthened in finance and in teaching staff.

Efforts were made to give further training to graduate midwives from provincial, municipal, and registered private midwifery schools.

In certain district centers (such as Chowping in Shantung, Kaochiao in Kiangsu, Liuyang in Hunan, and Chingho in Hopei) training was given to rural maternity and child health workers to enable them to work under supervision in organized rural public health demonstration districts. In Chowping this special training has made possible the elimination of *tetanus neonatorum*, which formerly claimed about 40% of the infants.

B. Health Service.—In Shensi, where the director of the Provincial Midwifery School is concurrently a maternity and child health officer of the province, there are now 12 hsien health centers with maternity and child health service, of which nine were added during 1936. The maternity and child health service in Kiangsu has grown more rapidly than that of any other province. During 1936, 12 more maternity and child health substations were instituted under hsien centers of that province; and in the

TABLE 21. MATERNITY AND CHILD HEALTH ACTIVITIES REPORTED FROM CERTAIN AREAS FOR 1936

Service	*Provincial Health Centers*						*Hsien Hospitals and Health Stations*			*Municipal Health Services*		
	Chinghai	*Hunan*	*Kansu*	*Kiangsi*	*Ninghsia*	*Shensi*	*6 Hsien in Chekiang*	*3 Hsien in Kiangsi*	*3 Hsien in Shensi*	*Nanking*	*Peiping* (½ *yr.*)	*Shanghai*
Deliveries ..	138	906	162	428	72	814	928	601	121	4,385	1,084	779
Examinations and Nursing Care	362	4,451	947	3,839	1,452	—	—	—	—	2,318	—	—
Home Visits	5,438	—	1,640	—	1,464	—	—	—	—	—	—	6,711
Maternal, Not Specified	—	—	—	—	—	6,282	5,144	39,845	1,814	22,775	—	2,980
Infant, Not Specified..	—	—	—	—	—	—	39,447	30,677	2,098	—	—	1,238

Urban Health Demonstration district in Nanking, the Maternity and Child Health Service in 1936 attended 514 home deliveries. Two new rural centers were opened in Hunan.

C. Activities for Children's Year.—The three exhibits of materials collected from different parts of the country which were shown in connection with the National Child Welfare Year were: on Publications, on Toys and Teaching Designs, and on Health. The final celebration included health plays and motion picture and lantern slide shows. A continuation committee was appointed to arrange for the establishment of a permanent National Child Welfare Center.

D. National Child Health Day.—On May 15, 1936, child health campaigns were conducted in many localities throughout the country. The aim was principally to educate parents in regard to: methods of protecting their children's health; the importance of environmental sanitation; proper nutrition; training of children in health habits; the necessity of medical examinations at regular intervals; and the prevention of sickness. Medical examination was given free to each child between the ages of one and five years old, and those with no physical defects were allowed to participate in the Well Babies Contest. Prizes for the healthiest children were awarded on National Child Health Day.

XV. SCHOOL HEALTH AND POPULAR HEALTH EDUCATION

A. School Health.—Before the end of 1936, standard urban school health work had been extended to cover a student population of 250,334 in 712 schools in the provinces of Shensi Honan, Anhwei, Chekiang, Fukien, Kiangsi, Hunan, Hupeh, Chinghai Kansu, and Ninghsia and in the municipalities of Peiping, Nanking, and Shanghai. Altogether 38 physicians, 67 nurses, and 8 assistants participated in the activities.

At the conference for senior civil and educational administrators, called by the Executive Yuan in May, 1936, a systematic nation-wide school health program was adopted and a National Health Educational Association was organized to promote scientific knowledge and culture in that field.

B. Popular Health Education.—Preparations have been made for the establishment of a National Museum of Hygiene, the indoor section of which is to be housed in the Public Health Training Institute. Motion and illumination will be used to make the exhibits effective. One section will present personal hygiene in different periods in the life of an individual, and another a wide range of public health activities in China. The outdoor sanitary section now contains wells, latrines, sewerage systems, garbage containers, incinerators, a septic tank, a fumigation chamber and a hot-air delousing chamber.

Popular health exhibitions have been held in Shanghai, Wusih, Nanking, Kiangninghsien, Nanchang, Lushan, several places in Shantung, etc. The 15 exhibitions occupied 111 days and were attended by about 698,000 persons. Also, 62 public lectures were given, with 157 motion picture and lantern slide shows. The permanent health exhibits in Peiping were visited by an average of a thousand persons a month throughout 1936.

Lectures, pamphlets, slogans, etc. are becoming increasingly popular in educating the people in public health matters. A summary of some of the educational materials prepared and distributed by the Central Field Health Station is shown in Table 24. In Nanking, 32 radio health talks were given over XGOA during 1936, including a series of 12 on personal hygiene. Nearly 5,000 visitors were conducted around interesting parts of the central health headquarters. Three moving picture films, on malaria, on Diphtheria, and on smallpox prevention, have been prepared for popular use.

TABLE 22. SCHOOL HEALTH ACTIVITIES REPORTED FROM CERTAIN AREAS FOR 1936

	Provincial Health Centers				*Municipal Health Service*			
	Chinghai	*Kansu*	*Kiangsi*	*Ninghsia*	*Nanking*	*Peiping*		*Shanghai*
						1935–36	*Sept. '36*	
Schools Served	13	31	—	15	—	72	—	89
Students Served ..	3,183	6,893	11,223	2,376	67,797	—	—	33,754
Health Examinations	682	2,274	14,514*	452	37,116	9,824	4,451	15,814
Treatments ..	8,072	53,827	250,208	16,055	656,250	73,375	8,862	—

* Reported by the Center; not necessarily all students.

TABLE 23. POPULAR HEALTH EDUCATION ACTIVITIES REPORTED FROM CERTAIN AREAS FOR 1936

A. Certain Hsien in a Few Provinces

	*Chekiang**	*Kiangsu*†	*Shensi*‡
Lectures ..	5,352	4,087	444
Classes.. ..	1,046	1,106	544
Talks.. ..	45,810	95,926	8,072
Meetings: ..	862	499	126
TOTAL NO...	53,070	101,618	9,186
Attendance (*approximate*)	259,050	303,750	53,900

* In Chuhsien, Haiyen, Lanchi, Shaohsing, Wukong, and Wuhsing.
† In Kiangninghsien, Taihsien, and Yencheng.
‡ In Hwahsien, Sanyuan, and Yulin.

B. Shanghai

Campaigns..	6
Exhibitions	56
Publications Distributed ..	150,874
Radio Broadcasts	167
Health Film Showings (3,700 ft. each)	5
Health Lectures and Talks: Attandance	42,456
Health Plays:	
Number	8
Attendance	4,784

XVI. INDUSTRIAL HEALTH

In December, 1936, certain health regulation for factories were promulgated by the National Factory Inspection Bureau, where a member of the Central Field Health Station continued to take charge of industrial health activities. These regulations stipulated that any factory employing over 300 workers must provide a health room; any factory employing over 300 married women must also have a day nursery; and any with 100 married women must have at least a room for feeding their babies. Smaller factories must co-operate with each other in providng these facilities.

Although incomplete, statistics show that in big industrial centers such as Shanghai, Wusih, Tsingtao, etc., these and other modern health services are gradually being introduced. More and more factories are either providing their own medical facilities or making arrangements with near-by hospitals or doctors for the medical care of their employees.

Special mention may be made of the Yungli ammonia and acid plant in Nanking, with 1,300 workers in its employ. The plant expanded its health work in July, 1936, establishing a well equipped health office and employing two qualified doctors, two trained nurses, and a sanitary inspector.

From August to December inclusive, 6,000 cases were seen by the health service, and physical examinations and educational and sanitary work were conducted. The plant serves at the same time as the industrial health demonstration for the Public Health Training Institute.

As one step in the education of the public, the National Factory Inspection Bureau, with the co-operation of the Central Moving Picture Studio, prepared a 10-reel talking picture on industrial safety and health. On its completion in December, 1936, it was shown first to owners and workers of a number of factories and workshops in Nanking.

In spite of these efforts, industrial health work is still in an early stage and its proper development will entail years of conscientious effort.

TABLE 24. SUMMARY OF CERTAIN EDUCATIONAL MATERIALS PREPARED AND DISTRIBUTED BY THE CENTRAL FIELD HEALTH STATION DURING 1936

A. Publications Distributed

Book (9)	1,609
A pictorial Survey of National Public Health Activities	12
Public Health Monthly	8,761
Pamphlets (24)	84,445
Series of Posters (8) & of Anatomical Charts	366
Series of Postcards	1,941
Single Posters & Charts (18)	14,933
Slogans (13 kinds)	5,454

B. Models, Photographs, etc. Produced

Models and Molds	675
Museum Specimens	10,930
Posters, Charts, etc.	658*
Photographs & Lantern Slides	2,367*
Motion Picture Films (ft.)	1,300

* Only new ones, prints not included.

TABLE 25. SUMMARY OF ACCIDENTS ETC. IN FACTORIES IN VARIOUS PROVINCES AND MUNICIPALITIES DURING 1935[1]

Place	*Factories*	*Workers*	*Accidents*	*Deaths*	*Injuries*
Anhwei	148	—	5	23	27
Chahar	2	83	3	3	8
Chekiang	18	7,319	5	5	15
Chinghai	—	—	1	—	2
Fukien	—	—	2	1	7
Honan	33	13,427	16	13	73
Hopei	15	53,224	17	325	199
Hunan	8	3,369	6	5	23
Hupeh	—	—	4	5	14
Kansu	—	—	2	9	10
Kiangsi	—	—	3	5	10
Kiangsu	154	77,659	56	55	112
Kwangsi	—	—	3	2	8
Kwangtung	—	—	14	4	19
Kweichow	—	—	2	—	3
Ninghsia	—	—	1	2	8
Shansi	—	—	13	9	32
Shantung	59	8,441	7	537	324
Shensi	—	—	3	2	5
Suiyuan	—	—	4	1	9
Szechwan	—	—	8	10	45
Yunnan	—	—	3	1	19

Canton	—	—	33	23	99
Hankow	43	9,053	31	13	115
Nanking	18	2,382	35	16	52
Peiping	33	2,901	28	20	71
Shanghai	497	—	2,254	325	2,495
Tientsin	68	6,183	39	36	42
Tsingtao	67	30,163	18	24	63
Miscellaneous	—	—	44	32	217
TOTAL	1,163	214,209	2,655	1,506	4,126

[1] Based upon both official and unofficial reports.

TABLE 26. ANALYSIS OF INDUSTRIAL ACCIDENTS, BY KIND, DURING 1935

Kind	*No. of Accidents*	*No. of Persons*	
		Dead	*Wounded*
Explosion	65	267	546
Conflagration	142	140	633
Burns	153	13	150
Crushed Wound	398	39	392
Contused Wound	426	55	544
Electric Trauma	55	32	23
Trauma by Fall	460	53	417
Trauma by Pressure	336	63	380
Trauma by Clashing	313	31	297
Miscellaneous	307	813	744
TOTAL	2,655	1,506	4,126

APPENDIX I

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More detailed recent information (in English) on health and disease in China can be obtained from the following (and other) publications.

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APPENDIX II

PROGRAM FOR INITIATING AND EXTENDING HSIEN HEALTH WORK

(Translation)

ORDER OF THE EXECUTIVE YUAN TO THE PROVINCIAL AND MUNICIPAL GOVERNMENTS NO. 1330

Enclosed herewith you will find a copy of the program for hsien health administration submitted by the National Health Administration and approved as revised by the Executive Yuan at its 303rd meeting. Provincial Governments are expected to include this program in their plans for the fiscal year 1937–1938 and to initiate the work with the aim of extending health reconstruction throughout the country. It should be noted that after hsien health centers are established a central administrative organization should be established directly under the provincial government to direct and supervise the work. Such provincial health centers have already been established in Kiangsi, Hunan, Chekiang, Yunnan, Kansu, Chinghai and Ninghsia; and those provinces which have not yet established such centers should do so.

PLAN OF INITIATING AND EXTENDING HSIEN HEALTH ADMINISTRATION

The importance of health administration to the people's health and economic reconstruction is becoming universally recognized in foreign countries. In China, until very recently, the lack of medical facilities and the people's ignorance of personal hygiene have naturally resulted in a weak population, an excessive number of deaths, and economic depression. The need of establishing local health organizations is especially urgent in view of the frequent calamities confronting the country, such as political disturbances, floods, droughts, etc. Based on the proposal, passed at the Second Conference of Civil Affairs, to establish hsien health organizations, on the plan of hsien health administration passed at the conference of technical health officers in 1934, and on the experience of health work in different hsien in recent years, the following plan is drawn up. The hsien is taken as the unit, as it is the political unit of the country and conditions are favorable, from an administrative standpoint, for introducing health activities.

A. Organization of Hsien Health Administration.—Directly under the hsien government, there shall be a health supervisor, to be concurrently chief of the hsien health center. A hsien health center shall be established in the locality of the hsien government, and under it there shall be a number of health stations, depending upon the population and geographical conditions. For the villages there shall be a number of health substations and village health workers. (See following diagram.)

Locality	*Organization*	*Average Population*
Hsien	Health Supervisor Hsien Health Center	
District	Health Station	50,000–100,000
Hsiang *Chen*	Health Substation	5,000– 10,000
Village	Village Health Worker	

B. Expenditures for Hsien Health Work.—Five per cent of the total income of a hsien should be allocated to health work. In addition, income from health administration, such as fees charged for medical care, diagnostic services, etc., should be reserved for the purpose of providing additional health facilities.

Expenses for the improvement of environmental sanitation, such as waterworks, sewerage, slaughter houses, improvement of wells and latrines, garbage and feces disposal, street and sewerage cleaning, etc., should be allocated, according to needs, from the budget on constructive activities.

C. The Hsien Health Organization: 1. *Hsien Health Supervisor.*—The hsien health supervisor shall, under the magistrate, be responsible for planning and promoting hsien health work, for medical administration, for examining health budgets, and for appointing and training health personnel.

2. *Hsien Health Center.*—The hsien health center, directly under the hsien government, shall be responsible for the following:

(*a*) FUNCTIONS:

(i) planning health work throughout the hsien;

(ii) performing field work in medical care, preventive medicine, and health protection;

(iii) supervising and assisting the work of the health stations and health substations;

(iv) training assistants in health work;

(v) supervising work of health personnel throughout the hsien;

(vi) making budgets for all health organizations in the hsien;

(vii) securing and distributing drugs and other medical supplies.

(*b*) ORGANIZATION AND PERSONNEL.—The chief of the hsien health center shall be recommended by the hsien magistrate and appointed by the provincial health center. As to qualifications, he must be a graduate of a registered medical college, either within the

country or abroad; have received public health training, with appropriate clinical experience; possess a license to practise medicine, and have served for at least one year in a public health organization within the country.

In addition to the chief, there shall be a number of doctors, public health nurses, clinical nurses, midwives, pharmacists, laboratory technicians, sanitary inspectors and clerks.

(*c*) ACTIVITIES:

(i) Medical Relief.—There shall be a hospital, with 20–40 beds and an out-patient department, to give medical relief not only at the health center but also in the villages. In addition to its own O. P. D. patients, the hsien health center shall take care of patients referred to it by the health stations and health substations. In times of epidemics, hospitalization shall be provided for cases of communicable diseases. The hsien health center should, moreover, co-ordinate the work of health stations and health substations in emergency relief at all times.

(ii) Preventive Work.—The prevention and control of communicable disease, smallpox vaccination and other preventive inoculations, diagnostic services, and improvement of environmental sanitation.

(iii) Health Protection.—Assisting and supervising the health stations and health substations in their work of promoting school health, maternity and child health, and industrial health, and of recording vital statistics.

(iv) Training Work.—Training assistants in health work, and disseminating health propaganda. Special work, such as investigation and research on endemic diseases, may be done with the assistance of members sent from the provincial or Central Government.

(*d*) EXPENDITURES:—The amount of expenditures allocated to health in each hsien may be modified according to local economic conditions but shall be based on the standard described in Section B. Before sufficient funds can be obtained for construction purposes, existing public buildings or temples can be utilized temporarily.

(i) Capital.

Capital	*Hsien*	
	A Grade	*B Grade*
Construction*	$20,000	$10,000
Equipment	3,000	2,000

* $1,000 will be sufficient for repair in case existing public buildings are used temporarily.

(ii) Running Expenses (varying according to local need and conditions):—averaging $600 to $1,400, which shall be allocated as follows:

Salaries	60%
Running expenses	10 ,,
Purchases	20 ,,
Others	10 ,,

(iii) Special Health Expenditures.—for extension of health work to the villages; in other words, for the establishment of health stations and health substations:

(1) For each new health station, it is proposed that $400–780 be allocated to capital and $180–300 to monthly running expenses.

(2) For each new health substation, an average of $100–140 will be needed for capital and $50–100 for running expenses.

(3) For new traveling clinics or village health work done by village health workers, the budget should also be included in that of the hsien health center. Such a budget, together with a program of work, should, before the beginning of each year, be submitted to the hsien government for approval.

3. *Health Station.*—The health station comes under the hsien health center.

(*a*) FUNCTIONS:

(i) Medical Care.—There shall be clinic, which shall be open every morning to take care of patients referred to it by the health substations as well as those in the neighboring villages. Serious cases should be referred to the hsien health center.

(ii) Control and reporting of communicable diseases, including periodic smallpox vaccination campaigns and other preventive inoculations. Cases of communicable disease shall be isolated and reported to the hsien health center.

(iii) Improvement of environmental sanitation, such as improvement of wells, provision of safe drinking water, disposal of sewage, fly and mosquito eradication, cleanliness, ventilation and lighting of houses, and control of sanitation in shops.

(iv) Supervision and assistance to health substations by periodic personal visits.

(v) Promotion of midwifery and of maternity and child health.

(vi) Collection of vital statistics.

(*b*) ORGANIZATION AND PERSONNEL:

1 chief, who shall be a doctor with public health training, 1 nurse, 1 midwife, and 1 sanitary inspector.

(*c*) EXPENDITURES: [See above, §2.(*d*) (iii)(1).]

4. *Health Substation.*—The health substation either comes under the health station or is supervised by the hsien health center itself.

(*a*) FUNCTIONS:

(i) care of light cases and first-aid;

(ii) control and reporting of communicable diseases;

(iii) assisting school health work;

(iv) promoting maternity and child health work and performing midwifery services;

(v) reporting, to the hsien health center, births, deaths, marriages and migrations;

(vi) improving environmental sanitation, wells, and latrines and promoting cleanliness.

(*b*) ORGANIZATIONS AND PERSONNEL:

1 nurse, with short training in public health or in midwifery, to be supervised by the doctor of the health station. In order to save expense, health substations should, as a rule, be established in primary schools.

(*c*) EXPENDITURES: [See above, §2.(*d*), §3.(*c*).]

5. *Village Health Worker.*—(The providing of village health workers may be postponed during the initial stage, when health work is just being introduced in a hsien.)

(*a*) FUNCTIONS:

(i) first aid:
(ii) smallpox vaccination;
(iii) reporting of births, deaths, marriages and migrations;
(iv) disseminating health propaganda;
(v) improving wells, latrines, and general cleanliness.

(*b*) PERSONNEL: The hsien health center shall be responsible for the training of village health workers.

(*c*) EXPENDITURES: To be planned by the hsien health center and provided by self-government bodies.

Remarks. In third-grade hsien, when funds are insufficient for the establishment of hsien health centers, it is suggested that health stations be first established, to serve as centers of hsien health work. All work, except hospital work, can then be started.

Submitted to the Executive Yuan.
Approved on March 11, 1937.

APPENDIX III

REVISED REGULATIONS GOVERNING PATENT MEDICINES

Article 1.—Any preparation bearing a name other than the original official names of the ingredients, and intended to be used for therapeutic purposes without the direction of a physician, and marketed with indication as to its therapeutic use, with directions for administration and dosage, shall hereinafter be known as a patent medicine.

Article 2.—A manufacturer or an importer of a patent medicine shall apply to the National Health Administration for a sales permit, by submitting on the standard forms detailed particulars of the preparation and sending at the same time a sample together with all descriptive leaflets or pamphlets. Only after receipt of a sales permit issued by the National Health Administration after examination and approval of the preparation, may the importer or manufacturer place the preparation on the market.

Article 3.—Application for a sales permit for each kind of patent medicine shall be accompanied by a license fee of $2.00, together with the examination fee and the stamp tax in the amounts specified in the regulations in force at the time.

If an application is rejected by the National Health Administration, the fees shall be returned to the applicant; except that, if the application is rejected after the preparation has been analyzed, the examination fee shall not be returned.

Article 4.—After having obtained the sales permit from the National Health Administration, a manufacturer or an importer of a patent medicine shall report to the health organization of the provincial government or of the municipality (directly under the Executive Yuan) within which area he desires to market the preparation, submitting at the same time the original or the applicate sales permit issued by the National Health Administration.

The said health organization, upon finding the documents submitted to be valid, shall forthwith send the applicant an endorsement granting him the right to trade in the preparation. No charge shall be made by the said health organization.

Article 5.—Only drug dealers shall be permitted to manufacture or import patent medicines. A dealer in western medicine who prepares patent medicine shall, moreover, employ a pharmacist.

Article 6.—When any narcotic drug is used as an ingredient in the preparation of a patent medicine, the maximum quantity permissible shall be: of morphine 0.2%and of cocaine 0.1%. When any other narcotic drug is used as an ingredient, the maximum quantity permissible shall be determined in each case by the National Health Administration. The use of heroin as an ingredient in the preparation of patent medicine is prohibited.

A drug dealer who manufactures or imports any patent medicine containing a narcotic drug shall keep for reference purposes, in a separate book, a daily record of the amount of each such medicine sold and the name and address of each purchaser.

Article 7.—When any drug, which is classified in the Chinese Pharmacopoeia as a Poisonous or a Powerful Drug is used as an ingredient in the preparation of a patent medicine, the maximum quantity to be used for each maximum single adult dose shall not exceed one third of the maximum single dose stipulated in the said Pharmacopoeia. When any poisonous or powerful drug not listed in the Chinese Pharmacopoeia is used, the maximum quantity allowed for each maximum single adult dose shall be determined in each case by the National Health Administration.

Article 8.—In displaying for sale a patent medicine for which a sales permit has been issued, it is necessary to designate, either on the label of the container or on the descriptive leaflet, the names of the principal ingredients, the dosage, the name of firm, and the number of the sales permit. The "principal ingredients" referred to above shall be indicated by the National Health Administration when a sales permit is issued.

Article 9.—In all advertisements, circulars, labels, and wrappers of a patent medicine, the following are prohibited:

(1) Any language or illustration suggestive of obscenity or of the aphrodisiac action of the medicine;

(2) Any language or wording suggestive of abortion;

(3) Any false or pretentious claims, claims of a superstitious nature, or the use of a third person's name in a misleading testimonial;

(4) Any wording or meaning suggestive of the futility of professional medical treatment or any contemptuous and/or detrimental remark about the medical profession; and

(5) Any direction giving improper dosage.

Article 10.—The local authorities may from time to time dispatch specialists in pharmacy to investigate conditions at the places where the preparation, importation, and marketing of any patent medicine is conducted.

When necessary the National Health Administration may directly dispatch inspectors to make the investigations.

Article 11.—When a manufacturer or an importer of patent medicines violates either these Regulations or orders issued in pursuance thereof, or fails to pay any peralties incurred, the proper local authorities may, in addition to subjecting him to the fine or fines stipulated elsewhere in these Regulations, report the case to the National Health Administration

and request the National Health Administration to cancel the sales permit.

Article 12.—When any dealer in patent medicines fails to apply for a sales permit according to Article 2, or when he violates any stipulation of Articles 6 or 7, the local health authorities may, after petitioning, and receiving the approval of, the National Health Administration, subject him to a fine of not exceeding $30.00, prohibit all further sales, and confiscate the patent medicine in question.

Article 13.—Any person who violates any of the stipulations of Articles 5, 7, or 9, or any person who refuses to submit to an investigation as stipulated in Article 10, shall be subject to a fine of not exceeding $20.00.

Article 14.—The trading in patent medicines shall, in addition to conforming to the present regulations, be subject to the provisions of the "Regulations Governing Drug Dealers."

Article 15.—The present Regulations shall be promulgated by an order of the National Health Administration.

Promulgated on December 4, 1936
To take effect January 1, 1937

APPENDIX IV

REGULATIONS GOVERNING BIOLOGICAL PRODUCTS BASED UPON PRINCIPLES OF BACTERIOLOGY AND IMMUNOLOGY

(Translation)

Article 1.—Vaccines, sera, antitoxins, and all analogous products manufactured according to principles of bacteriology and immunology (hereinafter referred to as biological products) shall be governed by the present regulations.

Article 2.—Any establishment which, having adequate facilities and special technical staff, manufactures in this country the aforesaid biological products with the object of selling them, shall fill in an application form and submit it together with certain related testimonials and detailed descriptions of methods of manufacture and standardization to the National Health Administration for approval and shall start manufacturing only after a manufacturing license is granted.

Any establishment which imports the aforesaid biological products with the object of selling them shall fill in an import application and submit it to the National Health Administration for approval, and shall make the importation only after an import license is granted.

The two aforesaid application forms shall be prescribed separately.

Article 3.—Samples of each batch of manufactured or imported biological products shall be submitted, for examination, to an institution designated by the National Health Administration. If the sample is found not to conform with the standard, the batch in question shall not be released for sale.

When applying for examinations of a sample, the manufacturer or importer shall submit a duplicate of the records of manufacture and standardization.

Article 4.—Any person who applies for either a manufacturing license or an import license shall forward the license fee and the annual standardization fee prescribed separately below, together with $2 for the stamp tax, according to regulations:

(*a*) Fee for License—$5 for either the manufacturing license or the import license.

(*b*) Annual fee for the standardization of a biological product—$10 for each kind of manufactured or imported product.

The standardization fee for the first year shall be paid when the application for manufacture or importation is approved. Subsequently, it shall be paid during the first month of each calendar year, to the institution designated by the National Health Administration to perform such standardization. No fee shall be returned if the manufacture or importation of any product is stopped during the year.

Article 5.—Any biological product which has been approved for sale shall show on the label of the container and on the package, in Chinese, the name of the product, batch number, volume of content (the number of units whenever potency is designated by unitage), date of expiration, name and address of manufacturing establishment, and license number. In case the biological product is imported, the package shall bear also the name and address of the importer.

Article 6.—Products approved for sale shall be kept in a cool and dark place. Violators of this regulation shall not be permitted to sell the product concerned. Sales records of biological products the manufacture or importation of which has been approved shall be kept, for reference purposes, for at least five years.

Article 7.—Biological products for which methods of manufacture and standardization have already been prescribed by the National Health Administration shall be manufactured and standardized according to those methods. Violators of this Regulation shall not be permitted to sell or import the product concerned.

Article 8.—Any establishment already manufacturing or acting as agent for the importation of any biological product before the present Regulations take effect, shall apply for a license, according to the provisions of Article 2 of the present Regulations, within three months after the promulgation of these Regulations.

Article 9.—The National Health Administration may from time to time send inspectors to inspect the manufacturing or importing premises and plant. No objection shall be made when this inspector considers it necessary to take samples for examination.

Article 10.—Any establishment which manufactures or imports biological products without first obtaining a license according to Article 2 or Article 8 or who violates Article 3–a or Article 7 shall be subject to a fine of not over $30.

Article 11.—Any establishment which violates Article 5 or Article 6 or which opposes

inspection according to Article 9 shall be subject to a fine of not over $20.

Article 12.—When any manufacturer or importer of biological products violates the present Regulations, not only shall he be punished as stipulated in the preceeding two articles, but the National Health Administration may revoke his license and, in case of necessity, also destroy the biological products concerned.

Article 13.—In case any inspector, while inspecting the biological products, should commit any fraud or accept any bribe, he shall be punishable according to the criminal code.

Article 14.—The present Regulations shall take effect from date of approval.

Promulgated by an order of the National Health Administration on February 27, 1937. To take effect February 27, 1937.

OPIUM SUPPRESSION

KAN NAI-KUANG (甘乃光)

The history of the opium evil in China need not be cited here again in detail. Briefly speaking, the importation of opium into China dates back as far as the 8th century, but it was not until the end of the 18th century that opium smoking became a habit in this country. Especially after the Opium War (1840–1842), the importation of opium into China became compulsory. During the last century, imperial edicts and international agreements proved to be of no avail in the cleaning up of this evil. When the National Government was established in Nanking in 1927, it initiated a policy of "absolute suppression," the enforcement of which was left in the hands of the National Opium Suppression Commission. By "absolute suppression," the cultivation, transportation, sale and use of opium were unconditionally prohibited, and the offenders were summarily arrested and punished in accordance with opium laws and regulations. The work of suppression was carried on in this way year after year without making much progress.

After so many years of experience, up to 1935, the Government adopted a different policy, one of "gradual suppression," by which the opium evil is to be wiped out in a period of six years, with complete suppression of narcotic drugs in two years and of opium in six years.

This review is being written at the beginning of the third year in the program of gradual suppression. The administrative responsibility for suppression since the adoption of the new policy has passed from the National Opium Suppression Commission to the present Central Commission for Opium Suppression under the Military Council, with headquarters at Nanking. Under the leadership of General Chiang Kai-shek, President of the Military Council and concurrently Director-General of Opium Suppression, suppression has made remarkable progress. The Government now controls and regulates the production, transportation, sale and consumption of raw opium and its allied drugs. During 1936 all laws and regulations pertaining to opium suppression were revised in order to cope with the situation. The basic laws and regulations which are now in force are 12 in number (see Appendix), namely:

1. Provisional Regulations on Penal Offenses Relating to Opium Suppression;
2. Provisional Regulations on Penal Offenses Relating to Narcotic Drugs Prohibition;
3. Regulations Governing the Organization of Central Commission for Opium Suppression under the Military Council of the National Government;
4. Regulations Governing the Organization of Provincial, Municipal and District Opium Suppression Commissions;
5. Regulations on the Enforcement of Opium and Narcotic Suppression;
6. Regulations Governing Antiopium Hospitals;
7. Rules for Examination of Opium Addicts;
8. Rules for Examination of Opium Addiction among Government Employees;
9. Rules for Administrative Efficiency of Opium and Narcotic Suppression;
10. Rules for Distribution of Fines from Opium Offenses, and Issuance of Rewards;
11. Provisional Rules Relating to the Privilege of Purchasing Opium by Licensed Merchants;
12. Provisional Rules for Establishment of Licensed Opium Hongs and Retailers.

During 1936 marked progress was witnessed in the prohibition of poppy cultivation. The 12 "interior" provinces of Honan, Hupeh, Anhwei, Kiangsi, Fukien, Kiangsu, Chekiang, Hopei, Shantung, Chahar, Shansi and Hunan were declared entirely free in this respect. In the province of Szechwan, which had long been known as an opium-producing province, the

cultivation of poppy has been suppressed to date in 144 hsien out of the total 148 hsien, leaving only four hsien, which are to be reduced during the period from the winter of 1937 to the end of 1939. Suppression has been made complete in 85 hsien in Yunnan, 35 hsien in Kweichow, 73 hsien in Shensi and 32 hsien in Kansu. In Suiyuan and Ninghsia gradual suppression was also achieved according to the respective schedules for these provinces. The following table shows the extent of progress made to date by these provinces under suppression:

Provinces	*Poppy-Grown Districts Prior to 1935*	*Under Suppression to Date*	*To Be Suppressed Later*
Szechwan	148	144	4
Yunnan	129	85	44
Kweichow	81	35	46
Shensi	91	73	18
Kansu	67	32	35
Suiyuan	17	From 1935, each of the 17 hsien was divided into five sections, one of which section was to be eliminated each year until 1939.	
Ninghsia	7	The total amount of the cultivated land in these seven hsien in 1934 was 298,900 mow. It was reduced in 1935 by about two fifths, say, 120,400 mow. It was again reduced in 1936 by 35,700 mow, leaving only 142,800 mow, which are to be reduced between 1937 and 1939.	

During the year 1936 the Government paid utmost attention to the work of detection in provinces under suppression. Special commissioners with the specific duty of making general investigations were deputed to the provinces, as follows:

Special Commissioners	*Provinces*
Wu Tse-kang (吳志剛)	Honan
Wang Shih (王時)	Hupeh
Chung Pei-yi (鍾伯毅)	Anhwei
Tsai Shao-chung (蔡紹忠)	Kiangsi
Huang Chi-ching (黃紀清)	Hunan
Chiu Hung-chun (邱鴻鈞)	Fukien
Hsiao Tse-ping (蕭致平)	Szechwan
Chung Kuo-to (鍾可托)	Shensi
Lu Pang-tao (路邦道)	Kansu
Ching Han-ting (金漢鼎)	Yunnan

In the provinces where no special commissioners were deputed, the provincial authorities concerned were held responsible for the work of detection. When poppy sprouts were found they were immediately uprooted and the offenders were arrested and severely punished according to military law. If sprouts were discovered in districts which had already been reported as being poppy free, the magistrates, the chiefs of the subdistricts and town, and the village chiefs and elders concerned were reported, with due regard to the facts of each case, by the special commissioners to the Director-General for Opium Suppression for punishment. Detection at random or exemption from detection was made in territories where poppy cultivation had hitherto been unknown and for which the district magistrate concerned had made a pledge stating that "should any poppy sprouts be found henceforth in that district, he is willing to be severely punished." The work of detection was carried out in this way very successfully.

As previously stated, the policy of absolute suppression did not work out successfully. The reason for its failure

was that the habit of opium smoking is a craving that, once contracted, it is extremely difficult, if not impossible, to get rid of. At the same time the punishment imposed on opium smokers was not severe enough to act as a deterrent. The aged and sick having long acquired the habit and being unable to undergo a complete cure within a short time, were therefore permitted to smoke for a definite period. A special arrangement is made to accommodate such smokers, who must first register at the local government and then obtain temporary smoker's permits. Such permits are of two kinds, namely, general permits and destitute permits. Each temporary smokers permit is accompanied by a table showing consecutively the permissible daily allowance. The registered smoker is allowed to purchase opium from the local registered retailer only when he is identified by the permit and the table. With a general permit the quantity purchased at any one time cannot exceed the allowance for 10 days, and in the case of the destitute permit the maximum quantity is the allowance for three days. The purchases of any one month cannot exceed the total quantity fixed for that month. In case of any purchase contrary to such stipulations the permit is recalled for cancellation and the offender is ordered to take compulsory treatment.

Of the registered smokers, according to the regulations, about one fifth are summoned each year for treatment. Those below the age of 40, or who smoke less, are to be summoned first. It is expected that all registered smokers with temporary permits will be gradually cured of their addiction before 1940. Within this limited period, the temporary smoker's permit is renewable every six months on payment of a certain fee. The revenue from these fees goes to meet the expenses for opium suppression and for the treatment of addiction in various provinces, municipalities and districts. For the destitute permit the payment is very small, and, if necessary, it may be reduced or entirely waived.

As a basis for cultivating the necessary supply of opium to meet the demands of the registered smokers and for providing treatment of opium addiction, the Government must first of all determine the number of registered smokers. The system of registration was inaugurated in 1935 and was extended to the following year. The total number of registered smokers to date is 3,628,162, as reported by various provinces and municipalities in the following table:

REGISTERED SMOKERS REPORTED BY VARIOUS PROVINCES AND MUNICIPALITIES AS OF MARCH, 1937

Provinces & Municipalities	*Number of Registered Smokers*	*Date of Last Report*
Szechwan	1,295,569	Dec., 1936
Shensi	358,979	Oct., 1936
Hupeh	182,012	March, 1937
Anhwei	223,181	July, 1936
Hunan	220,763	June, 1936
Shansi	207,582	Dec., 1935
Kansu	176,172	July, 1936
Yunnan	176,120	Nov., 1936
Kiangsi	137,731	July, 1936
Ninghsia	123,564	Aug., 1936
Kiangsu	122,934	Nov., 1936
Fukien	111,482	Aug., 1936
Honan	102,237	Aug., 1936
Kweichow	97,904	Dec., 1925
Shanghai	43,020	Aug., 1936
Suiyuan	42,259	Feb., 1936
Peiping*	4,953	Nov., 1935
Chinghai	1,554	June, 1936
Tientsin*	146	
TOTAL	3,628,162	

*The municipalities of Peiping and Tientsin, being at present under special conditions, have not undertaken the work of registration in a thorough and satisfactory manner.

Generally speaking, the policy of the Government has been to encourage the registered smokers to take hospital treatment voluntarily; only when they fail to do so are they made to undergo compulsory treatment, and, after being cured, they are sent to the local government medical authorities to be examined periodically according to a definite plan. If addicts choose to take the treatment at home, which may be allowed, they must be subjected to examination. If the examination shows that their addiction has not yet been completely cured, they must be ordered to undergo compulsory treatment. In this connection it must be mentioned that in the market hundreds of varieties of antiopium medicines which are not licensed by the Government and which are invariably found to contain opium dross or even morphia are still being widely sold. The use of such preparations has been strictly prohibited, as they can easily take the place of opium in satisfying the craving. The Government is paying much attention at present to medical research concerning the problem. It is hoped that it will be possible to find an antiopium drug which, after analysis and test, is non-poisonous and at the same time of genuine value for curing opium addiction.

As to the provision of hospitals for the cure of addicts, the Government issued an order on September 12, 1936, to the provinces and municipalities setting out regulations for the establishment of such institutions as are considered necessary according to the number of registered smokers. When those registered number 20,000 or more in any one place, hospital accommodation should not be less than 200 beds; for 10,000 registered smokers, 100 beds; for 5,000, 50 beds; and for 2,500, 25 beds. If the number of registered smokers is below 2,500, an antiopium station must be established, with a proportionate number of beds to meet the local needs. The above figures are based on an estimate that each bed is able to accommodate two addicts in a month, or 4,800 per year; and the 20,000 registered smokers in such a district will all be cured at the end of four years.

At the end of 1936, there were reported in existence 970 antiopium hospitals and stations, and 323 other hospitals offering antiopium treatment. The distribution of these hospitals and stations is as follows:

ANTIOPIUM HOSPITALS AND STATIONS AND OTHER HOSPITALS OFFERING ANTIOPIUM TREATMENT IN 1936

Provinces & Municipalities	*Antiopium Hospitals & Stations*	*Other Hospitals*	*Total*
Hopei	130		130
Kiangsi	119		119
Honan	109		109
Shansi	106		106
Shantung	78	35	113
Shensi	66	1	67
Anhwei	61	29	90
Kiangsu	61		61
Chekiang	47	91	138
Kweichow	47	7	54
Hupeh	45	74	119
Szechwan	39	2	41
Kansu	19		19
Ninghsia	10		10
Hunan	7	52	59
Chahar	5	8	13
Chinghai	5		5
Shanghai	4	17	21
Tsingtao	3		3
Nanking	2		2
Peiping	2		2
Tientsin	2		2
Weihaiwei	2		2
Fukien	1	7	8
TOTAL	970	323	1,293

In cities and largely-populated places there is very little difficulty in providing well-equipped institutions, but in the interior or remote regions the problem is not so simple. Lack of funds and properly trained staff has been the main difficulty, and in this respect the Government is doing its utmost to meet the situation.

During the period of gradual elimination of opium addiction, it is necessary for the Government to exercise full control over the transportation and distribution of opium required for the registered smokers. Illicit traffic must be prohibited. Before the system of complete government purchase and transportation of produced opium is inaugurated, regulations relating to government transportation on the Yangtze River and those governing the through traffic on railways and highways have been temporarily applied, and specially licensed merchants have been authorized to make the purchases for the Government. According to regulations, in making purchases such merchants must follow the routes prescribed by the Opium Suppression Supervisory Bureau, and such transportation must be carried out by the government agencies already established on the prescribed routes. Upon reaching destination the opium must then be unloaded and stored in government warehouses. After revenue stamps have been affixed, it can be removed from the warehouse for transportation and sale by licensed opium hongs. Opium retailers must purchase opium only from the hongs and are not allowed to deal directly with the government warehouses. In as much as the supply of opium is reduced year after year, the number of hongs and retailers is gradually being reduced in accordance with the periods scheduled for opium suppression.

In carrying out retail transactions opium hongs and retailers are required to record in connection with each purchase the purchaser's temporary smoker's permit, his allowance table and his age, facial appearance and other particular features before selling the kind and quantity of opium in accordance with the particulars specified in the table. The mark of a small stamp, which identifies the opium hong or retailer, is affixed as a sign of cancellation against each date stipulated in the columns of the allowance table. In addition, each hong or retailer must prepare and keep a complete daily record of all purchases in order to facilitate inspection by the Government.

The transportation and distribution of the necessary supply of opium during the period of gradual suppression have been placed under the full control and management of the Opium Suppression Supervisory Bureau at Hankow, with suboffices at various important centers. When the Central Government took over Canton in the autumn of 1936, a Kwangtung Opium Suppression Supervisory Bureau was established with Mr. Soong Tse-liang as the director. The North China provinces, being under special conditions, are treated as exceptions.

In connection with the enforcement of general control over the transportation and distribution of opium there are many complications and difficulties. In the first place, it is fundamentally difficult to bring all of the producing areas, which are widely scattered, under effective control. Secondly, the producers have many ways of concealing their produce or even of selling the drug to unscrupulous merchants for the manufacture of narcotics. Lastly, unlawful traders of foreign nationality, enjoying extraterritorial rights, recklessly smuggle into China large quantities of narcotics as well as opium. However, illicit traffic has been carefully checked and detected by preventive forces which consist of the provincial and municipal police, the Customs guards, the postal authorities and the preventive officers and patrols of the railways. In addition, the Opium Suppression Supervisory Bureau maintains a special force, called the Preventive Department, with headquarters within the Bureau, for the specific duty of preventing of smuggling. Illicit opium and other drugs seized during 1936 by the Opium Suppression Supervisory Bureau, the Customs, the railways and the post offices of the country are separately tabulated as follows:

ILLICIT OPIUM AND NARCOTIC DRUGS SEIZED BY OPIUM SUPPRESSION SUPERVISORY BUREAU IN 1936 (in Kilograms)

Months	*Opium*					*Narcotic Drugs*				
	Number of Cases	*Raw Opium*	*Prepared Opium*	*Opium Dross*	*Miscel-laneous*	*Number of Cases*	*Morphine*	*Heroin*	*Narcotic Pills*	*Miscel-laneous*
January ..	916	4,466.849	153.688	1,604.006	30.959	86	16.673	167.667	166.109	175.108
February	398	1,626.886	49.506	11.086	23.288	15	1.779	.063	4.442	—
March	421	2,784.277	23.458	651.089	406.340	13	—	1.220	3.296	13.326
April	513	1,828.469	29.609	115.110	84.421	39	2.667	11.415	17.337	.489
May ..	407	2,148.768	92.075	15.617	60.565	21	1.156	1.298	57.425	.037
June	792	2,442.678	14.264	1,019.842	44.349	17	5.968	.306	8.260	.068
July	240	1,160.583	37.413	155.739	26.387	20	16.972	1.203	.007	3.063
August	638	2,628.282	79.574	5.595	110.149	38	—	1.773	41.693	.295
September	796	2,899.532	1,168.021	6.229	99.765	129	.205	88.765	400.039	.179
October	835	5,710.321	1,539.859	195.607	22.652	68	—	18.404	140.342	.953
November	731	1,891.235	85.523	43.176	50.886	96	—	89.782	415.535	1.108
December	588	1,905.454	34.329	224.516	80.365	19	—	3.685	11.716	9.356
TOTAL	7,275	31,493.334	3,307.319	4,047.612	1,040.126	561	45.420	385.581	1,266.201	203.982

ILLICIT OPIUM AND NARCOTIC DRUGS SEIZED BY CUSTOMS IN 1936 (in Kilograms)

Customs	*Raw Opium*	*Prepared Opium*	*Opium Dross*	*Opium Refuse*	*Imitation Opium*	*Poppy Seeds*	*Morphine*	*Heroin*	*Cocaine*	*Narcotic Pills*	*Indian Hemp*	*Opium Powder*	*Medicine Containing Narcotics*
Shanghai	882.141	61.541	.120	—	—	.500	113.360	61.050	—	.385	—	—	.054
Chinwangtao ..	19.145	1.070	—	—	15.800	—	—	3.850	—	—	—	4.000	—
Tientsin..	87.722	.056	.254	—	—	—	—	2.143	—	29.887	—	43.603	1.736
Lungkow	25.439	.550	—	—	—	—	—	—	—	—	—	—	—
Mentsz	13.150	9.600	—	4.800	—	—	—	—	—	—	—	—	—
Kiungchow	.378	2.003	—	—	—	—	—	—	—	—	—	—	—
Wuchow	16.395	1.435	—	—	—	—	—	—	—	—	—	—	—
Samshui	31.240	.268	.280	—	—	—	—	—	—	—	—	—	—
Lapa	30.830	1.148	.085	—	—	—	—	—	—	—	—	—	—
Kowloon	4.300	.800	—	—	—	—	—	—	—	—	—	—	3.900
Canton	176.975	3.953	.670	—	—	—	—	—	—	10.105	.925	—	8.410
Swatow	392.197	—	—	—	—	—	—	—	—	—	—	—	—
Amoy	265.600	2.250	—	1,810.000	—	—	—	.065	2.610	—	—	—	18.390
Chinkiang	10.100	—	—	—	—	—	—	—	—	—	—	—	—
Hankow	21.280	—	1.460	—	—	—	—	—	—	.480	—	—	—
Changsha	21.246	—	—	—	—	—	—	—	—	—	—	—	.100
Chungking	103.070	—	—	—	—	—	—	—	—	.650	—	—	—
Wanhsien		1.010	—	—	—	—	—	—	—	—	—	—	20.000
Kiaochow	2.600	—	—	—	—	—	—	.090	1.000	—	—	—	—
Chefoo	720.150	1.734	—	—	—	.030	.700	7.160	.720	—	—	—	—
Weihaiwei	84.207	—	—	—	—	—	—	—	—	—	—	—	—
Nanking	8.741	—	—	—	—	—	—	—	—	—	—	—	—
Kongmoon	16.038	.680	6.561	—	19.620	26.000	—	—	—	—	—	—	—
Foochow	84.119	—	—	—	—	—	—	—	—	—	—	—	—
Ningpo	1.361	—	—	—	—	—	—	—	—	—	—	—	—
Ichang	.220	.150	—	—	—	—	—	—	—	—	—	—	—
Santuao..	—	—	—	—	14.500	—	—	—	—	—	—	—	—
Szemao	.300	—	—	—	—	—	—	—	—	—	—	—	—
Peiping Office of Tientsin Customs	1.930	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL	3,020.594	88.248	9.430	1,814.800	49.900	26.530	114.060	74.358	4.330	41.507	.925	47.603	52.590

ILLICIT OPIUM AND NARCOTIC DRUGS SEIZED BY RAILWAYS IN 1936 (in Kilograms)

Railways	*Raw Opium*	*Prepared Opium*	*Opium Dross*	*Heroin*	*Morphine*	*Narcotic Pills*	*White Powder*	*Codeine*	*Powder Containing Narcotics*	*Auxiliary Ingredients*	*Unknown*
Peiping-Hankow	179.400	28.485	—	66.942	—	1,031.141	490.407	—	—	377.230	60.000
Tientsin-Pukow	170.277	—	—	32.061	3.433	117.149	5.076	—	—	.932	—
Peiping-Liaoning	93.921	—	—	8.966	—	74.000	—	—	—	—	—
Lung-Hai	3,775.088	58.527	—	1.604	—	280.917	—	62.387	104.328	—	—
Cheng-Tai	.002	.037	—	—	—	—	.206	—	—	—	—
Peiping-Suiyuan	265.097	68.171	—	—	—	—	.035	—	—	—	—
Hunan-Hupeh Section Canton-Hankow ..	45.485	.074	—	—	—	—	—	—	—	—	—
Nanking-Shanghai and Shanghai-Hangchow-Ningpo	126.759	16.529	—	12.391	—	—	—	—	—	—	—
Kiaochow-Tsinan	—	—	—	.048	—	—	—	—	—	—	—
Kiukiang-Nanchang ..	—	—	4.477	—	—	—	—	—	—	—	—
TOTAL	4,656.029	171.823	4.477	122.012	3.433	1,503.207	495.724	62.387	104.328	378.162	60.000

ILLICIT OPIUM AND NARCOTIC DRUGS SEIZED BY POST OFFICES IN 1936 (in Kilograms)

Post Offices	*Number of Cases*	*Raw Opium*	*Prepared Opium*	*Opium Dross*	*Heroin*	*Morphine*	*Cocaine*	*Narcotic Pills*	*Medicine Containing Narcotics*	*Auxiliary Ingredients*
Kiangsu	4	3.259	—	—	—	—	—	—	—	—
Chekiang	1	4.250	—	—	—	—	—	—	—	—
Honan	20	34.670	8.960	—	—	—	—	4.110	11.210	20.620
Hupeh	5	30.750	—	—	—	—	—	—	1.590	—
Anhwei	2	3.390	—	—	—	—	—	—	—	—
Kiangsi	7	67.994	—	—	—	—	—	—	—	—
Fukien	7	7.350	—	—	—	—	2.610	—	—	—
Hunan	3	3.345	—	—	—	—	—	—	—	—
Shantung	18	35.719	3.340	—	—	—	.020	—	.090	—
Shensi	201	572.229	—	—	—	2.450	—	—	—	—
Shansi	11	13.082	.373	—	—	—	—	3.800	—	—
Hopei	59	62.215	.960	25.652	.950	—	—	26.250	4·742	—
Yunnan	1	.350	—	—	—	—	—	—	—	—
Kweichow	2	3.050	—	—	—	—	—	—	—	—
Kwangtung	6	39.455	—	—	—	—	—	—	—	—
Kwangsi	1	18.700	—	—	—	—	—	—	—	—
East Szechwan	11	36.884	—	—	—	—	—	—	1.820	—
West Szechwan	1	.400	—	—	—	—	—	—	—	—
Peiping	32	50.525	2.190	—	—	—	—	—	6.100	—
Shanghai	15	122.762	—	—	—	1.284	—	—	2.075	.020
TOTAL	407	1,110.379	15.823	25.652	.950	3.734	2.630	34.160	26.627	20.640

Cases of illicit manufacture, transport, import and export, and possession of contraband were formerly dealt with by the civil judiciary in accordance with the provisions of the defunct Opium Suppression Act. The penalties provided therein proved inadequate, however, as effective deterrents. Moreover, prosecution in accordance with the judicial procedure was found to be so slow and cumbersome that unscrupulous persons were in a way encouraged to defy the law, and government control thus became inconsistent with the enforcement of the six-year program. Since 1935, the new penal regulations on opium and narcotic offenses have been put into effect in place of the defunct Opium Suppression Act and the "opium" section of the Chinese Criminal Code. Therefore, in order to increase the administrative efficiency of opium suppression, cases involving opium and narcotic drugs have now been placed within the scope of the military law, and trials and appeals have all been conducted according to military procedure.

Exceptions to the adoption of the policy of gradual suppression in the country have been made in several places. The provinces of Chekiang and Shantung, the municipalities of Nanking and Tsingtao, the special district of Weihaiwei and other districts such as Ningtu, Kwangchang, Shiheng, Juiching, Huichang, Yuntu, Hsintse in Kiangsi, and Chungshan in Kwangtung have all been declared as areas under absolute suppression on account of special conditions. In these places no opium is sold and no registration of smokers is made; hence there is no permit system. Another departure from the general practice of the six-year program is illustrated by the province of Kiangsu, which has deemed it possible to shorten the schedule of suppression by two years.

The wide spread of narcotic drugs has brought about a new danger to the welfare of the Chinese people and the nation, and the Government determined in 1935 to set up a program of complete prohibition in two years. During these two years, persons found to be engaged in the manufacture, transportation or sale of the drugs were liable to be executed, and the consumers, when arrested, to undergo compulsory treatment. Beginning from 1937, even the consumers must suffer the death penalty. In this connection a question is often raised as to why narcotic addicts should be subjected to so drastic a penalty as death. It may be explained here that the narcotic addicts have had two years, since the promulgation of the Provisional Regulations on Penal Offenses Relating to Narcotic Drugs Prohibition, to rid themselves of the habit, and it is only after the expiration of the two-year term that they become liable to the extreme penalty. Furthermore, it has been learned from experience that only the most severe penalties in cases of narcotic offense can possibly exterminate the new danger which has become so alarming in this country.

One may say that the Government has entered upon a determined course of suppression with a view to stamping out the evil in its entirety, as is well evidenced by the strict laws and severe punishment. At the same time it is also true that the Government has not overlooked the importance of supplementing the policy of prohibition with that of curing narcotic addiction. Orders have been repeatedly issued to the provincial and municipal governments urging them to establish more and more hospitals and stations for the treatment of narcotic addiction in order to cure the multitude of drug consumers. In addition other measures have been devised to combat the narcotic evil. One of these measures is extensive publicity, by which knowledge regarding the harm of the drugs to the health and spirit of human beings is infused into the people, the determined attitude of the Government in fighting against opium and narcotics and consequently the imposition of severe punishment on the consumers is spread amongst the people.

The work of publicity is generally carried out on a nation-wide scale by sponsoring mass meetings, posting slogans, distributing pamphlets, broadcasting lectures and issuing special newspaper supplements so as to arouse the moral consciousness of the people.

Each year on June 3, which has been declared by the National Government as the Memorial Day for Opium Suppression, commemorating the burning of opium by Governor Lin Tse-hsu of Canton in 1839, memorial services with definite program are performed in all the provinces. In Nanking especially, the ceremony is usually elaborate. On this Memorial Day in 1936, Generalissimo Chiang Kai-shek, concurrently Director-General for Opium Suppression, delivered an inspiring address which was afterwards circulated widely throughout the country. The Central Commission for Opium Suppression took charge of the Memorial Service, which was attended by high officials of the Central Government. As the end of the 1936 marked the end of the two-year program for narcotic suppression (after which the narcotic consumers would be liable to the death penalty), circular orders were issued by the Central Commission for Opium Suppression to all provinces and municipalities and in turn to all cities, towns and villages to circulate such warnings from house to house and by public lectures.

In the Provisional Regulations on Penal Offenses Relating to Narcotic Drugs Prohibition, specific provisions were made to the effect that any person found selling, possessing, giving to others or themselves taking narcotic drugs might receive partial remission of the penalty if he should disclose information regarding the manufacture of narcotic drugs or the principal offenders thereby facilitating the apprehension of all involved. This practice has been highly recommended by the Government and used to a great advantage in seizures of narcotic cases.

Despite such efforts on the part of the Government to exterminate the narcotic traffic in China, the task is complicated, however, by the existence in different parts of the country of foreign concessions and settlements to which the Chinese authority cannot extend. As a result illicit traffic in dangerous drugs has continued to flourish. The narcotic situation in North China especially is most discouraging and undoubtedly defies the suppression measures of the Government. In the *Information Bulletin*, Vol. III, No. 4, published by the Council of International Affairs, Nanking, under the title of "The Japanese Concession in Tientsin and the Narcotic Trade," Marcus Mervine says:

> The Japanese Concession in Tientsin for many years has been the headquarters and the nerve center for a vast opium and narcotic industry that has spread its tentacles throughout the Far East and has direct connections with the narcotic rings in Europe and the Americas.
>
> During the past three years this industry has grown to such an extent that the Tientsin Japanese Concession has practically become the heroin capital of the world and has led to a growing belief that narcotics are being employed by Japan as an instrument of national policy designed to weaken and debauch the Chinese race.

The difficulty of stopping the source of supply has been the main obstacle in the campaign of narcotic suppression. International co-operation is, therefore, paramount and much needed in China for a complete eradication of the narcotic evil.

APPENDIX

PROVISIONAL REGULATIONS ON PENAL OFFENSES RELATING TO OPIUM SUPPRESSION

(*Revised and promulgated on June 3, 1936*)

Article 1.—The present regulations are formulated in accordance with Clause IV of the resolution passed at the 459th Meeting of the Central Political Council.

Article 2.—The term "opium" used in the present regulations refers to opium, poppy plants and poppy seeds.

Article 3.—Any person cultivating poppy for the purpose of manufacturing opium shall be sentenced to death, or to imprisonment for life, or for a term of more than 10 years.

Article 4.—Mob resistance against the uprooting of poppy sprouts shall be dealt with as follows:

1. The ringleader or other persson directing the mob on the spot shall be sentenced to death, or to imprisonment for life.
2. The accomplices shall be sentenced to imprisonment for a term of three to 10 years.

Article 5.—Any person found transporting, selling, or possessing opium with the intention of selling, shall be sentenced to imprisonment for life, or for a term of more than five years, and may also be liable to a fine for not more than $3,000. When the quantity of opium involved is more than Tls. 500, the offender shall be sentenced to death.

Any person found transporting, selling, or possessing poppy seed with the intention of selling, shall be sentenced to imprisonment for a term of three to 10 years, and may also be liable to a fine of not more than $1,000.

Any person found importing opium or poppy seeds from abroad shall be sentenced to death, or to imprisonment for life, or for a term of more than 10 years, and may also be liable to a fine of not more than $5,000. The same penalties are applicable to those found exporting the same abroad.

Article 6.—Any person found providing, for profit, premises and opium with paraphernalia for smoking shall be sentenced to imprisonment for life, or for a term of more than five years, and may also be liable to a fine of not more than $3,000.

Article 7.—Any person found lending, for profit, the temporary smoker's permit to others for the purpose of smoking opium shall be sentenced to imprisonment for a term of three to seven years, and may also be liable to a fine of not more than $1,000.

Article 8.—Any person found smoking opium shall be sentenced to imprisonment for a term of six months to two years, and may also be liable to a fine of not more than $300, and, if found to be addicted to the habit, shall be sent to a medical institution for compulsory treatment, to be cured within a specified period.

Any person found committing the offense stipulated above after having once been voluntarily cured shall be sentenced to imprisonment for a term of one to three years, and may also be liable to a fine of not more than $500, and, if found to be addicted again, shall be sent to a medical institution for compulsory treatment, to be cured within a specified period.

Any person found committing the offense stipulated in paragraph one of this article after having once been cured by compulsory treatment, shall be sentenced to imprisonment for a term of three to 10 years, and may also be liable to a fine of not more than $1,000, and, if found to be addicted again, shall be sent to a medical institution, to be cured within a specified period. Any person found committing the offense for the third time, shall be sentenced to death.

Teachers, officers and students of schools found committing offenses stipulated in the above three paragraphs shall be subject to the maximum penalties respectively provided for.

Article 9.—Any person found assisting others to commit offenses stipulated in Articles 3, 5, and 6 shall be sentenced to imprisonment for a term of not more than seven years.

Any person found assisting others to commit offenses stipulated in Article 8 shall be sentenced to imprisonment for a term of not more than three years, irrespective of whether the principal offender has committed a first offense, or repeated offenses.

Article 10.—Any person found placing opium in the possession of others, or forging evidence, with intent to bring false charges of violations of articles of the present regulations shall himself be subjected to the penalties provided for in the articles concerned.

Any person, acting as a witness or an expert, found making false statements or reports with intent to injure a suspect charged with violations of articles of the present regulations shall himself be subjected to the penalties provided for in the articles concerned.

Any person found committing offenses stipulated in the above two paragraphs may receive partial or total remission of the penalty, should he confess his guilt before judgment is passed.

Article 11.—Government employees found violating Articles 3–6 shall be sentenced to death. Those found violating Articles 8–10 shall be subjected to the maximum punishment respectively provided for.

Article 12.—Government employees found taking advantage of their official influence to force others to commit the offense provided for in Article 3 shall be sentenced to death.

Article 13.—Government employees found affording protection to, or demanding or receiving bribes from others, thus encouraging them in the violation of Articles 3–6 shall be sentenced to death.

Government employees found pilfering, substituting, or concealing seized opium, embezzling fines imposed, or conniving in the freeing of offenders violating the articles of the present regulations, shall be sentenced to death.

Government employees found affording protection to, or demanding or receiving bribes from others, thus encouraging them in the violation of Articles 7–9, shall be sentenced to imprisonment for a term of more than seven years.

Bribes involved in the commitment of offenses stipulated in paragraphs one and three of this article shall be confiscated. Should the bribe be found unavailable in whole or in part, at the time of confiscation, the offender shall be required to make good the deficiency.

Article 14.—Any person found manufacturing, transporting, selling, or possessing with the intention of selling, paraphernalia exclusively used for opium smoking, shall be sentenced to imprisonment for a term of not more than three years, or to servitude, or to a fine of not more than $1,000.

Article 15.—Any person found guilty with criminal intent to violate Articles 3–6, 10, and 12–14 shall be punished.

Article 16.—Any person found possessing opium or paraphernalia exclusively used for opium smoking knowingly, shall be sentenced to imprisonment for a term of not more than one year, or to servitude, or to a fine of not more than $500.

Article 17.—Any opium or paraphernalia used for either the manufacturing or smoking of opium, found in connection with the commitment of offenses stipulated in articles of the present regulations, shall be confiscated.

Article 18.—Any person who has been sentenced, in accordance with articles of the present regulations, to imprisonment of a term of more than six months, shall be deprived of his civil rights for a term of one to 10 years.

Article 19.—The property of any person who has violated Articles 3, 5, and 6 of the present regulations shall be confiscated in whole or in part. Such confiscations shall be effected in accordance with the regulations governing civil actions and with the supplementary measures in connection thereto.

Article 20.—The penal provisions in all antiopium laws and regulations heretofore issued by the Headquarters of the President of the Military Council and various provinces and municipalities shall be nullified from the date on which the present regulations become effective, with the exception of those which have been permitted to continue in force.

Should any change be made in the laws and regulations at the time of trial, the offender shall be subjected to the laws and regulations in effect at the time when the offense was committed.

Article 21.—The death penalty may be effected by shooting.

Article 22.—In provinces and territories where opium suppression is enforced by areas on yearly basis and separate regulations are provided for, such existing regulations shall remain in force.

Article 23.—Offenses not stipulated in the present regulations shall be dealt with in accordance with other existing laws and regulations.

Article 24.—Offenses coming within the present regulations shall be tried by official organizations invested with the right of military jurisdiction as designated by the President of the Military Council, concurrently Director-General for Opium Suppression, or by various local governments deputized by the same authority.

The result of the trial as specified above shall be reported to the President of the Military Council, concurrently Director-General for Opium Suppression, for approval before execution, with the exception of military law cases tried, in accordance with provisional measures, by the highest military organizations in various provinces, in behalf of the President of the Military Council, concurrently Director-General for Opium Suppression.

Article 25.—The present regulations shall become effective from the date of promulgation.

PROVISIONAL REGULATIONS ON PENAL OFFENSES RELATING TO NARCOTIC DRUGS PROHIBITION

(*Revised and promulgated on June 3, 1936*)

Article 1.—The present regulations are formulated in accordance with Clause IV of the resolution passed at the 459th Meeting of the Central Political Council.

Article 2.—The term "narcotic drugs" used in the present regulations refers to morphine, cocaine, heroin, and their derivatives, and such preparations as various kinds of colored narcotic pills.

Article 3.—Any person found manufacturing or transporting narcotic drugs shall be sentenced to death.

Article 4.—Any person found selling, or possessing with the intention of selling, narcotic drugs shall be sentenced to death, or imprisonment for life.

Article 5.—Any person found giving to others morphine injection for profit, or providing premises for others to smoke or to use narcotic drugs, shall be sentenced to death or imprisonment for life.

Article 6.—In the year 1935: Any person found taking morphine injection or smoking or using narcotic drugs shall be sentenced to imprisonment for a term of one to three years, and, if found to be addicted to the habit, shall be sent to a medical institution for compulsory treatment, to be cured within a specified period.

Any person found committing the offense stipulated above after having once been voluntarily cured shall be sentenced to imprisonment for a term of three to seven years, and, if found to be addicted again, shall be sent to a medical institution for compulsory treatment, to be cured within a specified period.

Any person found committing again the offense stipulated in paragraph one of this article after having once been cured by compulsory treatment, shall be sentenced to death or imprisonment for life.

Article 7.—In the year 1936: Any person found taking morphine injection or smoking or using narcotic drugs shall be sentenced to imprisonment for a term of three to seven years, and, if found to be addicted to the habit, shall be sent to a medical institution for compulsory treatment, to be cured within a specified period.

Any person found committing the offense stipulated above after having once been voluntarily cured shall be sentenced to imprisonment

for a term of more than seven years, and, if found to be addicted again, shall be sent to a medical institution for compulsory treatment to be cured within a specified period.

Any person found committing again the offense stipulated in paragraph one of this article, after having once been cured by compulsory treatment, shall be sentenced to death.

Article 8.—Beginning from the year 1937, any person violating Articles 3–7 shall be sentenced to death.

Article 9.—Any person found assisting others in violating Articles 3–5 shall be sentenced to imprisonment for a term of five to 10 years.

Any person found assisting others, in giving or receiving morphine injection, in smoking, or in using narcotic drugs shall be sentenced to imprisonment for a term of not more than seven years, irrespective of whether the principal offender has committed a first offense or repeated offenses.

Article 10.—Any person found manufacturing, selling, or possessing with the intention of selling, paraphernalia used for either injecting or smoking narcotic drugs shall be sentenced to imprisonment for a term of not more than seven years.

Article 11.—Any person violating Articles 4–10 may receive partial remission of the penalty, should he disclose information regarding the place of the manufacture of narcotic drugs, or the principal offenders thereby leading to the apprehension of all involved.

Article 12.—Any person found placing narcotic drugs in the possession of others, or forging evidence, with intent to bring charge of violations of articles of the present regulations shall himself be subjected to the penalties provided for in the articles concerned.

Any person, acting as a witness or an expert, found making false statements or reports with intent to injure a suspect charged with violations of articles of the present regulations shall himself be subjected to the penalties provided for in the articles concerned.

Any person found committing offenses stipulated in the above two paragraphs may receive partial or total remission of the penalty, should he confess his guilt before judgment is passed.

Article 13.—Government employees found violating Articles 3–8 shall be sentenced to death. Those found violating Articles 9, 10, and 12 shall be subjected to the maximum punishment respectively provided for. The same shall apply to teachers, officers, and students of schools.

Article 14.—Government employees found affording protection to, or demanding or receiving bribes from others, thus encouraging them in the violation of Articles 3–10 shall be sentenced to death.

Government employees found pilfering, substituting or concealing seized narcotic drugs or any property held in custody, or conniving in the freeing of offenders violating the articles of the present regulations, shall be sentenced to death.

Bribes involved in the commitment of offenses stipulated in paragraph one of this article shall be confiscated. Should the bribe be found unavailable, in whole or in part, at the time of confiscation, the offender shall be required to make good the deficiency.

Article 15.—Any person found guilty with criminal intent to violate Articles 3–5, 10, 12, and 16 shall be punished.

Article 16.—Any person found possessing narcotic drugs or paraphernalia used for either injecting or smoking narcotic drugs knowingly, shall be sentenced to imprisonment for a term of not more than three years.

Article 17.—Any seized narcotics or paraphernalia used for manufacturing, smoking, or using of narcotic drugs shall be confiscated and destroyed.

The same provision shall apply to seized caffeine, milk sugar, quinine, and other substances which are identified for the exclusive use of manufacturing narcotic drugs.

Article 18.—Any person who has been sentenced, in accordance with articles of the present regulations, to imprisonment for a term of more than six months, shall be deprived of his civil rights for a term of one to 10 years.

Article 19.—The property of any person who has violated Articles 3–5 shall be confiscated, in whole or in part. Such confiscations shall be effected in accordance with the regulations governing civil actions and the supplementary measures in connection thereto.

Article 20.—The penal provisions in all antinarcotic laws and regulations heretofore issued by the Headquarters of the President of the Military Council and various provinces and municipalities shall be nullified from the date on which the present regulations become effective, with the exception of those which have been permitted to continue in force.

Should any change be made in the laws and regulations at the time of trial, the offender shall be subjected to the laws and regulations in effect at the time when the offense was committed.

Article 21.—The death penalty may be effected by shooting.

Article 22.—Offenses not stipulated in the present regulations shall be dealt with in accordance with other existing laws and regulations.

Article 23.—Morphine, cocaine, and their derivatives or preparation ,for medicinal and scientific uses, shall not be subjected to the present regulations but to the existing regulations governing narcotic drugs.

Article 24.—Offenses coming within the present regulations shall be tried by official organizations invested with the right of military jurisdiction as designated by the President of the Military Council, concurrently Director-General for Opium Suppression, or by various local governments deputized by the same authority.

The result of the trial as specified above shall be reported to the President of the Military Council, concurrently Director-General for Opium Suppression, for approval before execution, with the exception of military law cases tried, in accordance with provisional measures, by the highest military organizations in various provinces, in behalf of the President of the Military Council, concurrently Director-General for Opium Suppression.

Article 25.—The present regulations shall become effective from the date of promulgation.

REGULATIONS GOVERNING THE ORGANIZATION OF CENTRAL COMMISSION FOR OPIUM SUPPRESSION UNDER THE MILITARY COUNCIL OF THE NATIONAL GOVERNMENT

(*Revised and promulgated on June 3, 1936*)

Article 1.—The present regulations are formulated in accordance with Clause IV of the resolution passed at the 459th Meeting of the Central Political Council.

Article 2.—The Central Commission for Opium Suppression (hereinafter called the Central Commission) shall consist of members, selected from well-known men in different provinces and municipalities for their high character and deep interest in opium suppression. They shall be invited to serve and shall be appointed by the President of the Military Council of the National Government, concurrently Director-General for Opium Suppression (hereinafter called the Director-General). Three of the members shall be designated Administrative Commissioners who shall, under the orders of the Director-General, take charge of the Central Commission.

Article 3.—The Central Commission, being specially deputized by the Director-General, shall concurrently take charge of all matters within the jurisdiction of the Director-General.

Article 4.—The Central Commission shall supervise, promote and inspect all affairs carried out by the various provincial and municipal governments and opium suppression commissions, concerning the opium and narcotic suppression, and rewards and reprimands.

Regulations governing the organization of the provincial, municipal and district opium suppression commissions shall be formulated separately.

Article 5.—Members of the Central Commission may, from time to time, submit in writing, for discussion at the meetings. proposals concerning opium and narcotic suppression and other relative affairs.

Article 6.—The Central Commission shall hold regular meetings twice a year. Should circumstances require, emergency meetings may be called. Proposals receiving a majority vote of members present shall be effective.

Article 7.—To improve the efficiency in the work of opium and narcotic suppression in the various provinces and municipalities, the Central Commission may, from time to time, recommend to the Director-General to depute officers thereto for personal supervision and inspection.

Article 8.—Officers deputed to the various provinces and municipalities for supervising opium and narcotic suppression may act in conjunction with the respective chairman of the province or mayor of the municipality. Such joint proclamations may be countersigned and/or sealed by the said officers.

Article 9.—The Central Commission shall comprise a Secretariat, and two sections; namely, the First Section and the Second Section.

Article 10.—The Secretariat shall have the following functions:

(1) To attend to matters specially ordered by the Director-General:
(2) To formulate rules and regulations;
(3) To draft and examine documents;
(4) To prepare agenda for, and record minutes of, meetings;
(5) To edit government gazettes;
(6) To receive, dispatch and keep documents in safe custody;
(7) To keep accounts, and to attend to general affairs;
(8) To keep in safe custody the seal of the Commission;
(9) To attend to matters not within the scope of the two sections.

Article 11.—The First Section shall have the following functions:

(1) To formulate plans for opium and narcotic suppression;
(2) To supervise, promote, detect and examine opium and narcotic suppression;
(3) To plan and audit the finances of opium aud narcotic suppression;
(4) To examine and investigate cases of prevention of smuggling and those dealing with opium and narcotic offenders;
(5) To check up cases of disposal and distribution of confiscated properties owned by opium and narcotic offenders;
(6) To establish and abolish hospitals and stations for treatment of opium and narcotic addicts;
(7) To consider and investigate cases of rewards and reprimands for officers of different ranks in charge of opium and narcotic suppression.

Article 12.—The Second Section shall have the following functions:

(1) To collect all available materials in the country pertaining to opium and narcotic suppression;
(2) To compile statistics concerning opium and narcotic suppression, and to prepare the annual report in English for transmission to the League of Nations;
(3) To prepare literatures and illustrations for publicity in the country and abroad concerning opium and narcotic suppression;
(4) To report and circulate resolutions of antiopium conventions of the League of Nations, and to supply information to inquiries concerning opium and narcotic suppression made by China's delegates to such conventions;
(5) To inspect and examine the equipments and facilities of hospitals and stations in the various provinces, municipalities and districts for the treatment of opium and narcotic addicts, and to study the methods of treatment used by such institutions.

Article 13.—The Central Commission shall have one chief secretary, two section chiefs, three secretaries, four to six inspectors, 6–8 investigators, 10–14 assistants, and 8–10 clerks, all to be appointed by the Director-General at the recommendation of the Administrative Commissioners.

Article 14.—The Central Commission may employ persons to copy documents and to perform other miscellaneous duties.

Article 15.—Resolutions of the Central Commission and proposals of the members shall be duly submitted by the Central Commission to the Director-General for consideration and approval before enforcement.

Article 16.—Members of the Central Commission shall receive no remuneration, but their expenses for attending meetings and traveling expenses while on special duty may be defrayed. Administrative Commissioners may, however, receive a service allowance.

Article 17.—With the exception of those which are specially ordered by the Director-General, all matters within the jurisdiction of the Director-General shall be dealt with respectively, according to their nature by the Secretariat, the First Section or the Second Section.

Article 18.—Rules governing semiannual meetings and detailed rules governing the working of the Central Commission shall be formulated separately.

Article 19.—The present regulations shall become effective from the date of promulgation.

REGULATIONS GOVERNING THE ORGANIZATION OF PROVINCIAL, MUNICIPAL, AND DISTRICT OPIUM SUPPRESSION COMMISSIONS

(Revised and promulgated on June 3, 1936)

Article 1.—The present regulations are formulated in accordance with paragraph 2 of Article 4 of the Regulations Governing the Organization of Central Commission for Opium Suppression under the Military Council of the National Government.

Article 2.—Provincial, municipal, and district opium suppression commissions shall be organized in accordance with the present regulations.

Article 3.—The provincial opium suppression commission (hereinafter called the provincial commission) and the municipal opium suppression commission (hereinafter called the municipal commission) shall respectively consist of seven to nine members; and the district opium suppression commission (hereinafter called the district commission) shall consist of five to seven members. Members of the commissions of different ranks shall be chosen locally and invited to serve by the respective provincial, municipal, and district governments on the basis of their high character and deep interest in opium suppression. Among the members of each commission, three shall be elected as resident commissioners, or one shall be designated as the chief commissioner, to take charge of the work in the commission.

Members of provincial and municipal commissions shall respectively submit a detailed service record to the Central Commission for Opium Suppression (hereinafter called the Central Commission) for reference; likewise, members of district commissions shall each submit a detailed service record to the provincial commission concerned for reference.

Article 4.—The Central Commission may depute officers to participate in the provincial or municipal commissions for supervising and co-operating, from time to time, in the work of opium suppression; likewise, provincial commissions may depute officers to participate in the district commissions for the same purpose.

Article 5.—Provincial, municipal, and district commissions shall supervise, promote, detect, rectify, plan, investigate, inspect and advise in all matters of opium and narcotic suppression undertaken by respective local governments. They shall also execute orders of the Central Commission, when so deputized.

Article 6.—Provincial, municipal, and district commissions shall each comprise two sections with a number of assistants to be determined by the amount of work involved.

Article 7.—Provincial, municipal, and district commissions shall have the following functions:

(1) To supervise and examine opium and narcotic suppression;

(2) To investigate cases of rendering assistance to the prevention of smuggling, and those dealing with opium and narcotic offenders;

(3) To attend to matters concerning the administration of hospitals and stations for the treatment of opium and narcotic addicts, and to plan and allocate the finances of such institutions;

(4) To investigate cases of rewards and reprimands for officers in charge of opium and narcotic suppression;

(5) To audit accounts of confiscated properties owned by opium and narcotic offenders;

(6) To plan for the execution of anti-opium and antinarcotic laws and regulations, and to draft and design literatures and illustrations for publicity in connection with opium and narcotic suppression;

(7) To draft documents and edit reports concerning opium and narcotic suppression.

Article 8.—Provincial, municipal, and district commissions shall supervise and urge the local governments concerned to be strictly responsible for the execution of opium and narcotic suppression as provided for in the various antiopium laws and regulations.

Article 9.—Should illicit traffickings in opium be found—besides the hongs and retailers in the provinces, municipalities and districts which transport and sell opium under the control of the Opium Suppression Supervisory Bureau—the provincial, municipal, and district commissions concerned should, in conjunction with the Opium Suppression Supervisory Bureau, urge the respectives local governments and bureaus of public safety or local garrisons, as the case may be, to deal with the cases strictly in accordance with the antiopium laws and regulations and with the regulations governing the issuance of rewards for the detection and seizure of narcotic drugs.

Article 10.—Provincial, municipal, and district commissions may detect or rectify any inefficiency of work, negligence of duty or bribery committed by officers of different ranks in charge of opium suppression.

Article 11.—Each provincial, municipal, or district commission shall meet once a week. Should circumstances require, emergency meetings may be called.

Article 12.—Reports on the work of opium suppression in provinces, municipalities, and districts shall be prepared and submitted by respective provincial, municipal, or district commissions to the Central Commission for reference.

Article 13.—Members of commissions of different ranks shall receive no remuneration, except for office and traveling expenses.

Article 14.—Commissions of different ranks may borrow the services of officers of local governments and may also employ persons as may be required.

Article 15.—The estimates of fixed and contingent expenditure of provincial, municipal, and district commissions shall be approved upon examination by the respective provincial, municipal, or district governments. They shall be appropriated, after full consideration for distribution, from the opium suppression funds or from any special source separately provided for by the respective provinces, municipalities, and districts. Such estimates shall be submitted to the Central Commission for reference.

Article 16.—Upon promulgation of the present regulations, provinces, and municipalities shall accordingly establish or reorganize various provincial and municipal commissions. Detailed measures governing the organization and work of the commissions shall be submitted to the Central Commission for consideration and reference.

District commissions shall likewise formulate detailed measures governing their organization and working for the consideration and reference of the provincial commissions.

Article 17.—The present regulations shall become effective from the date of promulgation.

REGULATIONS ON THE ENFORCEMENT OF OPIUM AND NARCOTIC SUPPRESSION

(Promulgated on August 3, 1936)

CHAPTER I. PREAMBLE

Article 1.—The present regulations are formulated in accordance with Clause IV of the resolution passed at the 459th Meeting of the Central Political Council.

Article 2.—The suppression of opium shall be completed by the end of 1940, and that of narcotic drugs by the end of 1936.

Article 3.—The President of the Military Council, concurrently Director-General for Opium Suppression (hereinafter called the Director-General) shall take full responsibility for the suppression of opium and narcotic drugs. By virtue of the power and authority invested in them by the Director-General, the various governmental opium suppression offices as well as the local, civil, and military authorities shall take charge of all affairs in opium suppression.

Article 4.—While the present regulations are in force, persons violating the provisions embodied in Chapters II and III shall, besides being dealt with according to the present regulations, be subjected to the penalties prescribed in the Regulations on Penal Offenses Relating to Opium Suppression and to Narcotic Drugs Prohibition.

Article 5.—The expenditures necessary for opium and narcotic suppression in provinces and municipalities shall be appropriate and distributed as a whole by the high local administrative organizations from the receipts as provided in the present regulations and in other laws and regulations. The deficit, if any, shall be met by funds drawn from the respective provincial or municipal treasury, and such withdrawals shall be reported to the Director-General for reference.

Rules for the custody of opium suppression funds in provinces, municipalities and districts shall be formulated separately.

CHAPTER II. OPIUM SUPPRESSION

Section 1. Poppy Cultivation

Article 6.—All provinces and territories shal temporarily be divided into areas where poppy cultivation is suppressed absolutely, and areas where poppy cultivation is suppressed at fixed periods. The division of areas and the setting of time limit shall be decided, after due consideration, by the Director-General.

Article 7.—The Director-General shall depute Special Commissioners to provinces and territories to exercise strict inspection and suppression.

Article 8.—The inspection and suppression of poppy cultivation shall be effected each year in two periods; first, the poppy sowing season, and second, the sprouting season. The Special Commissioners shall, in conjunction with the provincial governments concerned, exercise the necessary inspection and suppression.

Article 9.—Each year before the first period, the provincial government through the Department of Civil Affairs, shall prepare and issue proclamations and literatures, to the chiefs of subdistricts and towns, the village chiefs and elders, and educational institutions, for widespread distribution and extensive publicity.

Article 10.—During the first period, the Special Commissioner shall, in conjunction with the provincial government concerned, depute one Deputy Commissioner to proceed to each district or several districts for personal inspection and suppression. The duties of the Deputy Commissioner shall be as follows:

(1) The Deputy Commissioner shall, in conjunction with the district government concerned, supervise and direct the respective chiefs of subdistricts and towns, and the village chiefs and elders, to carry out active inspection in their respective areas. Any poppy seeds discovered shall be immediately confiscated and the owner arrested and dealt with in accordance with law.

(2) During inspection, the Deputy Commissioner shall summon on the spot, the respective chiefs of subdistricts and towns, and the village chiefs and elders, and shall issue to them an order that they should, within their respective areas, either warn the people from house to house or send representatives for inspections. He should also call upon them to submit pledges stating that no poppy sprouts would appear henceforth in their district. Such pledges shall be deposited at the district governments concerned for custody. This procedure may, however, with the approval of the provincial government concerned, be dispensed with, in places where such pledges are deemed unnecessary. The form of such pledges shall be prescribed by the Department of Civil Affairs, and shall be published and distributed by district governments.

(3) The Deputy Commissioner shall, in conjunction with the district government, publish and distribute handbills with a simple statement that "any cultivator of poppy shall be severely dealt with according to military law," and post them throughout all villages and hamlets. He shall from time to time call "mass meetings on the prohibition of poppy cultivation," inviting various

people to participate and lecture, with a view to encourage the cultivation of farm produces other than poppy plants.

(4) During inspections at random, should any inefficiency in the enforcement be found, the Deputy Commissioner shall, in conjunction with the district government, punish the responsible chiefs of subdistricts and towns, and the village chiefs and elders. Should the district magistrate be found inefficient, the case shall at once be reported confidentially, to the Special Commissioner and the provincial government concerned, for investigation and punishment.

Article 11.—During the second period, the Special Commissioner shall, in conjunction with the provincial government concerned, depute one Deputy Commissioner to proceed to each district or several districts for personal inspection and suppression. The duties of the Deputy Commissioner shall be as follows:

(1) The Deputy Commissioner shall, in conjunction with the district magistrate concerned, proceed to the interior for inspections at random. All farm lands should, by order, be divided into sections, and the town chiefs, village chiefs and elders should be made responsible to conduct inspections by turn at frequent intervals in their respective sections or adjoining areas. Any poppy sprouts discovered shall be immediately uprooted and the cultivators arrested and dealt with in accordance with law.

(2) Should any person be found cultivating poppy by taking advantage of either personal influence or collective support, beyond the control of the chiefs of the subdistricts and towns, or the village chiefs and elders, the Deputy Commissioner shall, in conjunction with the district magistrate, proceed thereto with police force, or with troops obtained by request from the local garrison, and uproot the sprouting poppy, but shall not by any pretext cause molestation.

Article 12.—In the adjoining areas of two or more districts, the Deputy Commissioner shall, in conjunction with the district magistrates concerned, proceed thereto for personal inspections.

Article 13.—The district magistrate shall hold the subdistrict chiefs responsible for examining, from time to time, the efficiency of the officers of different ranks under their jurisdiction. Those found inefficient in their work shall be immediately reported to the district magistrate for punishment.

Article 14.—The district magistrate shall report to the Special Commissioner and the provincial government concerned, for their consideration, the results of the inspections made at random in the various subdistricts. Should any subdistrict chiefs be found inefficient, the case should immediately be reported for punishment.

Article 15.—The Special Administrative Supervisory Commissioner of each province shall supervise and order the district magistrates to carry out strict inspection and suppression, and shall report to the Special Commissioner and the provincial government concerned for reference. Should any district magistrate be found inefficient, the case should likewise be reported for punishment.

Should any Special Administrative Supervisory Commissioner, acting concurrently as magistrate of one of the districts, be found inefficient, the case should be reported by the Special Commissioner, in conjunction with the provincial government concerned, to the Director-General for punishment.

Article 16.—Members of the military or police force, government employees, local vagrants or corruptive gentry, shall be reported confidentially at once to the Special Commissioner and the provincial government concerned for investigation and punishment in accordance with law, if they are found affording protection to poppy cultivation thereby interfering with the execution of duties by the district magistrates or with the completion of work by the Deputy Commissioners. Any case found to be serious shall be reported to the Director-General for consideration and action.

Article 17.—The Deputy Commissioners may, if necessary, request assistance from the local garrison. Should the local garrison fail to render assistance, the case should be reported by telegraph to the Special Commissioner and the provincial government concerned for consideration and action.

Article 18.—The Deputy Commissioners shall submit detailed reports on their work of inspection and suppression once every 10 days to the Special Commissioner and the provincial government concerned. Likewise, the Special Commissioner shall submit detailed reports once every 10 days to the Director-General. In the event of special cases, such reports shall be submitted from time to time without delay.

Article 19.—Any local, civil or military authorities of different ranks found negligent in carrying out the prohibition of poppy cultivation or pretending to abide by laws only for the sake of transgressing them, shall be reported confidentially by the Special Commissioner concerned to the Director-General for consideration and action. Any Special Commissioner found inefficient in inspection and suppression or making false reports shall be severely punished.

Article 20.—In provinces and territories where inspection and absolute suppression of poppy cultivation are enforced, general detection shall be made by areas at fixed periods. Measures governing such detection shall be as follows:

(1) The provincial government shall be held responsible for the detection and uprooting of poppy sprouts in the areas where the suppression of poppy cultivation is enforced. In order to supervise the work of inspection and suppression and increase its efficiency, the Special Commissioner shall, in conjunction with the provincial government concerned, make the general detection.

(2) During general detection, the provincial government, the office of the Special Administrative Supervisory Commissioner and the district government shall respectively in each administrative area depute one or two officers to proceed thereto with the Special Commissioner for strict inspection. The chiefs of subdistricts and towns, and the village chiefs and elders shall all co-operate in the work of detection.

(3) The period for general detection in each year shall be, after the sprouting of the

plant and before the cutting of poppy, limited to three months. Under special circumstances, an extension may be recommended, but such extension shall not exceed one month.

(4) Detection shall be made in all areas where poppy cultivation once existed but is now absolutely prohibited. Detection at random, or exemption from detection, may be made in territories where poppy cultivation is hitherto unknown and for which the district magistrate concerned has submitted a pledge stating that "should any poppy sprouts be found henceforth in that district, he is willing to be severely punished."

(5) During general detection, any poppy sprouts found shall be uprooted immediately and the cultivators arrested and dealt with in accordance with law. In case of mob resistance against the uprooting of poppy sprouts, troops shall be dispatched to arrest the offenders for severe punishment in accordance with law.

(6) Should poppy sprouts be found in the district which has already been reported as being poppy free, the magistrate, the chiefs of the subdistricts and towns, and the village chiefs and elders concerned shall be reported respectively with due regard to facts of each case by the Special Commissioner to the Director-General for severe punishment.

(7) Members of the military and police force, government employees, local vagrants or corruptive gentry, if found affording protection to poppy cultivation or collecting taxes unlawfully, shall be arrested and severely punished in accordance with law.

(8) If during general detection, any local troops or government employees be found negligent in rendering assistance or in the performance of their work thereby interfering with the execution of the duties by the Special Commissioner, the case shall be reported immediately by the Special Commissioner to the Director-General for consideration and action.

(9) Districts under detection shall be divided into areas where the general detection shall be made in different periods. The periods for detection shall be determined after due consideration by the Special Commissioner.

(10) Should the Special Commissioner deem it necessary to ask for the asssistance of troops, the local garrison upon receiving such notification shall dispatch troops immediately. The Deputy Commissioner may also, if necessary, take with him guards or police for inspection on the spot, but shall not by any pretext cause molestation.

(11) The Deputy Commissioners shall submit daily reports on their work of detection to the Special Commissioner for transmission to the Director-General for examination and consideration.

(12) The Special Commissioners shall prepare and submit to the Director-General for examination and consideration, tabulated reports describing the actual condition of the detection and showing the work of suppression of poppy cultivation in each district, together with observations. The form of such tabulated reports shall be prescribed separately.

(13) The Special Commissioners and the Deputy Commissioners shall neither accept any favor extended by the local people, nor connive in concealing any evidence. Offenders shall be punished accordingly.

Article 21.—In areas where the suppression of poppy cultivation is gradually enforced according to fixed periods, the original acreage under cultivation and the approximate estimate of production should first be reported to the governmental opium suppression offices for registration before obtaining permits for cultivation. The validity of such permits shall be limited to the period between the seed-sowing season and the harvest.

The form of the permits and the methods of registration shall be prescribed by provincial governments and reported to the Director-General for approval.

Measures regulating the harvest from the land licensed for poppy cultivation shall be formulated separately.

Section 2. Transportation

Article 22.—During the period of gradual elimination of opium addiction, the Opium Suppression Supervisory Bureau shall take full charge of the transportation and distribution of opium required for the registered smokers. Illicit transport shall be prohibited. Offenders shall be dealt with in accordance with law.

Article 23.—The Opium Suppression Supervisory Bureau shall establish, at territories where the suppression of poppy cultivation is gradually enforced according to fixed periods, agencies which shall transport all the opium collected to convenient places where the same shall be made into "Prepared Opium" for general distribution. Before the system of "Prepared Opium" is inaugurated, the regulations governing government transportation on the Yangtze River or those governing through traffic on railways and highways shall temporarily be applied.

Article 24.—Before the system of complete government purchase and transportation of produced opium is widely installed, the Opium Suppression Supervisory Bureau may temporarily resort to the practice of partial governmental purchase and transportation with due regard to supply and demand, in which case specially licensed merchants may be authorized to make purchases for the Government, and special rules shall be separately formulated.

Section 3. Sales

Article 25.—Before 1940, in provinces and territories where gradual elimination of opium addiction is enforced, the registered smokers, having obtained temporary smoker's permits, shall be supplied with "Prepared Opium." Before the system of "Prepared Opium" is inaugurated, specially licensed merchants may temporarily be permitted to operate opium hongs and retail shops for the distribution and sale of opium. Rules relating to licensed opium hongs and retailers shall be formulated separately.

Article 26.—The number of opium hongs required shall be determined by the Opium Suppression Supervisory Bureau. The number of retailers required shall be determined, with due regard to local conditions, by the respective local governmental opium suppression offices subject to the approval of the Opium Suppression Supervisory Bureau. The number of

hongs and retailers shall be gradually reduced according to periods scheduled for opium suppression.

Article 27.—Persons manufacturing and selling antiopium drugs shall be required to submit samples to the respective local governmental opium suppression offices which shall, in turn, submit the same to the provincial or municipal governments concerned for transmission to the Central Commission for Opium Suppression for analysis and test. If such drugs are found, after analysis and test, to be nonpoisonous and of genuine value for curing opium addiction, sales permits shall be issued, after due approval, by the Director-General. Those which do not comply with the requirements shall be rejected. The procedure of submitting samples of antiopium drugs for analysis and test shall be prescribed separately.

Article 28.—Antiopium drugs which have been patented should clearly bear the registered number of the permit together with the date of issuance on the wrapper label. The respective local governmental opium suppression offices shall, from time to time, check up such drugs at random. Should any discrepancy be found, the permit already issued shall be recalled for cancellation. If the drug is found to contain poisonous elements, the case shall be dealt with in accordance with law.

Section 4. Smoking

Article 29.—With the exception of the aged and the sick who, having long acquired the habit and being unable to undergo a complete cure within a short time, are permitted to smoke temporarily by obtaining the temporary smoker's permits, no opium smoking is allowed. Offenders shall be dealt with in accordance with law.

Article 30.—Antiopium institutions shall be established as follows:

(1) Central Antiopium Hospital;
(2) Provincial or Municipal Antiopium Hospitals;
(3) District Antiopium Hospitals or Stations;
(4) Subdistrict or Village Antiopium Substations.

Local governmental opium suppression offices may designate local public or private hospitals, whichever are best equipped, to take charge at the same time of the antiopium work, in which case, reasonable subsidies may be issued.

Regulations governing antiopium hospitals shall be formulated separately.

Article 31.—Opium addicts entering antiopium hospitals or stations for treatment shall be required to stay in hospitals or stations for the cure. Medical expenses, as well as those for drugs and food, shall be borne by the addicts themselves. A total or partial remission may, however, be made in cases of destitute addicts verified by the governmental opium suppression offices.

Article 32.—All registered smokers with temporary permits shall be gradually cured of their addiction before 1940. The local governmental opium suppression offices shall, during each year, summon a fixed number of registered smokers, according to their age, by different groups at different periods, for the treatment of their addiction. Those below the age of 40, or who smoke less, shall be summoned first. Such summons, properly filled, should be served by the governmental opium suppression offices on the groups of addicts 20 days prior to the appointed time for entering the hospitals or stations for treatment. Addicts failing to appear as scheduled shall be arrested for compulsory treatment.

Article 33.—Registered smokers asking voluntarily for treatment before the scheduled time may do so by reporting to the governmental opium suppression offices which shall designate certain antiopium hospitals or stations for the treatment. Should addicts choose to take the treatment at home, it may be allowed, but after the treatment is completed, they shall be subjected to examination. Should the examination show that their addiction has not been completely cured, they shall be ordered to undergo the compulsory treatment.

Rules pertaining to examination of opium addiction shall be formulated separately.

Article 34.—Addicts under treatment in antiopium hospitals or stations shall obey the instructions and advice of such institutions. Those who have not been completely cured shall not take leave from the hospital or station, and those who have been cured shall have to submit pledges, sealed with fingerprints, to abstain forever from opium smoking before they can obtain a statement certifying to the cure.

Article 35.—The governmental opium suppression offices shall, at appointed times and by areas, examine at random those already cured of their addiction, and shall, in consultation with the antiopium hospitals or stations, determine the areas to be examined each time. Those who are found to have reacquired the habit of smoking opium or other substitutes shall be delivered to the official organizations under military jurisdiction for punishment in accordance with law.

Article 36.—Should the government tribunal deem it necessary to hold the opium offenders in prison for compulsory treatment, the antiopium hospitals or stations shall be requested to dispatch physicians for examination and treatment. The prescribed medicine may be administered by the warden.

Article 37.—Addicts without temporary smoker's permits applying to governmental opium suppression offices for treatment shall be sent to the antiopium hospitals or stations for cure. During the period of general detection, voluntary applicants shall be exempted from punishment, but after that period, the provisions of the criminal law on self-surrender may be applied.

Article 38.—Temporary smoker's permits shall be prepared and issued by the Opium Suppression Supervisory Bureau, and shall be of two kinds; namely, the general permits and the destitute permits. Each permit shall mention the following particulars:

(1) Smoker's name, age, birthplace, address and occupation;
(2) Smoker's physical posture, facial appearance and other particular features (or with attached photograph);
(3) Reasons why the smoker cannot be cured for the time being, and the name of the certifying physician;
(4) Daily quantity and quality of opium;

(5) Permit number;

(6) Date of the issuance of the permit, and the period of validity:

(7) Location of the office issuing the permit, and the signature and the seal of the officer in charge.

Destitute permits should not be issued unless vouched for by the police or village chiefs and elders as the case may be.

Article 39.—Each temporary smoker's permit when issued shall be accompanied with a table showing consecutively the permissible daily allowance. The registered smoker shall, as identified by the permit and the table, purchase opium from the local registered and licensed retailer. With the general permit, the quantity purchased at any one time shall not exceed the allowance of 10 days, and with the destitute permit, three days. The purchases of any one month shall not exceed the total quantity fixed for that month. In case of any purchase contrary to such stipulations, the permit shall be recalled for cancellation, and the offender ordered to take compulsory treatment.

Article 40.—The holder of a temporary smoker's permit, when traveling or changing his domicile, shall observe the following provisions:

(1) The holder of a temporary smoker's permit, when traveling or removing to regions within the same municipality, district or subdistrict, may smoke at places through which he travels or at the new abode, by carrying the permit on his person. In the latter case, he shall, upon production of the permit, request the original office issuing the permit, for the change of address.

(2) The holder of a temporary smoker's permit, when traveling or removing to regions beyond the original municipality, district or subdistrict, shall upon production of the permit, notify the original office issuing the permit, of the places where he travels, or the new abode and the itinerary, and apply for a traveling certificate prepared and issued by the Opium Suppression Supervisory Bureau. Upon arriving at the destination, he shall submit his permit with the allowance table to the district government, or the municipal bureau of public safety, for examination, registration and authentication by seals, and shall surrender his traveling certificate for cancellation.

(3) Should the holder of a temporary smoker's permit, when traveling or removing, find his permit expiring before the destination or his new abode can be reached, he shall first exchange it for a new permit with allowance table before obtaining a traveling certificate.

Article 41.—The temporary smoker's permit shall be renewable every six months, on payment of $5.00 each time, that of each destitute permit $0.60; of which 1/5 shall go to the office issuing the permit, 2/5 to the district government or municipal bureau of public safety and another 2/5 to the provincial or municipal government forming respectively a special fund to meet the expenses for opium suppression and the treatment of opium addicts. If necessary, the payment for destitute permits may, however, be either reduced or waived.

Article 42.—The district government or the municipal bureau of public safety shall, in the first place, obtain the temporary smoker's permits from the Opium Suppression[Supervisory Bureau, by paying in advance 1/5 of the total charge on such permits and then distribute the same to the subordinate bureau of public safety and its subbureaus for issuance to the smokers. The Opium Suppression Supervisory Bureau shall at the same time notify the respective provincial or municipal government of the offices applying for the permits, the number of the permits issued and their serial numbers. When necessary, the advance payment may be waived after agreement by the provincial or municipal government on the one hand, and the Opium Suppression Supervisory Bureau on the other, for the modification of the regular procedure.

Article 43.—The holder shall report the loss of a temporary smoker's permit to the issuing office for its cancellation. When the loss is verified, a new permit may be obtained on payment of the necessary charges. The permit of an addict who has been cured or who has died shall be returned for cancellation. If a permit is not presented for cancellation or renewel after the expiration of its period of validity, the payment which is overdue shall be collected from the holder or his relatives.

Article 44.—For each temporary smoker's permit, four duplicates shall be kept on record; one to be kept by the issuing office, one to be sent to the district government or the municipal bureau of public safety, one to the provincial or municipal government and one to the Opium Suppression Supervisory Bureau. The amount payable on the permit to the provincial or municipal government shall be remitted with one of the duplicates. The district government or the municipal bureau of public safety shall, for reference and record, submit separately, before the 10th day of each month, to the provincial or municipal government and the Opium Suppression Supervisory Bureau, a report showing the total number of permits issued in the previous month, their serial numbers, the duration of their validity and the names of the holders.

Article 45.—Should any person with a temporary smoker's permit be found using or smoking narcotic drugs, his permit shall be recalled for cancellation, and his offense of using or smoking narcotic drugs shall be dealt with in accordance with law.

Article 46.—A temporary smoker's permit or traveling certificate should be carried by the smoker on his person and should be produced for examination at once when called upon by officers deputed from the governmental opium suppression offices. Any person who fails to produce the permit or certificate, or who cannot be identified after the production of the permit or certificate as its holder, shall be arrested and delivered to the official organization under military jurisdiction for trial. Any inspecting officers found committing one of the following offenses shall be dealt with in accordance with law:

(1) Not being authorized by the governmental opium suppression office to make the inspection; or in case of impersonation as inspectors with intent to blackmail;

(2) Finding fault intentionally or making unlawful arrests thereby causing damage to a legal holder of the permit or certificate.

Article 47.—The holder of a temporary smoker's permit may, upon production of

the permit, purchase opium paraphernalia from registered and licensed retailers selling the same, and report to the governmental opium suppression office for reference. The old paraphernalia shall be surrendered for destruction.

Measures governing the suppression of retailers selling opium paraphernalia shall be formulated separately by the Opium Suppression Supervisory Bureau.

CHAPTER III. NARCOTIC SUPPRESSION

Article 48.—The manufacture, transportation, sale and smoking or use of narcotic drugs shall be strictly and stringently detected by the respective governmental opium suppression offices. Offenders shall be dealt with in accordance with law by the official organizations under military jurisdiction.

Article 49.—Antiopium hospitals and stations may simultaneously render services for the treatment of narcotic addiction.

Article 50.—Narcotic addicts while under treatment in the antiopium or antinarcotic hospitals or stations shall likewise be subjected to the provisions of Article 34.

CHAPTER IV. APPENDIX

Article 51.—"Opium" and "narcotic drugs" referred to in Article 2, if used for medical or scientific purposes and for which separate regulations are formulated, shall be governed by such existing regulations.

Article 52.—Regulations governing the organization of the various opium suppression commissions and the Opium Suppression Supervisory Bureau shall be formulated separately.

Article 53.—Rules for (*a*) the administrative efficiency of opium and narcotic suppression, (*b*) the detection and seizure, and (*c*) the distribution of fines and the issuance of rewards shall be formulated separately.

Article 54.—The present regulations shall become effective from the date of promulgation.

REGULATIONS GOVERNING ANTI-OPIUM HOSPITALS

(Promulgated on August 19, 1936)

Article 1.—Antiopium institutions shall be established as follows:

(1) Central Antiopium Hospital;
(2) Provincial or Municipal Antiopium Hospitals;
(3) District Antiopium Hospitals or Stations;
(4) Subdistrict or Village Antiopium Stations.

The aforesaid antiopium hospitals or stations may designate other local public or private hospitals to take charge also of antiopium work.

Article 2.—The antiopium institutions shall be organized with a superintendent in charge of each hospital and a chief in charge of each station. Under the superintendents or chiefs, there shall be physicians, nurses, and assistants whose number shall be determined with respect to local conditions.

Rules for the appointment of the superintendents or chiefs shall be formulated by the respective governmental opium suppression offices.

Article 3.—The antiopium hospitals or stations shall be under the supervision of the local governmental opium suppression offices in matters pertaining to the treatment of addiction.

Article 4.—The Central Antiopium Hospital shall direct the antiopium hospitals or stations in the provinces, municipalities, and districts, in the methods of treatment of addiction which it has gained through actual experience.

Article 5.—Smokers applying voluntarily, or sent by relatives, for treatment, or summoned by governmental authorities for examination and for compulsory treatment, shall first register at the local governmental opium suppression offices, which shall send within 24 hours the necessary notifications to the antiopium hospitals or stations. The hospitals or stations shall, within 24 hours after the admission of the patient, begin medical treatment.

Article 6.—When persons who have been sent for examination by governmental opium suppression offices are found to be addicts, the antiopium hospitals or stations shall return them to the original offices together with the Physician's Certificate.

Article 7.—Opium suspects shall be handed over first to the local governmental opium suppression offices, which shall, in turn, send them to the antiopium hospitals or stations for examination.

Article 8.—Men and women smokers, while under treatment or examination, shall be segregated in separate quarters. Expenses for medical care and for food shall be borne by the smokers.

Article 9.—Persons under treatment or examination shall observe the rules of the antiopium hospitals or stations, and shall not act in any disorderly and irregular manner.

Article 10.—Persons under treatment in antiopium hospitals or stations shall remain under observation for three days after they cease to take antiopium drugs. During the observation period such persons shall be watched carefully so as to ascertain whether or not they have actually been cured of their addiction. Physician's Certificates for the release can only be issued after observation results are found to be satisfactory.

Article 11.—Should addicts under treatment or examination be attacked by sickness which the physicians' diagnose as being entirely distinct from opium or narcotic effects, they may also be given medical treatment by the antiopium hospitals or stations. In case the sickness requires prolonged treatment, such addicts by special permission under bond may be treated elsewhere, but upon recovery they should return voluntarily to the original institution for the completion of the antiopium treatment. The length of time allowable for such treatment outside of the antiopium hospitals or stations shall be determined by the respective superintendents or chiefs.

Article 12.—At the end of each month, the antiopium hospitals and stations shall each prepare a statement, giving the number, sex, age, and occupation of the addicts under treatment, methods of treatment used and the results of the treatment; and shall submit the same to the local governmental opium suppression offices for transmission collectively to the

President of the Military Council, concurrently Director-General for Opium Suppression, for reference. The form of the statements shall be prescribed separately.

Article 13.—Detailed rules for the working of the antiopium hospitals and stations shall be formulated by the respective antiopium hospitals or stations and reported to the local governmental opium suppression offices for reference.

Article 14.—Antiopium hospitals and stations shall take charge also of narcotic treatments. For the examination and treatment of narcotic addicts, the same procedures as prescribed in the present regulations may be applied.

Article 15.—The present regulations shall become effective from the date of promulgation.

RULES FOR EXAMINATION OF OPIUM ADDICTS

(Promulgated on August 12, 1936)

Article 1.—Persons suspected to be addicts to opium smoking, morphine injection, or, using or smoking narcotic drugs shall be subjected to examination in accordance with the present rules. Rules for the examination of government employees shall be formulated separately.

Article 2.—Any person found to be in any one of the following conditions shall be sent by governmental opium suppression offices within 24 hours to antiopium hospitals or stations for examination:

(1) When, after the expiration of the registration period, a person is reported to be, or is found to be, a suspected addict to opium smoking without possessing a temporary smoker's permit and who has refused to confess his addiction after having been questioned;

(2) When a person is reported to be, or is found to be, a suspected addict to morphine injection, or using or smoking narcotic drugs and who has refused to confess his addiction after having been questioned;

(3) When a person, after having been cured in an antiopium or antinarcotic hospital or station, is reported to be or is found to be suspected to have reacquired the old habit;

(4) When a person, after having been cured in a public or private hospital or by a private physician, voluntarily applies to the governmental opium suppression office for examinations and identification;

(5) When a person voluntarily applies to the governmental opium suppression office for examination;

(6) When a person is suspected of using or smoking opium of narcotic drugs and sent by relatives or local organizations of self-government for examination;

(7) When a person is to be examined under other conditions.

Article 3.—The following hospitals and stations shall take charge of the examination to addicts:

(1) Central Antiopium Hospital;

(2) Provincial or Municipal Antiopium or Antinarcotic Hospitals;

(3) District Antiopium or Antinarcotic Hospitals or Stations;

(4) Subdistrict and Village Antiopium Substations.

Article 4.—The antiopium or antinarcotic hospitals or stations shall provide special wards for the examination of addicts. In case of overcrowding, additional temporary accommodation may be provided. The police shall be on guard constantly during such examinations.

Article 5.—Any person found guilty of any one of the following offenses at the time of examination shall be reported to the governmental opium suppression offices for consideration and action:

(1) When a suspected addict is found carrying secretly on his person opium substitutes;

(2) When the relatives or friends of the suspected addict are found smuggling prohibited articles under the guise of presents;

(3) When members of the hospital staff are involved in bribery and favoritism;

(4) When the persons are involved in cases of ill-treatment and extortion:

(5) When the persons are involved in other unlawful acts.

Article 6.—Examinations by antiopuim or antinarcotic hospitals or stations should be completed within 10 days from the date of the patient's admittance.

Article 7.—After the examination, regardless of whether the results are affirmative or otherwise, a certificate signed and sealed by the attending physician and the superintendent or the chief shall be issued.

Such Physician's Certificates shall be issued in triplicates, each bearing a two and half inch photograph of the person examined; one shall be kept by the person himself, one dispatched with the person examined to the governmental opium suppression office for consideration and action, and one kept by the hospital or station for reference. The form of the Physician's Certificate shall be prescribed separately.

Article 8.—Any person, being not satisfied with the result of the examination may, within seven days after the receipt of the Physician's Certificate, state his reasons and request a second examination, in which case, the local governmental opium suppression office may, after due consideration and approval, designate another physician to conduct the second examination and may delegate at the same time a special officer to supervise the same.

The result of the second examination shall be final and no further requests shall be allowed.

Article 9.—Should the governmental opium suppression office be in doubt of the result, the Physician's Certificate may be returned for a second examination or another hospital may be designated for the purpose.

Article 10.—Should any person, during examination, be attacked by sickness which the physician's diagnose as being entirely distinct from opium or narcotic effect, he may also be given medical treatment. But the case shall be reported to the governmental opium suppression office for reference.

Article 11.—Should any person, during examination, die of sickness, the case should be reported immediately to the governmental opium suppression office. The local governmental

tribunal shall be notified and requested to depute coroners thereto for examination, after which a statement shall be filed for reference and record. The deceased shall then be delivered to the family for burial.

Article 12.—Should the governmental opium suppression office be convinced by scrutiny of the particulars of the examination that the person examined is not an addict, but has been wrongfully accused with malicious intent, the informer or informers shall in such a case be immediately sent to an official organization under military jurisdiction for investigation and action in accordance with law.

Article 13.—Any person accusing others for smoking opium or narcotic drugs may request permission to be present at the examination of the suspect.

Article 14.—Should the governmental opium suppression office be convinced by scrutiny of the particulars of the examination that the person examined is actually an addict, he shall be sent immediately to an official organization under military jurisdiction to be dealt with in accordance with law, and then to a medical institution for compulsory treatment to be cured within a specified period.

Article 15.—Should the members of any antiopium or antinarcotic hospital or station while administering examinations be found to have received bribes or for personal reasons afford protection to persons under examination by making false certificates, the case shall be subjected to investigation and action in accordance with law by the official organization under military jurisdiction.

Article 16.—Antiopium or antinarcotic hospitals or stations shall each month report the cases of examination to the governmental opium suppression offices for transmission collectively to the President of the Military Council, concurrently Director-General for Opium Suppression, for reference.

Article 17.—The present rules shall become effective from the date of promulgation.

RULES FOR EXAMINATION OF OPIUM ADDICTION AMONG GOVERNMENT EMPLOYEES

(Promulgated on August 12, 1936)

Article 1.—Government employees who are suspected to be addicts to opium smoking, morphine injection,or using or smoking narcotic drugs shall be subjected to examination in accordance with the present rules.

Article 2.—Government employees who are reported, or are found, to be suspected of committing the offenses stipulated in the preceding article, shall, upon being notified by their immediate superior officials in charge, be subjected to examination, and no evasion shall be tolerated.

Article 3.—The detection and examination of addiction among government employees shall be as follows:

(1) The Control Yuan shall be responsible for the detection of addiction among various high military and civil officials in the Central Government or local governments, among ambassadors, ministers or consuls abroad. When suspects are discovered, it shall report to the National Government for the purpose, of deputing officers, or of designating places for examination.

(2) The respective high officials, in the Central Government or in the various local governments as well as their subordinate offices, in the embassies, legations or consulates shall be responsible for the detection of addiction among their subordinates. When suspects are discovered, the officer in charge shall notify the local governmental opium suppression office to send such suspects to antiopium or antinarcotic hospitals or stations, or to other designated places, for examination.

(3) The respective high officers in the military service shall be responsible for the detection of addiction among their subordinates. When suspects are discovered, the officer in charge shall notify the local governmental opium suppression office to send such suspects to antiopium or antinarcotic hospitals or stations, or to other designated place, for examination.

Article 4.—If government employees are suspected of committing the offenses stipulated in Article 1 and the persons responsible for the detection are negligent knowingly, besides dealing with the suspects in accordance with the provisions of the articles of the present rules, the responsible persons in question shall be delivered to the respective disciplinary commissions for punishment in accordance with law.

Article 5.—When government employees are proven by examination to be addicts to opium or narcotic drugs, they shall be immediately dismissed from office, and delivered to official organizations under military jurisdiction for punishment in accordance with law.

Article 6.—Each hospital or station responsible for the examination shall submit each month a report of such cases to the governmental opium suppression office concerned, for transmission to the President of the Military Council, concurrently Director-General, for reference.

Article 7.—Any contingency in the present rules shall be covered by the provisions embodied in the "Rules for Examination of Opium Addicts."

Article 8.—Members and employees of the Kuomintang, as well as teachers, officers and students of schools suspected to be addicts to opium smoking, morphine injection, or using or smoking narcotic drugs shall similarly be dealt with, in accordance with the provisions of the present rules.

Article 9.—The present rules shall become effective from the date of promulgation.

RULES FOR ADMINISTRATIVE EFFICIENCY OF OPIUM AND NARCOTIC SUPPRESSION

(Promulgated on August 12, 1936)

Article 1.—Officers in charge of, or holding concurrent duties pertaining to opium and narcotic suppression, shall be rewarded or punished in respective cases according to the efficiency ratings as provided in the present rules.

Article 2.—Rewards shall be in the order of the following five kinds:

(1) Award of a new higher position;
(2) Promotion in rank;

(3) Increase of salary;
(4) Award of a merit;
(5) Approbation.

Article 3.—Punishments shall be in the order of the following five kinds:

(1) Dismissal from office;
(2) Demotion in rank;
(3) Reduction of salary;
(4) Imposition of a demerit;
(5) Reprimand.

Article 4.—The following cases shall merit reward:

(1) When after detection and suppression, no poppy sprouts are discovered in areas where poppy cultivation once existed;
(2) When repeated seizures are made of opium and poppy seeds illicitly transported and on sale;
(3) When any antiopium or antinarcotic hospitals or stations maintain excellent service, and has cured addicts exceeding the fixed number;
(4) When repeated seizures are made of narcotic manufacturers or transporters;
(5) Other meritorious acts.

Article 5.—The following cases shall deserve punishment:

(1) When due to inefficient detection and suppression, poppy sprouts are found, or poppy seeds are not completely confiscated and destroyed, and such conditions are verified by inspectors;
(2) When persons are verified by inspectors as negligent in detection, by conniving in, or giving protection to, poppy cultivation;
(3) When persons are verified by inspectors as being inefficient in detection, thus permitting illicit transport of opium within the area, or as being negligent in the duty of detection, by conniving in, or giving protection to, illicit transport and sale of opium;
(4) When the establishment of antiopium or antinarcotic hospitals or stations are neglected, or those which have been established are found to be so inadequate in equipment and poor in management that no results are accomplished in the antiopium or antinarcotic work;
(5) When manufacturers, transporters or sellers of narcotic drugs within the area are not apprehended, but discovered by others;
(6) Other punishable acts.

Article 6.—Efficiency ratings shall be made once every six months. Officers in charge of, or holding concurrent duties pertaining to, opium and narcotic suppression, shall be reported periodically and collectively by the superior officials directly concerned, to the President of the Military Council, concurrently Director-General for Opium Suppression (hereinafter called the Director-General) for reward or punishment as the case may be. Special cases may, however, be reported at any time by the superior officials directly concerned, for reward or punishment.

Article 7.—The Director-General after examining the high military and civil officials in charge of opium and narcotic suppression in provinces and municipalities shall have the power to reward or punish as the case may be.

Article 8.—Officers found intentionally delaying the completion of a certain task within a time limit as ordered by superior officials, or found to be negligent in the performance of their duties, despite repeated warnings, shall be dismissed from office and shall be held for punishment by the Director-General.

Article 9.—Officers in charge of opium and narcotic suppression found committing offenses which involve criminal action relating to opium suppression, shall be dealt with in respective cases in accordance with law.

Article 10.—Approbation, as mentioned in Article 2 Item 5, and Reprimand, as mentioned in Article 3 Item 5, shall be made by superior officials directly concerned.

Article 11.—Promotion or demotion shall be effected by promoting or demoting one grade of the present salary scale.

Article 12.—In cases of promotion or demo-on when rank limits are reached, monthly salary may be increased or decreased according to the grade in the salary scale.

Article 13.—Increase or decrease of salary shall be effected by increasing or decreasing 10% or 20% of the present salary.

Article 14.—Merits shall be of two kinds; namely, minor merits and major merits. Three minor merits shall be equivalent to one major merit; three major merits shall count as a promotion of one grade.

Article 15.—Demerits shall be of two kinds; namely, minor demerits and major demerits. Three minor demerits shall be equivalent to one major demerit; three major demerits shall count as a demotion of one grade.

Article 16.—Merits and demerits shall offset each other.

Article 17.—A dismissed official shall not be eligible to any government appointment for two years. In case of a concurrent post, he shall be dismissed also from the original post.

Article 18.—Approbation or reprimand shall be effected either by writing or by verbal statement.

Article 19.—The present rules shall become effective from the date of promulgation.

RULES FOR DISTRIBUTION OF FINES FROM OPIUM OFFENSES, AND ISSUANCE OF REWARDS

(Promulgated on August 19, 1936)

Article 1.—Fines from opium offenses as stated in the present rules shall include fines from narcotic offenses, and shall be distributed as rewards in accordance with the present rules.

Receipts realized from the sale of confiscated properties shall be regarded also as fines from opium offenses.

Article 2.—The distribution of fines from opium offenses shall be as follows:

(1) From a fine imposed after a seizure, resulting from information, 30% shall be awarded to the informer or informers, 10% awarded to the officers and police for making the seizure, 10% given to the government tribunal as subsidy, and 50% allocated to a fund for local antiopium work and for the maintenance of temporary prisons for opium offenders.

(2) From a fine, imposed after a seizure, made entirely by officers and police responsible for opium suppression, 20% shall be awarded to the officers and police for making the seizure, 10% awarded to the persons rendering assistance to the seizure, 10% given to the government tribunal as subsidy, and 60% allocated to a fund for local anti-opium work and for the maintenance of temporary prisons for opium offenders.

(3) Fines from opium offenses amounting to less than $1,000 shall be distributed in the manner as provided in the preceding two paragraphs. Should the fine be $1,000 to $5,000, the first $1,000 shall be distributed in the manner as provided in the preceding two paragraphs, and the balance shall be divided into two parts, half to be distributed in the same manner and half to form a fund for local antiopium work and for the maintenance of temporary prisons for opium offenders.

(4) Should the fines from opium offenses be $5,000 to $10,000, $5,000 shall be distributed as provided in paragraphs (1) and (2), and the balance shall be distributed with 30% in the same manner and 70% for local antiopium work and for the maintenance of temporary prisons for opium offenders.

(5) Should the fines from opium offenses be more than $10,000, the case shall be reported to the President of the Military Council, concurrently Director-General for Opium Suppression (hereinafter called the Director-General) for approval before distribution.

In the case of fines imposed on several persons for one offense, or in the case of one person committing several offenses for each of which a separate fine is imposed, the distribution of such fines shall be dealt with according to respective cases.

Article 3.—When persons decline to receive the rewards distributed according to the preceding article, or when they cannot be identified, or when they fail to claim the same within a year, such rewards shall be used for local anti-opium work and for the maintenance of temporary prisons for opium offenders.

Persons declining a reward of $500 or more shall, upon a joint report from the original offices, be awarded by the Director-General with a certificate of honor.

Article 4.—The government tribunal, after obtaining the necessary approval for the imposition of fine on the opium offenders, shall, in conjunction with the governmental opium suppression office and with reference to the provisions of Article 2, compute the respective amounts issuable as rewards and shall publish a statement of same for the distribution.

Article 5.—The government tribunal shall, at the end of each month, submit a tabulated report showing the respective cases of fines imposed on the opium offenders, to the governmental opium suppression office concerned for publication. Copies of such tabulated reports shall also be submitted to higher offices for transmission to the Director-General for reference. The form of such reports shall be prescribed separately.

Article 6.—The present rules shall become effective from the date of promulgation.

PROVISIONAL RULES RELATING TO THE PRIVILEGE OF PURCHASING OPIUM BY LICENSED MERCHANTS

(Promulgated on August 19, 1936)

Article 1.—Applications for the privilege of purchasing opium from cultivated areas under gradual suppression shall be submitted to the Opium Suppression Supervisory Bureau by applicants, who shall give particulars as to their name, age, birthplace and permanent address and shall make payment of guarantee deposits, before a License to Purchase (hereinafter called the License) and a Purchaser's Identification Certificate (hereinafter called the Certificate) can be obtained.

The form of the License, the amount of the guarantee deposit required and the method of registration shall be separately prescribed by the Opium Suppression Supervisory Bureau.

Article 2.—Without a License, the Certificate cannot be issued; without the Certificate, the purchase of opium shall not be allowed.

Article 3.—The Opium Suppression Supervisory Bureau shall prepare the form of the Certificate which shall contain the following particulars:

(1) The name of the applicant and the number of the original License;

(2) The area in which the purchase shall be made and the quantity to be purchased, and the necessary duration of a round trip;

(3) The prescribed routes for transportation.

Article 4.—Licenses and Certificates cannot be sold, transferred, leased or lent by the holder to another. When a License or Certificate is lost, it should be reported to the Opium Suppression Supervisory Bureau for investigation, cancellation, and issuance of a new one in accordance with regulations.

Article 5.—Licensed merchants shall observe the following provisions:

(1) The route prescribed by the Opium Suppression Supervisory Bureau shall be followed.

(2) Transportation shall be made by the agencies already established on the prescribed routes by the Opium Suppression Supervisory Bureau.

(3) Opium reaching destination shall be unloaded and stored in the government warehouses. Officers deputed by the Opium Suppression Supervisory Bureau shall, in conjunction with the officers of the government warehouse, check the quantity of opium delivered, affix government stamps on each box and calculate by license numbers and consignments the amount of duty payable in accordance with the existing rate. The warehouse shall keep the opium in custody for distribution and undertake the shipment to other places and warehouses as the case may be.

(4) Duties as prescribed by regulations shall be paid at once by affixing revenue stamp, before the opium can be removed from the warehouse for transportation. If duty-payments cannot be made at once, shipments to other places may be made under bond.

Article 6.—The transportation agencies or government warehouses shall be liable to make

good any loss, while the merchants' opium is transported or kept in custody.

Measures governing the transportation and keeping in custody of merchants' opium shall be formulated separately.

Article 7.—Opium hongs purchasing opium from government warehouses for transportation to other places shall obtain Transportation Certificates. Transportation from provincial area A to provincial area B or to the adjacent territory of provincial area B, shall, through the government warehouses, be left in the hands of the transportation agencies which shall be responsible for the transportation. The Transportation Certificate shall bear full particulars as to the name of the applicant, the name of the opium hong, the number of the original License, the quality, kinds and quantity of opium to be transported and the period and destination of transportation.

The form of the Transportation Certificate shall be prescribed separately by the Opium Suppression Supervisory Bureau.

Article 8.—Licensed merchants for opium purchase operating opium hongs at the same time shall, in accordance with the "Provisional Rules for Establishment of Licensed Opium Hongs and Retailers," obtain Registration Permits. The opium so purchased shall be dealt with in accordance with the provisions of Articles 5 and 7.

Article 9.—The period of validity for the Licenses, Certificates, and Transportation Certificates shall be as follows:

(1) Licenses shall be effective for one year. At the expiration of the year, they shall be submitted for cancellation and the guarantee deposit refunded. If the merchants have complied fully with all laws and regulations without incurring any illegal commitments during the year, Licenses may be renewed after due approval.

(2) Certificates shall be submitted for cancellation as soon as the purchased opium has reached the government warehouse. Transportation Certificates shall be submitted for cancellation as soon as the opium has reached the designated destination. If the period of validity stated in the Certificate has to be extended, the Opium Suppression Supervisory Bureau may, on application, authorize such extension.

Article 10.—Should any licensed merchant for opium purchase or any owner of opium hong be found transporting opium exceeding the permissible quantity or found smuggling narcotic drugs, by making use of the Certificate or the Transportation Certificate, he shall in respective cases be subjected to punishment in accordance with law.

Article 11.—Licensed merchants for opium purchase or owners of opium hongs when transporting opium shall carry the original Certificate or the Transportation Certificate on his person, and shall at once produce the same for examination when called upon to do so by the troops, police, garrison officers or other inspectors deputed by the governmental opium suppression offices, before he is permitted to proceed.

Any inspecting officer found committing any of the following offenses shall be reported for punishment in accordance with law:

(1) When he is not deputed by the governmental opium suppression office as inspector and found to be an impersonator;

(2) When he finds fault intentionally, thereby causing unnecessary damage to those who have produced proper certificates and have not in any way committed any offense.

Article 12.—Offenders of the provisions of the present rules shall according to circumstances be subjected to the forfeiture of the Licenses and Certificates and to the confiscation of the guarantee deposit or opium transported. Such cases shall be reported to the Director-General for reference. The money so confiscated and the receipts realized from the confiscated properties shall be used to meet the expenses for local work of opium suppression and the treatment of opium addicts.

Article 13.—The present rules shall become effective from the date of promulgation.

PROVISIONAL RULES FOR ESTABLISHMENT OF LICENSED OPIUM HONGS AND RETAILERS

(Promulgated on August 19, 1936)

Article 1.—Applications for operating opium hongs shall be submitted to the local governmental opium suppression offices, stating particulars as to the names and locations of the hongs, and the names of the managers, proprietors, or shareholders, their age, birthplaces and permanent addresses, together in each case with the guarantees and pledges of three business concerns worth not less than $5,000 each. After due inquiry made by the local governmental opium suppression offices, the applications shall be transmitted to the Opium Suppression Supervisory Bureau for the issuance of Registration Permits and Identification Certificates for Sales (hereinafter called the permits and the certificates) before business transactions can be permitted.

Such permits and certificates shall be prepared and issued by the Opium Suppression Supervisory Bureau through the respective local governmental opium suppression offices. The annual fee for each set of such permit and certificate shall be $5,000 payable in four equal installments, half to be paid to the Opium Suppression Supervisory Bureau and half to be kept for local work of opium suppression and for the treatment of opium addicts.

Article 2.—Opium hongs are permitted to purchase directly, either wholesale or retail, from the government warehouse or its branches established by the Opium Suppression Supervisory Bureau.

In making retail transactions, the hongs shall take note, for reference, of the names of the retailers, the numbers of the certificates and the quantities of opium sold.

Article 3.—Applications for operating opium retailers shall be submitted to the local governmental opium suppression offices, stating particulars as to the names and locations of the shops, and the names, age, birthplaces and permanent addresses of the applicants, together in each case, with the guarantees and pledges of two persons worth not less than $500 each. After due inquiry made by the local governmental opium suppression offices, the applications shall be transmitted to the Opium Suppression Supervisory Bureau for

the issuance of the permits and certificates before business transactions can be permitted.

Such permits and certificates shall be prepared and issued by the Opium Suppression Supervisory Bureau through the local governmental opium suppression offices. The annual fee for each set of such permit and certificate shall be $2,400 for A Class, $1,200 B Class, $800 for C Class and $400 for D Class, all payable in four equal installments, half of which shall be paid to the Opium Suppression Supervisory Bureau and half to be kept for local work of opium suppression and for the treatment of opium addicts.

Opium retailers shall be classified by the local governmental opium suppression offices according to local conditions. There should not be, however, two different classes of retailers in the same district, city or village.

Article 4.—Opium retailers shall purchase only from the hongs, and shall not deal directly with the government warehouses.

Article 5.—Opium hongs and retailers in making retail transactions shall record each purchase as to the purchaser's temporary smoker's permit, his allowance table, his age, facial appearance and other particular features, and shall sell the kind and quantity of opium in accordance with the particulars specified in the table. The mark of a small stamp, which shall identify the opium hongs and retailers, shall be affixed as a sign of cancellation against each date stipulated in the columns of the allowance table.

Article 6.—Opium hongs and retailers shall not supply paraphernalia to others for smoking on their premises.

Article 7.—The permits and certificates shall be effective only within the jurisdiction of the governmental opium suppression office of issue.

Article 8.—When expired, the permits and certificates shall be submitted for cancellation, but hongs or retailers which have fully complied with laws and regulations and have incurred no penalties during the year may be granted new permits and certificates.

Article 9.—During the business hours, opium hongs and retailers shall have their permits and certificates exhibited at a prominent place in their premises. When hongs make purchases from the general warehouse or its branches, and when retailers make purchases from hongs, they shall produce their certificates for examination.

Article 10.—Opium hongs and retailers shall not be permitted to open branches and storehouses. Their permits and certificates shall not be sold, transferred, leased, lent to, or shared with, others. In case of loss they shall report at once to the governmental opium suppression office concerned and apply for a new one under the terms of Articles 1 or 3, on payment of a fee at 10% of the original installment.

Article 11.—Opium hongs and retailers shall prepare and keep a record in which the names of the purchasers, the numbers and kinds of permits, the quantities allowed and sold, and other remarks, shall be entered every day in separate columns, to facilitate inspection.

Article 12.—Opium hongs and retailers shall not be permitted to sell to registered smokers any opium which may be in arrears according to the allowance tables.

Article 13.—Offenders of the provisions of the present rules shall be deprived of their permits and certificates, and the responsible persons shall, with the approval of the President of the Military Council, concurrently Director-General for Opium Suppression, be fined as follows:

(1) Opium hongs from $200 to $1,000;
(2) Opium retailers from $50 to $400.

Article 14.—The present rules shall become effective from the date of promulgation.

PART VIII

FRONTIER REGIONS

NORTHEASTERN CHINA

SHENG-TSU WANG (王成組)

POLITICAL STATUS

Stages in the Formation of Separate Administration.—Northeastern China as it stands at present may be taken to include the Three Eastern Provinces of Liaoning, Kirin, and Heilungkiang, and the province of Jehol. It is not identical with the familiar term Manchuria, because the western portion of the Three Eastern Provinces and the whole province of Jehol are usually considered a part of Mongolia. These provinces make up the richest and most favorably located portion of China's borderlands, with respect to natural resources and outlet to the sea. Unfortunately they are easily preyed upon by Japan and Russia, and, for the present, they are entirely subjected to Japanese control.

Japan secured her first foothold in Northeastern China at the conclusion of the Russo-Japanese War in 1905, by virtue of the transfer of the lease of the so-called Kwantung Leased Territory and the concession of the South Manchuria Railway. Henceforth the Kwantung Leased Territory with its excellent ports of Dairen and Lüshun (Port Arthur) and the South Manchuria Railway extending northward as far as Changchun, along with its branches to Antung and Yingkow, were employed as the base for further extension of Japanese influence, the Kwantung Army, the Japanese consular service, and the South Manchuria Railway Company being used as the principal agents for action. With Japanese influence steadily expanding in the south, and with Russian influence maintained along the Chinese Eastern Railway in the north, China's sovereign rights in the Northeast were for years in a precarious position.

As the Chinese authorities persevered in safeguarding Chinese interests, the Japanese militarists purposely precipitated a crisis and resorted to force. At the signal of an explosion which occurred "on or near the tracks" of the South Manchuria Railway, without in the least disturbing the regular traffic on the line, the Japanese forces stationed at Mukden suddenly launched an attack on the Chinese barracks shortly before midnight on September 18, 1931. As stated in the report of the Lytton Commission, all of the forces in Manchuria, and some of those in Korea, were brought into action almost simultaneously over the whole of the South Manchuria Railway. Hence the Chinese garrisons at Changchun were attacked on the same night, and all of the Chinese troops stationed along the main line and the branches of the same railway were overcome and disarmed. By the third day, the city of Kirin, located far beyond the S. M. R. was occupied without firing a shot.

By the middle of October, military operations were resumed for the purpose of seizing the extensive areas retained by the Chinese authorities; even Tientsin and Shanghai became seriously involved in the ensuing conflicts. With the occupation of the Nonni Bridge along the Taonan-Angangchi Railway in November, Chinese troops who had managed to keep themselves intact in North Manchuria were completely isolated from the rest of China. But they held out at Harbin until February 5, 1932, and in many other districts until the end of the year. In the meantime, Chinese troops had been obliged to evacuate from Chinchow and withdraw to Shanhaikwan on January 3, and Jehol was consequently captured in the early part of 1933. Although remnants of Chinese troops have continued to make trouble for the Japanese forces even up to the present, the Northeastern Provinces remain under Japanese occupation.

Immediately after the Mukden Incident, the Japanese military authorities

invited pro-Japanese residents to organize peace and order maintenance committees and to assume nominal control over local affairs. The provincial governments were one by one reorganized on a self-governing basis with governors appointed and controlled by the Kwantung Army. In the middle of February, 1932, these governors were summoned to Mukden to hold a conference and adopt the plan of establishing an independent state. Subsequently self-government guiding boards were organized to offer manifestations of popular support. The acceleration movement was conducted so thoroughly that a number of Koreans, Moslems and Mongolian chiefs were asked to take part. On March 9, the deposed Manchu emperor Pu Yi, who had been for sometime under the shelter of the Japanese authorities in Tientsin, was inaugurated as regent for the new state. Another two years elapsed before he was given the title of emperor.

Character of the New State.—In such manner Japan intentionally violated her obligation of respecting China's territorial integrity, and forced upon the Northeastern Provinces the spurious name "Manchukuo." By the use of this ingenious term, which literally means the country of the Manchus or of Manchuria, it evidently is not intended to claim the establishment of a true empire. The first part of the new name is obviously meant to conceal the fact that the inhabitants of Northeastern China have long been predominantly Chinese, or, to be more specific, the Hans, and there are very few Manchus. Moreover, it is applied to lands beyond the bounds of Manchuria, the original homeland of the Manchus, in its strict sense.

The total area of the puppet state amounts to 1,306,605 sq. kms., of which 3,462 sq. kms. belong to the Kwantung Leased Territory. It is by far the largest and richest of all lands under Japanese control, the whole area of the Japanese Empire being only 675,118 sq. kms., with an additional area of 2,149 sq. kms. in the mandated Pacific Islands. Moreover, it places Japan in a strategic position for further expansion on the continent.

A flag of five colors was designed for the puppet state, being a replica of the disused Chinese republican flag of the Peking régime, as a measure to delude the Chinese inhabitants. The colors were at first said to represent the Hans, Manchus, Mongols, Koreans and Japanese. But later statements were issued describing them as standing for Manchurians, Mongols, Russians, Koreans and Japanese. This change in interpretation was no doubt due to the innovation of calling the Hans and Manchus together as Manchurians, in order to cover up the identity of the dominant Chinese element. Incidentally a new way was found to please the White Russians.

The "Manchukuo" Government was set up in a pompous fashion, with its own emperor, ministers, generals, governors and magistrates. All these distinguished positions are generally filled by Chinese, even the Manchus and Mongols being given only a small share. They are, however, mere figureheads. From the State Council down to the district governments, real authority is almost without exception vested in the hands of Japanese appointed as councillors, vice-ministers, and the heads of the general affairs board and the various bureaus of the different ministries and local governments. Furthermore, all appointments are subject to the approval of the resident Japanese administration. The only difference between the independent "Manchukuo" and a Japanese colony is that one has to pay Y.10.00 for a visa on crossing over from Korea.

Independence Not Recognized.—When the puppet government was organized, it at once made a request for recognition by the Powers of the world, but failed to obtain any favorable response, because even Japan herself hesitated to show her hand too soon. The Chinese Government issued a declaration denouncing this illegal act, and laid down the principle of non-recognition. Although the Nanking authorities were later forced to permit the resumption of railway traffic and postal service with the Northeastern Provinces, they conducted the negotiations with the Japanese authorities alone, because the land remained under

Japanese occupation, and the existence of "Manchukuo" was totally ignored in all agreements concerning these matters. During the last few years, whenever Sino-Japanese relations come to a crisis, it has frequently been reported that the Japanese negotiators made recognition of "Manchukuo" one of the demands, but at least thus far such efforts have been of no avail.

Foreign nations in general also agreed to the principle of non-recognition as it was adopted by the League of Nations Assembly in 1933. This concerted action was joined by several states which are not members of the League, such as the United States and a number of Latin-American states, and Germany as well. The situation is still unchanged.

Japan was the only state which accorded recognition to "Manchukuo" in 1932, the formality being delayed until the middle of September. Accompanying the gesture of recognition of independence, the document which definitely bound the puppet state to accept the co-operation of the Japanese forces for the maintenance of "national" security, was signed in the form of the Japan-"Manchukuo" Protocol. When the "imperial régime" was subsequently inaugurated, Salvador alone was prevailed upon to follow her suit.

JAPANESE CONTROL

The Political Machinery.—Since the occupation of Northeastern China was accomplished by the Kwantung Army, naturally the commander of the latter was the one who gained most in power. When the Japanese Government appointed its first ambassador to Changchun, which had been selected as capital for the puppet state and renamed "Hsinking" in August, 1932, a month before Japan gave formal recognition, the newly-created diplomatic post was held concurrently by General Muto of the Kwantung Army. Following his death in July, 1933, he was succeeded by General Hishikari in both capacities. At the end of the following year a new system was adopted, under which the post of ambassador would always be filled by the Commander-in-Chief of the Kwantung Army. Thus General Minami was designated to this combined office in December, 1934. Since General Minami's resignation in March, 1936, the same office has been occupied by General Uyeda.

Under the new system, the Ceneral-Ambassador is given full control over Japanese interests in Northeastern China. He is, in fact, the uncrowned emperor of "Manchukuo." All of the Japanese consulates, as well as the civil government of the Kwantung Leased Territory, now reorganized as the Kwantung Bureau, are all placed under his supervision. To a certain degree, his authority is even extended over the South Manchuria Railway Company. In addition, he controls the host of Japanese officials placed in the "Manchukuo" administrative system, who occupy the key positions in the various branches of the central and local government. The Japanese authorities admit that out of some 5,700 names which appear on the official list of men serving in one capacity or another in the present administration of "Manchukuo", there are about 3,250 Japanese, as judged from their personal names, and some Koreans.

The general-ambassador is nominally responsible to the Japanese Prime Minister and Minister of Foreign Affairs, but actually is subject to the control of the Tokyo Ministry of War. For, along with the establishment of the new system which affects all the Japanese offices in "Manchukuo," the Manchurian Affairs Board has been added to the Japanese Cabinet, with its directorship held concurrently by the Minister of War. Japanese control over the puppet state is thus concentrated in the hands of the military authorities.

Military Occupation.—The purpose of the Japanese military occupation of Northeastern China is manifold. On the one hand, it is the only effective means of assuring Japan's unlawful hold upon Chinese territory and Chinese people. On the other, it is professed as a precautionary measure against a coming struggle with Soviet Russia. But the threat from Russia is really not so serious as the urge for new conquests on the part of Japan herself. During the last four years, Japanese militarists have been consistently

using "Manchukuo" as their military base for further encroachments upon Chinese territory, but their designs are by no means strictly confined to Chinese possessions. So long as Japan obstinately clings to her policy of expansion, military occupation of the Chinese northeastern territory is utilized to meet present exigencies as well as future conflicts which her military agents are striving to stir up.

The exact strength of the Japanese regiments stationed in Manchuria has been a matter of secrecy for the last few years. According to a report in the *China Weekly Review* (July 20, 1935), the Kwantung Army, which started as a single division when first sent into Manchuria beyond the leased territory, has expanded to five divisions during the period since the Mukden Incident. They certainly represent a considerable proportion of Japan's entire standing army of 17 divisions. Moreover, two of the remaining divisions are quartered in neighboring Korea, while Japan Proper is also close at hand. These divisions are on a wartime basis with more men than usual, and there are a number of independent brigades to share their duties. Hence the total strength is estimated to be no less than 100,000 to 120,000 officers and men.

As the Kwantung Army expands in size, its venturesome undertakings drain heavily upon the Japanese treasury. There is some disparity in different reports on the subject of military expenses, as shown in the following table:

TABLE 1. JAPAN'S MILITARY EXPENSES IN NORTHEASTERN CHINA

A. As Cited in the Japan-"Manchukuo" Yearbook, 1937

(in 1,000 Yen)

1931	82,919
1932	258,941
1933	161,564
1934	163,705
1935	171,971
1936	183,274
TOTAL	1,004,140

B. As Cited in the Japan Chronicle, Oct. 29, 1936

1931–32	88,961
1932–33	293,263
1933–34	191,479
1934–35	163,705
1935–36	184,372
TOTAL	921,780

The disparity is greater than the figures themselves indicate, because those of the first set are said to include the naval expenses while those of the second set do not include this item, which amounts to some Y. 20,000,000 extra. At any rate, activities in "Manchukuo" areas have been swallowing up over one third of the annual expenditure of the Japanese army.

These figures indicate that, while the annual expenses of the Japanese army in "Manchukuo" were cut considerably in 1933 following the record rise in the preceding year, the amount has been steadily increasing during the past four years. The budget for 1937–38 allows the army to appropriate Y.269,613,000 for expenses in Manchuria, with an additional amount of Y.10,389,000 to be spent by the navy for the same purpose. This sudden increase, which breaks the record of 1932, certainly indicates that fresh activities are expected in the neighborhood of "Manchukuo." It may be noted in this connection that funds designated by the Japanese Government as expenses in Manchuria are by no means spent entirely within the confines of that region, since the Kwantung Army are not satisfied with their past achievement. The continuous draining of no less than 20% of Japan's total revenue in this way does sometimes arouse weak opposition in the Diet, but, instead of giving assurance of possible reduction in the near future, General Sugiyama, the Japanese minister of war, stated on March 18, 1937, that future expenditures would probably remain at the present level unless an emergency should occur.

The Japanese military authorities are considering a scheme for the establishment of the Kwantung Army as a standing army. This project is

bound to involve an outlay of no mean proportions, it is, therefore, not expected to materialize immediately. The Kwantung Army in its present form seems strong enough to cope with the situation. It is supported by the "Manchukuo" army, which is put under close surveillance of the Japanese advisers attached to the General Staff. Responsible positions in the police forces are also occupied by Japanese officers; certain units of the so-called frontier police guard are entirely Japanese.

Economic Pressure.—Economic control naturally goes hand in hand with military and political rule. Years before the Mukden Incident, Japan had become the leading foreign investor in Northeastern China. The Japanese share of foreign investments has been accounted for by the South Manchuria Railway Company as follows:

TABLE 2. JAPANESE INVESTMENTS IN NORTHEASTERN CHINA
(Up to March 31, 1931)

Investors	*Items of Investment*		*Amount (Yen)*
South Manchurian Railway Company	*Direct Undertakings*	Railways	270,230,960
		Railway Workshops	6,465,032
		Harbors and Wharves	83,200,948
		Coal Mines	117,871,977
		Oil-shale Plant..	8,824,461
		Ironworks	27,716,716
		Chemical Fertilizer Plant.	50,939
		Sanitation..	15,842,006
		Education..	14,304,671
		Municipal Undertakings..	146,125,530
		Others	51,435,966
		TOTAL	742,009,206
	Securities of affiliated companies and public bonds		93,391,089
	Loans to Chinese railways and for encouraging industries		69,185,869
	Cash advanced for contract construction of Chinese railways, deposits, uncollected credits, etc.		158,158,384
	TOTAL		320,735,342
	COMBINED TOTAL		1,062,804,548
Japanese Government's guarantee	Loans to Chinese Government.		98,730,823
Jap. corporations . ..	Loans to Chinese Government and individuals		20,282,080
Jap. corporations ..	Capital funds invested by corporations.		439,003,410
Jap. individuals	Capital funds invested by individuals..		94,991,560
	TOTAL		554,277,050
	GRAND TOTAL		1,715,812,421

Since the Northeastern territory fell under Japanese control, Japanese investments have been further increased by considerable amounts, but the available data again differ in many ways.

In this connection, we would like to call attention to the two following facts:

(1) Prior to 1931, Japanese investments in Northeastern China surpassed those of Soviet Russia by only a little more than 25%.

(2) Although the Japanese are the largest foreign investors in Northeastern China, the Chinese holdings in that part of the country unquestionably exceeded all of the foreign investments combined and many times over. Such was the finding of the Lytton Commission as noted down in the "Supplementary Documents," and it

TABLE 3. JAPANESE INVESTMENTS IN NORTHEASTERN CHINA
(Since 1932)

A. As Cited in the Japan-" Manchukuo " Yearbook, 1937
(in 1,000 Yen)

Items	*1932*	*1933*	*1934*	*1935*
Call on Subscription to S.M.R. Co. Shares	25,000	61,000	36,000	36,000
Net Increase of Debentures of S.M.R. Co.	40,000	20,200	130,000	135,000
Borrowings of S. M. R.	—	—	—	75,000
Net Increase of Debentures and borrowings of Affiliated Co. of S. M. R.	—	1,700	30,450	38,875
Paid-up Capital of New Cos.	12,152.5	38,350	64,652	25,935.5
" Manchukuo " Loan	20,000	—	—	—
" Manchukuo " Foundation Loan	—	30,000	—	—
" North Manchuria Railway " Loan	—	—	—	60,000
Borrowing for " North Manchuria Railway "	—	—	—	15,400
" Manchukuo " Undertakings Loan.	—	—	10,000	—
TOTAL	97,152.5	151,250	271,102	386,210.5
GRAND TOTAL, 1932–35				905,715

B. As Cited in the Tokyo Asahi Shumbun, May 5, 1936
(in 1,000 Yen)

Items	*1932*	*1933*	*1934*	*1935*
Investments in Stocks	25,250	110,517	53,367	49,990
Investments in Debentures	69,475	133,782	188,718	155,880
Transfer of Stocks and Debentures of Companies in " Manchukuo ".	—	5,322	5,139	—
Branch Banks and Companies	—	5,506	44,076	—
Joint Stock and Partnership Cos.	—	636	383	—
Redemption and Transfer of Japanese State Bonds	—	191	127	—
Jap. Local Bonds, Stocks and Debentures	—	4,870	6,462	—
Public Bonds of " Manchukuo "	—	30,000	10,000	60,000*
Loans Made on Immovable Securities	—	—	—	8,490
TOTAL	94,725	290,824	308,272	274,360
Collection of Old Investments in Manchuria	—	170,363	9,374	—
Net Increase.	94,725	120,461	298,898	274,360
GRAND TOTAL, 1932-35				788,444†

* Bonds for transfer of the Chinese Eastern Railway.

† The net increase of Japan's investments in 1936 has been reported as Yen 306,775,000.

would be true even to this day if these holdings had not been subjected to illegal seizure. New investments are by no means all devoted to new enterprises ; a considerable portion is being used in taking over the business of those foreign concerns which have been forced to yield. Table 4 may give some idea of the way this policy is working out.

TABLE 4. INVESTMENTS OF FOREIGN COUNTRIES

(in 1,000 Yen)

	On Jan. 1, 1931	*On Jan. 1, 1936**
U. S. S. R. ..	590,000	8,332
Great Britain.	33,000	18,019
U. S. A. ..	26,000	9,290
France	22,000	2,730
Sweden and Denmark ..	1,200	3,105
TOTAL ..	672,200	41,476

*Figures for 1936 are for North Manchuria only.

The Japanese authorities began to take aggressive action to eliminate competing foreign interests in 1933. The purchase of the Russian share in the Chinese Eastern Railway in the name of "Manchukuo" was effected by threat of force. When the deal was closed, payments were manipulated with debentures issued by the South Manchuria Railway Company, and the property was immediately turned over to the latter. The oil monopoly followed next; it had been announced on November 14, 1934, and came into force in April, 1935. Both the Asiatic Petroleum Co. (British) and the Standard Vacuum Co. (American) were forced to withdrawn. A number of commercial and engineering firms have also liquidated their interests.

The economic policy of Japan in "Manchukuo" first gave up all pretense of adhering to the open-door principle, and then took definite shape in the general outline of economic construction program of "Manchukuo," promulgated by the puppet government on March 1, 1933. Vital economic activities were placed under "national" control to prevent any exclusive class of people from monopolizing the benefits of the exploitation of natural resources and the development of industries. In the name of "co-operation," between Japan and "Manchukuo," Japanese capitalists were exempted from this prohibition, while "Manchukuo" was thus robbed of everything except the dignity of enforcing such "control" as dictated by the Japanese authorities.

Japanese economic policy in Northeastern China, as it stands at present, is really based upon the following two objects: (1) to tighten control over all vital points in the economic life of the land and its people; and (2) to strengthen Japan's strategic position in the event of war. Working from these basic ideas, the resulting program in its concrete form requires that all important enterprises necessary for national defense, or which by their nature are public utilities, should be conducted under governmental management, or by specially chartered companies. The various enterprises are consequently divided into three groups as follows:

TABLE 5. CLASSIFICATION OF INDUSTRIES BY OWNERSHIP

Group I. State Monopoly		*Group II. Private Ownership under State Control*
Government	Opium Matches Weights and measures	Cotton yarn and fabric Alcohol Flour Sugar Pulp Cement Motor-car Machine
Mukden Arsenal Co. .	Ordnance and explosives	
Financed and controlled, either in part or in full, by S. M. R. Co.	Iron and steel Liquid fuel Electricity Coal Gold Sulphate of ammonia Soda Salt Aluminum Magnesium	*Group III. Free Industries* Rice Tobacco Bean oil Pottery Etc.

Besides the above-stated industrial enterprises, railways, commercial aviation, telegraph and telephone, radio broadcasting, and a few others are also under unified control.

Regarding the enforcement of monopolistic control, the oil monopoly is the one which has attracted the widest attention in the foreign press but as a matter of fact the unification of all of the railways under the management of the South Manchuria Railway Company is the most important. Negotiations now under way aim at turning over the railways of Northern Korea as a part of the same consolidated system. The expansion of "Manchukuo" monopolies beyond its boundaries is not confined to railway traffic; it is also true in case of the Manchuria Telephone and Telegraph Company and the "Manchukuo" Petroleum Company, which include the Kwantung Leased Territory in their service area. Even the insurance business and labor supply were brought within the scope of state monopoly early in 1937.

In promoting these monopolies, the Japanese authorities appear to be quite solicitous toward the "Manchukuo" Government, and they are untiring in their observance of diplomatic formalities. On July 15, 1935, another pact was signed for the purpose of effecting closer "co-operation" between the two parties and establishing a joint economic commission to take charge of this problem. Such "co-operation" is in reality nothing more than a means of compelling the "Manchukuo" Government to contribute towards Japanese undertakings, either in cash or in property. Hence a number of monopolies take the form of Japan-"Manchukuo" joint enterprises, but the Japanese will not even permit the puppet of their own making to have any voice in their management.

On the part of Japan the situation is very different. During the last few years, Japanese Government finance has been under such strain that direct investment with public funds has been out of the question. When the South Manchuria Railway Company increased its authorized capital from Y.444,000,000 to Y.800,000,000 in 1933, as a result of the heavy drain for investments the Government had no funds to pay in its portion of the shares (Y.142,000,000). Nevertheless, the Japanese Government retains full control over the S. M. R. Co., and continues to make the private investments amenable to its wishes or to the views of the army.

The Japanese investments are at present, therefore, derived entirely from private sources, and the major share is contributed by such large financial houses as the Mitsui, Mitsubishi, Sumitomo and Okura. Their investments are made either directly by themselves or through the S. M. R. Co. The corporate investments of the latter are summarized in Table 6.

*TABLE 6. CORPORATE INVESTMENTS OF S. M. R. CO.**
ENDING MARCH 31, 1936

	Authorized Capital	*S. M. R. Share*	*Paid up by S. M. R.*
Manufacturing	194,850	131,697	102,229
Commercial	5,715	2,313	1,171
Agricultural and Forestry	26,300	23,511	10,436
Mining	43,300	21,449	14,264
Transportation and Communication	2,000†	49†	49†
Electricity and Gas	127,000	95,460	91,760
Banking	30,500	1,789	760
Hotels	2,000	1,056	621
Newspaper	1,400	1,148	1,148
Realty and Civil Engineering	22,150	10,287	5,604
Development	25,000	15,000	5,500
TOTAL	478,215 2,000†	303,710 49†	233,493 49†

* All figures not otherwise indicated stand in thousands of "Manchukuo" yuan, a small portion in Japanese yen being considered as on a par with the former.
† In thousands of pound sterling.

In this connection it may be well to note the direct investments of the same corporation, which are just as varied in scope.

TABLE 7. DIRECT INVESTMENTS OF S. M. R. COMPANY ENDING MARCH 31, 1936
(in 1,000 Yen)

Railways	305,197
Harbors	100,471
Coal Mines	119,794
Shale Oil Plants	10,518
Hotels	5,264
Public Works	193,027
Others	68,668
TOTAL	802,940

From the above items, it is easy to discern the significance of the S. M. R. Co.'s principal holdings. It is interesting to note that the valuable coal mines controlled by this company, including those at Fushun, have not been merged into the Manchuria Colliery Company, which has controlled the other big coal mines since the adoption of the monopoly plan.

From the foregoing survey it will have been seen that the Japanese policy of nationalization amounts to sheer exploitation. It secures the double advantage of making huge profits and of tightening the reins in the occupied territory. The S. M. R. Co. alone is bleeding the land to the extent of millions of dollars every year. Material progress is, indeed, being made with commendable strides, but it is done solely for the glorification of Japanese militarism. Had it been accomplished by the Chinese themselves, the inhabitants would be far happier than under the existing circumstances.

TABLE 8. PROFITS OF S. M. R. COMPANY
(in 1,000 Yen)

	Receipts	*Expenditures*	*Profits*
1929–30	240,988	195,492	45,506
1930–31	188,104	166,431	21,673
1931–32	187,054	174,456	12,598
1932–33	245,941	184,653	61,288
1933–34	248,002	205,081	42,921
1934–35	270,669	224,202	46,467
1935–36	302,159	225,616	49,624

Furthermore, the "Manchukuo" currency has been placed on a unified paper basis and pegged to the Japanese yen. The untiring efforts to redeem the various kinds of banknotes in circulation and substitute a single standard issue, which took more than three years beginning from 1932, at first appear to be a move in the interests of the people at large. Since December 10, 1935, however, the Exchange Control Law has withdrawn all silver dollars from circulation and placed foreign exchange under "government" control. Although the system is similar to the procedure adopted by the Chinese Government at about the same time, there is a great difference, due to the fact that in the Northeastern Provinces, it is really a mask for Japan to gain complete control over them. Henceforth, not only will the public finance of the puppet state be brought under rigid control of the aggressor, but the private interests of all residents down to the poorest peasant will also be placed at the mercy of the same power.

POLITICAL AND SOCIAL CONDITIONS

A. Administration.—In the preceding sections, an account has been given of the disruption of the administrative system in the Northeastern Provinces and its subsequent reorganization as a result of Japanese occupation. A few details may be added with regard to the form and operation of the existing system. The "central government" of the puppet state consists of (1) legislative council, (2) state council, (3) courts, and (4) supervisory council, being modeled after the present Chinese system, with the difference of leaving out the separate authority for examinations. The "state council" was originally headed by Cheng Hsiao-hsu, an unobtrusive old scholar. However, he became weary of submitting to Japanese rule, and resigned on May 20, 1935. The premiership has since then been held by Chang Ching-hui, a weak-kneed general. But the central administration is really run by the General Affairs Board, which represents the highest Japanese authority in the "Manchukuo" government.

Local administration continues to be run on the basis of sub-dividing provinces into hsien in the Chinese districts and into *chi* (banner) in the Mongol districts, but the provincial divisions have been greatly altered. Shortly after the establishment of the "Manchukuo" administration in 1932 the semi-arid western sections of Liaoning and Heilungkiang, largely inhabited by Mongolian nomads, were reorganized into a new province of Hsingan, to which was later added the northern portion of Jehol. It is subdivided into four sub-provinces, named after the position in south, east, west and north. The provincial administration is here entrusted to the Mongol chiefs, under the surveillance and guidance of Japanese advisers.

Another great change took place in October, 1934, when the remaining parts of the four provinces in the Northeast were redivided into 10 provinces, as they stand at present. They have been partitioned in the following manner:

1. Fengtien, which is the old name of Liaoning resumed since the beginning of the period of Japanese occupation, retains the central portion of the province.
2. Antung province takes in the eastern portion of Liaoning, mainly in the Yalu valley.
3. Chinchow province lies across the borders of Liaoning and Jehol, with Chinchow as its center.
4. Jehol retains its southwestern portion.
5. Kirin keeps the central portion around the old provincial capital, and extends eastward to upper Ussuri.
6. Chientao province takes in the southeastern districts in Kirin adjoining the Korean frontier.
7. Pingkiang province lies across the Sungari, with Harbin at its center.
8. Sankiang province is made up of parts of Kirin and Heilungkiang as in the case of Pingkiang, being located at the confluence of the Sungari, Ussuri, and Heilungkiang.
9. Heiho province extends over the northern districts of Heilungkiang along the river.
10. Lungkiang takes in what is left over in Heilungkiang.

Aside from all these provincial units, Changchun (Hsinking) and Harbin have been raised to the dignity of special municipalities. The Chinese Eastern Railway Zone, originally known as the Special District of Eastern Provinces, was renamed the Special District of North Manchuria. It was planned to break up the latter and combine the different sections with the adjoining provinces after the transfer of the Chinese Eastern Railway. The areas of the various provinces, according to an official announcement in April, 1935, which referred to the situation before the redistribution of lands in the C. E. R. Zone, have been as follows:

TABLE 9. THE AREA OF THE PROVINCES

(in Sq. Km.)

Pinkiang	143,425
Lungkiang	125,536
Heiho	109,812
Sankiang	107,544
Jehol	96,585
Kirin	89,910
Fengtien	85,546
Antung	48,225
Chinchow	39,461
Chientao	29,394
North Manchuria Special District	1,147
Harbin	929
"Hsinking"	191
Hsingan North	160,396
,, East	106,751
,, West	80,410
,, South	79,021
TOTAL AREA	1,303,143

Being dominated by the Japanese in every branch, the existing administration in Northeastern China is well co-ordinated but hardly satisfactory. The Japanese high authorities, military and civil, often emphasize the necessity of establishing good relations with the people, and instruct the Japanese officials in all departments to be friendly to their "Manchurian" colleagues. But even certain strongly pro-Japanese foreign journalists have been critical at the over-masterful manners of the former. At the same time, a number of Japanese police officers, and Japanese employees in other departments have been involved in cases of embezzlement and bribery, while they are specially engaged in checking corruption among their associates.

B. Population and Immigration.—The following tables may throw some light on the recent situation of the distribution of population in Northeastern China.

TABLE 10. THE GROWTH OF POPULATION

	December 1932	*December 1933*	*December 1934*	*December 1935*
"Manchukuo" Proper..				
Chinese	28,902,592	30,190,526	30,198,254	32,052,219
Japanese*	566,471	590,760	624,482	739,290
Others	133,054	98,431	82,673	77,545
TOTAL	29,606,117	30,879,717	30,905,409	32,869,054
S. M. R. Zone				
Chinese	216,837	235,234	245,999	278,385
Japanese*	144,545	167,754	186,780	221,923
Others	1,336	1,328	1,223	1,088
TOTAL	362,718	404,316	434,002	501,396
Kwantung Leased Territory				
Chinese	832,488	862,307	886,002	955,514
Japanese*	127,937	141,275	148,204	163,000
Others	721	857	1,089	1,356
TOTAL	961,146	1,000,439	1,035,295	1,119,870

*Including Koreans.

TABLE 11. DISTRIBUTION OF POPULATION IN NORTH-EASTERN PROVINCES

(*Estimates for December, 1935*)

Fengtien	9,510,031	West Hsingan	402,158
Kirin	4,797,477	East Hsingan	57,041
Pingkiang	4,209,957	North Hsingan	43,066
Chinchow	3,277,099	Heiho	52,736
Antung	2,783,642	Harbin	483,465
Jehol	2,611,157	North Manchuria Special District ..	218,779
Lungkiang	2,175,084	"Hsinking"	145,942
Sankiang	912,382		
Chientao	599,683		
South Hsingan	589,355	TOTAL	32,869,054

TABLE 12. DISTRIBUTION OF JAPANESE AND KOREANS

(*June 30, 1935*)

	Japanese	*Koreans*	*Total*
Chientao	11,866	436,083	447,949
Fengtien	9,403	76,416	85,819
Antung	807	73,354	74,161
Pingkiang	3,564	44,919	48,483
Kirin	9,371	34,948	44,319
Sankiang..	2,604	13,655	16,259
Lungkiang	7,796	4,661	12,457
Chinchow	5,584	1,317	6,901
Jehol	5,814	746	6,560
Heiho	1,017	676	1,693
N. Manchuria Special District	8,961	6,380	15,341
Harbin	14,634	4,839	19,473
"Hsinking"	8,584	3,167	11,751
TOTAL	90,025	701,161	791,186

S. M. R. Zone	181,487	29,354	210,841
Kwantung Leased Territory	156,682	2,950	159,632
GRAND TOTAL	428,194	733,465	1,161,659

TABLE 13. DISTRIBUTION OF POPULATION IN CITIES

"Manchukuo" Proper	*1934*	*1935*	*Kwantung Leased Ter.*	*1934*	*1935*
Mukden*	526,879	529,216	Dairen	444,686	514,956
Harbin	334,663	458,379	Port Arthur ..	141,291	142,184
"Hsinking"* ..	228,323	311,571	Pulantien	166,809	176,253
Kirin City	143,250	206,561	Kingchow (Chinchow) ..	125,701	127,152
Antung*	194,230	166,992			
Yingkow*	140,875	130,373			

*Including the population in the railway town.

TABLE 14. IMMIGRATION OF CHINESE INTO THE NORTHEAST

Year	*Entered*	*Departed*	*Remained*
1929	1,046,271	621,897	424,374
1930	748,213	488,504	259,709
1931	467,402	461,339	6,063
1932	414,034	498,783	84,749
1933	631,962	497,264	134,698
1934	690,925	439,628	251,297
1935	519,552	495,009	24,543

The Chinese stock is plainly the predominant factor in the population of Northeastern China. Although the figures in the preceding tables include some Mongols and Manchus, the former amount to barely half a million, and the latter are quite negligible. Therefore, all changes with respect to the population situation in this frontier region are mainly affected by the movements of the Chinese. At the beginning of the period of Japanese occupation, the number of Chinese residents, military and civilian, who withdrew to the inside of the Great Wall reached nearly a million. Thus the current of migration, which had been increasing in volume for decades, was for a while turned backward in a panic.

In connection with Chinese immigration into the Northeastern Provinces, the Japanese authorities in power during the last few years have been pursuing a wavering policy to suit their needs. When the situation is quiet, new Chinese immigrants are merely placed under the additional burden of paying one yuan for a visa at Shanhaikwan, and acknowledging themselves to be "Manchukuo" men against their conscience. But the charge for a visa is sometimes raised to as much as 20 yuan, which is a prohibitive sum for the farm laborers, and such a change always causes much hardship to those who are caught unawares on their way. At other times the Japanese themselves may bring out a group of workmen to help them in building highways, railways and fortifications. But altogether the number of Chinese immigrants has been reduced to only a fraction of the figures for the decade preceding 1931.

Neither has the settlement of Japanese nationals been accelerated to any noticeable degree. In spite of the repeated assertion that the need for room to settle the surplus population is the basic reason for Japanese expansion on the continent, the rank and file of the Japanese people seem to be no more inclined to move over to Manchuria after the forcible occupation

than before. Those who do take advantage of the new situation mostly enter business or the government service. Japanese farmers sent over at great cost are thus far counted only in hundreds, scattered in the lower valley of the Sungari. The "Manchukuo" government has been asked to subscribe a share to the 15,000,000 yen Manchurian Emigration Company, which will undertake to facilitate Japanese colonization. According to a recent message from Dairen, the capitalization of this company is soon to be increased to 100,000,000 yen, 30,000,000 yen of which is to be borne by the puppet state. The prospect of Japanese immigration is indeed encouraging!

The Koreans, who are more adaptable to the northeastern conditions than the Japanese, will continue to come in greater number. A 20,000,000 yen Chosen-"Manchukuo" Colonization Company has been organized to settle Korean farmers on a large scale. Korean settlements are found at Yingkow, Tiehling (Liaoning), and Suihua (Heilungkiang). But Korean farmers are still settled in greater number in the so-called Chientao districts than anywhere else. The new settlements, Korean as well as Japanese, adopt the form of communal villages.

C. Foreign Relations.—The foreign relations of the Northeastern Provinces under the "Manchukuo" régime may be briefly discussed with reference to the diplomatic, economic, and legal aspects, leaving the international disputes for treatment in a later section. As previously stated, Japan has designated her highest official in charge of the occupied land as ambassador. This is practically the only channel through which Japan deals with the puppet government. But the latter did set up a legation in Tokyo immediately after Japanese recognition was accorded, and it has also assumed the dignity of an embassy since June, 1935. Even in this embassy office, there is to be found the indispensable Japanese counselor.

As for the consular service, Japan has greatly increased the number of her consular offices, while other governments continue to maintain a few as in old days. They are located as follows:

TABLE 14. DISTRIBUTION OF CONSULAR OFFICES

Nationality	*Consulates General*	*Branch Offices*	*Consulates*
Japan	"Hsinking"	—	Antung, Yingkow, Chinchow, Chihfeng, Chengteh, Chengchiatun, Suifengho, Tsitsihar, Hailar, Manchouli
	Kirin City	Tunhua	
	Mukden	Hsinmin, Tunghua, Hailung, Taolu	
	Harbin	—	
	Chientao	Hunchun, Paitsaokou, Toutoukuo, Yenki, Tumen	
Great Britain	Mukden, Harbin	—	(Dairen)
U. S. A.	Mukden, Harbin	—	(Dairen)
U. S. S. R.	Mukden,* Harbin	—	Tsitsihar, Manchouli, Suifengho, Heiho (Dairen)
France	—	—	Mukden, Harbin (Dairen)
Germany	—	—	Mukden, Harbin (Dairen)

*Abolished early in 1936.

Besides those indicated in the above table, there are the consulates of Austria and Belgium at Mukden; of Norway at Yingkow, and of Italy, Czechoslovakia, Poland, Portugal, Denmark, Holland, Lithuania, Estonia, and Latvia at Harbin. In addition, Dairen has the consulates of Norway, Holland, Estonia, and Sweden, and the vice-consulates of Belgium and Finland. The "Manchukuo" government has established consulates at Moji in Japan, Shingishu in Korea, and Chita and Blagoveschensk in Siberia.

An outstanding feature of the foreign relations of the puppet government is the Japanese plan to abolish extra-territoriality rights in "Manchukuo." The emperor of Japan formally approved of the plan in August, 1935, and negotiations were started in Tokyo two months later, the "Manchukuo" mission being represented entirely by Japanese office-holders in its various departments. It was agreed that the process should be completed in three stages. The first stage is to be marked by the application of the taxation law and the important industries law. Then the police law and others will be applied in the second stage, while judicial power under the civil and criminal codes is to be exercised in the final stage. These measures are scheduled to be put into force entirely by the end of 1937, but the increase in taxation to the full amount is to be effected gradually over a period of five years.

In connection with this question, it was proposed to transfer the right of taxation and industrial administration in the S. M. R. Zone to the "Hsinking" government. But as a measure to safeguard Japan's special position, the right of policing its own lines independently of "Manchukuo" is reserved for the South Manchuria Railway, and the Kwantung Leased Territory is specifically ruled out of this arrangement.

By this action, all Japanese interests in the Northeastern Provinces were to be further consolidated under unified control, which is no handicap to the Japanese subjects so long as they are placed under a legal system already modified after the Japanese model and administered largely by Japanese judges. The whole action was directed rather against the consular jurisdiction enjoyed by a number of countries which have vexed the Japanese by their policy of non-recognition. The "Manchukuo" government may abolish this practice by unilateral action.

Along with the maintenance of their consular service, many nations are keeping up their economic interests in, and their commercial dealings with, the "Manchukuo" territory. A German economic mission went over in December, 1935, followed by a Belgian economic mission in February, 1936, and a French mission in the following July. The "Manchukuo"-German Trade Agreement, which came into force on June 1, 1936, was considered as a diplomatic deal of great significance, but rumors of its being a prelude to recognition have proved to be unfounded.

D. Education.—Since the Japanese occupation of the Northeastern Provinces, the intruding authorities are wont to extol themselves as benefactors of the miserable inhabitants. But with reference to education they are modest enough to admit that there are thousands of schools which have not been allowed to reopen, the most notable one being the Northeastern University. In order to keep these provinces safe for Japan, their younger generation is deprived of the opportunity to receive higher education except in a few professional colleges. Primary schools and middle schools have likewise suffered a great deal, especially the latter.

Particular attention has been paid to the following activities:

(1) Modification of the curriculum to include instruction in the Japanese language, which takes two hours in the 5th and 6th grades, and three hours in all middle school classes; (2) revision of textbooks to inculcate distorted notions about China and Japan; and (3) establishment of inspection over teachers and students, the latter being required to wear uniform and carry a certificate all the time for identification. In a word, the education system is being maintained for political bondage, not for cultural enlightenment.

TABLE 15. CONDITION OF GOVERNMENT AND PRIVATE SCHOOLS (in May, 1933)

	*Primary Schools**		*Middle Schools**		*Normal Schools**		*Vocational Schools**		*Colleges*
	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)	
Fengtien	6,632	3,375	151	44	59	40	43	6	1
Kirin	426	832	13	4	7	1	3	—	—
Heilungkiang ..	409	167	9	—	10	1	4	—	—
Jehol	5	859	—	5	—	8	—	1	—
Hsingan	42	—	—	—	1	—	1	—	—
N. Manchuria Sp. Dist. ..	98	9	42	—	1	—	2	—	7
" Hsinking " ..	23	—	1	—	—	—	—	—	—
TOTAL ..	7,635	5,242	216	53	78	50	53	7	8

*Figures under column (A) for schools opened, (B) for schools not opened.

TABLE 16. NUMBER OF STUDENTS (in May, 1933)

	Primary Schools	*Middle Schools*	*Normal Schools*	*Vocational Schools*	*Colleges*
Fengtien	349,340	13,986	5,250	4,212	71
Kirin	40,489	2,267	1,826	311	—
Heilungkiang	28,415	910	803	321	—
Jehol	933	—	—	—	—
Hsingan	2,007	—	150	62	—
N. Manchuria Sp. Dist.	16,003	10,400	39	163	2,050
" Hsinking "	3,446	319	—	—	—
TOTAL	440,633	27,882	8,068	5,069	2,121

E. Opium Traffic.—The worst feature of Japanese control is no doubt the increased activities in connection with the opium traffic. The Opium Monopoly was established in 1932 ; it was perhaps the first commodity to be subjected to such " state " control. Although the ostensible object of this step was to restrict consumption to approved addicts, many of the licensed houses are selling opium to other establishments as well as to certified addicts. The " Manchukuo " foreign office, in a bulletin issued in January, 1935, admitted that there were altogether 900,000 smokers in the whole territory, although only 82,600 permits had been issued. The actual number of smokers, according to impartial observers, is much higher than the figure given above. Besides, there are a considerable number of drug addicts.

The spread of opium-smoking saps the vitality of the victimized people, and at the same time serves as a source of stable income for the administrators. Profit from this source appears to be increasing every year. The budget for the year ending June 30, 1934, estimated the profits of the monopoly at 9,828,246 yen, which was about twice as much as those for the previous year. The total sum to be handled was then estimated at 32,893,394 yen, of which 17,851,885 yen was estimated as the cost of opium. At " Hsinking " alone, the gross income for the first half year of 1935 reached 745,184 yuan, the monthly figures being as follows :

Month	*Amount in Yuan*
January	122,548.66
February	115,890.88
March	124,073.20
April	122,864.31
May	130,166.51
June	129,640.44

With its business extending into North China in recent years, the total amount handled by the monopoly is certainly increasing.

The monopoly takes charge of the cultivation of opium as well. According to the foreign office bulletin mentioned above, poppy may be planted in an area of about 71,400 hectares, of which about 13,000 hectares, or 200,000 mow, are actually planted. The estimated area under poppy given in other reports is as high as 5,800,000 mow, however. The poppy fields are largely confined to the valleys along the eastern borders of the Northeastern Provinces and in Jehol. Farmers raising the crop are subjected to a heavy opium tax besides the land tax, and are required to sell the whole crop to the monopoly at regulated prices. Thus they are liable to suffer heavy loss in bad years.

THE ECONOMIC SITUATION

A. Agriculture.—Out of the total area of 119,533,810 hectares (including the S. M. R. Zone and Kwantung Leased Territory),[1] 33,595,850 hectares are described by Japanese specialists as cultivable land. Actually cultivated land is said to have covered 13,598,-340 hectares in 1930. Due to the effect of the unsettled conditions during the last few years, which have discouraged immigration and settlement and caused a number of Chinese farmers to take to flight, the area of cultivated land has been showing a slight decrease. Occasional floods and the world-wide depression also have had some bearing on the situation.

TABLE 17. DISTRIBUTION OF ARABLE LAND

(in 1,000 Hectares)

	Total Area	*Cultivated Land*	*Not Yet Cultivated*	*Unarable Land*
Antung	4,823	402	102	4,318
Chientao	2,939	282	121	2,536
Chinchow	3,946	994	52	2,900
Fengtien	8,555	2,492	571	5,491
Heiho	10,981	50	1,020	9,911
Jehol	9,659	644	121	8,894
Kirin	8,991	2,915	1,562	4,514
Lungkiang	12,082	1,922	5,924	4,236
Pingkiang	14,342	3,403	3,121	7,818
Sankiang	10,754	698	4,480	5,576
TOTAL	87,073	13,802	17,075	56,196

TABLE 18. CULTIVATED AREAS AND PRODUCTION OF CEREALS

1. Cultivated Areas

(in 1,000 Hectares)

Year	*Soya Beans*	*Other Beans*	*Kao-liang*	*Millet*	*Maize*	*Wheat*	*Rice*	*Others*	*Total*
1926 ..	3,335	403	2,376	1,909	1,096	894	228	771	11,014
1927 ..	3,539	403	2,651	2,095	1,004	1,137	243	807	11,879
1928 ..	3,740	422	2,893	2,168	987	1,316	183	1,162	12,871
1929 ..	3,990	347	2,965	2,132	876	1,297	200	1,044	12,851
1930 ..	4,118	350	3,031	2,210	866	1,381	207	1,086	13,249
1931 ..	4,201	313	2,980	2,232	988	1,586	200	1,232	13,732
1932 ..	3,879	301	2,661	2,157	980	1,395	168	1,124	12,665
1933 ..	3,747	311	2,527	2,365	1,046	1,633	175	1,245	12,449
1934 ..	3,004	307	2,623	2,094	1,058	844	200	1,284	13,940
1935 ..	3,249	330	2,765	2,395	1,236	979	234	1,161	12,349

[1]For these two areas combined: total area 374,300, cultivable land 204,990.

2. Production

(in 1,000 Metric Tons)

1926 ..	3,776	415	4,526	2,967	1,704	968	314	823	16,493
1927 ..	4,817	435	4,580	3,209	1,714	1,445	295	1,012	17,507
1928 ..	4,834	471	4,613	3,274	1,743	1,470	294	1,254	17,954
1929 ..	4,849	377	4,682	3,352	1,613	1,302	293	1,594	18,063
1930 ..	5,298	369	4,780	3,276	1,586	1,357	312	1,723	18,701
1931 ..	5,227	313	4,497	2,960	1,701	1,580	321	1,853	18,453
1932 ..	4,268	278	3,729	2,615	1,542	1,133	247	1,550	15,363
1933 ..	4,601	304	4,022	3,184	1,759	863	309	1,804	16,847
1934 ..	3,600	279	3,589	2,093	1,609	651	312	1,299	13,432
1935 ..	3,822	272	3,842	2,970	1,801	935	422	1,245	15,310

Japanese agricultural policy in the Northeast has been directed towards increasing cotton production, but it has not been possible to obtain satisfactory results. The cotton crop for 1935 is estimated at 1,182,654 piculs, distributed by provinces as follows :

Province	*Piculs*
Fengtien	873,585
Chinchow	292,350
Jehol	16,196
Antung	523

Efforts have also been made to increase the wheat acreage in North Manchuria, with the object of reducing the amount of imported wheat. Thus far the result has been just as insignificant as in case of cotton.

As for stock-raising, the following table shows the production of domestic animals :

TABLE 19. DISTRIBUTION OF DOMESTIC ANIMALS, 1935

(in 1,000 Heads)

	Cattle	*Horses*	*Mules*	*Donkeys*	*Camels*	*Sheep and Goats*	*Pigs*	*Poultry*
Antung	143	45	43	102	—	39	394	648
Chientao	38	12	1	2	—	2	62	148
Chinchow	78	56	38	112	—	247	589	1,013
Fengtien	150	183	100	168	—	53	1,235	2,053
Heiho	3	9	—	—	—	—	9	42
Jehol	107	25	16	51	0.4	319	410	826
Kirin	67	360	159	59	—	28	722	1,250
Lungkiang	94	267	36	39	—	142	482	1,623
Pingkiang	77	514	57	31	—	34	1,921	1,795
Sankiang	66	119	18	1	—	4	171	481
TOTAL	823	1,589	561	564	0.4	869	5,985	9,861
W. Hsingan	205	46	1	23	1.5	294	45	—
S. Hsingan	97	33	4	34	0.4	83	61	—
E. Hsingan	7	7	1	—	—	—	7	—
N. Hsingan	146	133	—	—	8.0	811	1	—
TOTAL	454	220	6	57	9.9	1,188	114	—
GRAND TOTAL	1,277	1,809	568	621	10.3	2,058	6,099	9,861

B. Mining.—Mining is one of the major enterprises of Northeastern China. The richness of this territory in mineral resources may be seen from Table 20.

The figures in Table 20 include only the reserves of known deposits. New discoveries are being made from time to time. For instance, a rich iron deposit recently found in the vicinity of Luanping, Jehol, estimated at 150,000,000 tons, is not included in this table.

Amongst all of the mineral resources, coal is the most important in the Northeast. Coal production in this region suffered a sharp decline in 1932, on account of disturbed conditions, but recovered in the following year. During

TABLE 20. MINERAL RESOURCES OF NORTHEASTERN CHINA

(in 1,000 Metric Tons)

Mineral	*Tonnage*
Coal	4,804,000.0
Oil Shale	5,400,000.0
Iron Ore	1,226,400.0
Gold	3.7
Magnesite	384,000.0

the last few years, a rapid increase has been effected in the Fushun coal field. As a step towards monopolization, the Manchuria Colliery Company has been organized at a total capitalization of 16,000,000 yen; the "Manchukuo" government contribute eight mines previously run by Chinese corporations, including those located at Peipiao, Fuhsin, and Sian, while the S. M. R. Co. contributes one small mine and 3,000,000 yen cash. It may expand further so as to gain control over Chalainor and certain other independent mines, but the large mines belonging to the S. M. R. Co. or already dominated by other Japanese interests are not likely to be turned over to this company.

TABLE 21. ESTIMATES OF COAL OUTPUT FOR YEAR ENDING MARCH 31, 1935

(in 1,000 Metric Tons)

Mines	*Tonnage*
Fushun	8,500
Penshihu	500
Yentai	250
Huoshihling	130
Muling..	110
Niuhsintai	100
Chalainor	100
Laotoukuo	60
Naitzushan..	50
Manchuria Colliery Co.	1,900
TOTAL	11,700

Nearly half of the annual output is exported. The largest share, varying from 50% to 75% of the total amount exported, is taken by Japan. The remaining portion is distributed mainly among the Chinese coastal provinces.

Iron is the most important among the metallic resources. The greater portion of China's iron reserve is located in Liaoning, and this has been seized by the Japanese to form the basis of the well-developed iron industry, of which a detailed account is given in the next section.

With respect to the exploitation of the nonferrous metallic resources, the following activities may be mentioned. The Manchuria Gold Mining Company has been chartered as another Japan-"Manchukuo" joint enterprise, with exclusive rights in the new provinces of Kirin, Antung and Sankiang. At the same time, dredging of placer gold by modern devices has been undertaken at Moho in the new Heiho province under Japanese direction. Another important undertaking in 1935 was the formation of the 4,000,000 yen Japan-"Manchukuo" Lead Mining Company to exploit the lead deposits located near Chinsi, west of Chinchow.

Sources of mineral oil have been discovered in the northwestern part of "Manchukuo," particularly in the vicinity of Dalainor. Oil production thus far, however, has been entirely dependent upon the oil shale deposits found at Fushun, to which reference will be made later.

Rich deposits of magnesite are located mostly along the South Manchuria Railway, close to Tashihchiao, Taipingshan, Fensui and Haicheng. The annual output at present is about 30,000 tons. Between 50% and 70% of this is exported to Japan, and the rest is used in the several chemical works around Dairen.

C. Industries.—Expansion of the Japanese-controlled iron industry in the Northeast, which was started before 1931, has been gradually taking place during the last few years. Along with increased production of pig iron, new plants for manufacturing steel were erected for the Showa Steel Works at Anshan, capitalized at 100,000,000 yen (82,000,000 yen paid up). The first plant was completed in April, 1935, and opened for operation on May 6. Further expansion is still in progress. At present, the annual production capacity is 450,000 tons of pig iron, 400,000 tons of steel, 8,300 tons of ammonia sulphate, 28,000 tons of tar, 4,500 tons of benzol, 1,000 tons

of naphthalene, and 11,000 tons of sulphuric acid.

Several big factories for the production of iron and steel manufactures have been built around the Showa Steel Works. Among these corporations are:

1. The Sumimoto Steel Pipe Co. capitalized at 10,000,000 yen (2,500,000 paid up).
2. The Manchurian Roll Manufacturing Co. capitalized at 3,000,000 yen (fully paid up) for the manufacture of forged iron and machinery.
3. The Anshan Steel Material Co. capitalized at 5,000,000 yen (1,750,000 paid up), for the manufacture of light rails, etc.
4. The Manchuria Steel Manufacturing Co. capitalized at 5,000,000 yen (1,250,000 paid up) for the manufacture of gas pipes.
5. The Manchuria Kubota Iron Works capitalized at 1,000,000 yen (fully paid up), for the manufacture of water pipes and accessories.
6. The Kwantung District Onoda Cement Co. capitalized at 5,000,000 yen (1,250,000 paid up).

Thus Japanese iron industry in the Northeast is tending to compete with the iron industry in Japan, even in the home market, and will cease to serve as a source of pig iron for the Japanese islands. But such change does not affect the pig iron exports prior to 1935.

TABLE 22. PIG IRON PRODUCTION

(*Metric Tons*)

Year	*Anshan*	*Penhsihu*
1925	89,676	50,000
1926	165,054	51,000
1927	203,445	50,500
1928	244,461	63,030
1929	210,443	76,300
1930	288,433	85,060
1931	269,494	65,620
1932	287,124	81,057
1933	317,573	115,950
1934	346,370	—
1935	411,710	—

TABLE 23 EXPORT OF PIG IRON

(*Metric Tons*)

Year	*China*	*Japan*	*Others*	*Total*
1929..	24,145	204,759	605	229,509
1930..	39,540	182,626	756	222,922
1931..	38,779	248,741	2,176	289,696
1932..	30,994	332,632	5,068	368,694
1933..	21,157	465,448	4,959	491,355
1934..	19,689	414,616	6,086	440,391
1935..	24,659	406,698	1,467	432,724

Another industry of growing importance is the petroleum industry, solely under Japanese control. Thus far oil has been derived mainly from the oil shale found at Fushun above the coal seams. The total reserve is estimated at 5,400,000,000 metric tons, of which 200,000,000 metric tons can be excavated in connection with coal mining operations without involving extra cost. The oil content of Fushun shale varies from 1% to 14%, averaging around 6%.

The shale oil plant started operations on December 30, 1929, at an outlay of 8,500,000 yen. It was equipped to work 1,400,000 tons of shale annually. In 1933 the production of crude oil from oil shale amounted to approximately 55,000 metric tons, and the production of gasoline to 1,500 metric tons. The refined products include fuel oil, coke, paraffin, sulphate of ammonia, gasoline, and cement, but no kerosene. Fuel oil and paraffin are usually shipped to Tokuyama for the Japanese navy.

A plan has been under way since the fall of 1935 to increase the production of crude oil to 180,000 metric tons annually at a further expenditure of 13,000,000 yen, spread over three years. Oil production was already increased to nearly 100,000 metric tons in 1935.

Oil production at Fushun is to be augmented by coal liquefaction, for which new plants are under construction.

At the same time, the Manchuria Petroleum Co., capitalized at 5,000,000 yen, 80% of which being subscribed by Japanese interests, has been operating a refinery at Kanseishi, near Dairen, since March, 1935. The latter utilizes imported crude oil to produce about 3,300 tons of gasoline and a larger amount of illuminating oil.

Taking advantage of the abundant timber supply in the Northeast, pulp manufacturing has made phenomenal growth since the Japanese occupation. There are already four concerns controlled by Japanese interests. Their combined capital amounts to 55,000,000 yen. They have obtained 6,860,000 acres of forest land with 9,000,000,000 cubic feet of standing timber, which consists mainly of cedar pines. It is estimated that the four companies will be able to supply Japan with 120,000 tons of pulp a year for the manufacture of paper and rayon.

In short, Japanese efforts at industrial development are at the same time diversified and comprehensive. New companies have been organized to undertake the manufacturing of beer, flour, tobacco, linen, rayon, paper, leather, cement, etc., some of them having been jointly financed by "Manchukuo" capital. The Mukden Arsenal resumed its activity in May, 1933, under a new semi-governmental organization with a part of its capital subscribed by the Mitsui and Okura interests. The only big industry in the Northeast in which the Chinese can still run their own business along with the Japanese concerns is the bean oil milling industry.

TABLE 24. BEAN OIL MILLING (1935)

	No. of Plants	*Production Capacity per Day*	
		Bean Cake (Pieces)	*Bean Oil (Piculs)*
Dairen	50	33,176	1,658.8
Yingkow	20	148,814	7,440.7
Antung	23	37,010	1,850.5
Harbin	43	93,510	4,675.5
South Manchuria	238	87,920	4,396.0
North Manchuria	28	38,130	1,906.5
TOTAL	402	438,560	21,928.0

In the field of public utilities, two big holding companies have already been organized. The "Manchukuo" Telephone and Telegraph Company, established in September, 1933, with joint capital, aims at unifying wire and wireless telephone and telegraph services and radio broadcasting throughout the Northeast, even including those of the Kwantung Leased Territory. The Company is subject to the orders of the Japanese and "Manchukuo" military authorities with regard to matters which have an important bearing on military service. A merger of nine power companies in various cities, the largest of which belongs to the S. M. R. Co., was effected early in 1935, giving birth to the Manchuria Electric Light Industry Company, as a joint concern capitalized at 90,000,000 yen. This company is in control of 10 branches in big cities, and 19 subsidiary companies scattered amongst various towns of secondary importance.

D. Trade.—In spite of all of the efforts made in the direction of economic development, the Northeastern trade has suffered considerable decline during the period of Japanese occupation. A long record of favorable balance was at last broken in 1933, and the trade returns continue to show a large surplus of imports over exports. The Japanese share of the northeastern trade has been greatly increased on the side of the imports, and the balance is now reversed in favor of Japan instead of being in favor of the Northeast. In this way Japan manages to increase her investments by huge sums annually.

TABLE 25. IMPORTS AND EXPORTS OF THE NORTHEAST[1]

Year	*Exports*	*Imports*	*Total*	*Balance*
1926	370,742	276,841	647,583	93,902
1927	408,036	268,914	676,950	139,122
1928	434,035	302,956	736,991	131,079
1929	425,651	329,604	775,255	96,047
1930	396,714	306,999	703,713	89,715
1931	478,554	223,432	701,986	255,122
1932	394,969	192,992	587,961	201,977
1933	448,478	515,832	964,310	− 67,355
1934	448,427	598,562	1,041,989	− 145,136
1935	421,078	604,149	1,025,227	− 183,071
1936	602,759	691,889	1,294,648	− 89,130

TABLE 26. DISTRIBUTION OF NORTHEASTERN TRADE BY PORTS, 1936[2] *(in 1,000 Yuan)*

	Exports	*Imports*	*Total*
Dairen	442,699	526,201	968,900
Antung	42,163	93,333	135,496
Yingkow	52,701	26,347	79,048
Tumen	43,002	28,455	71,462
Shanhaikwan	19,039	11,572	30,611
Harbin	951	4,320	5,271
Chengteh (Jehol)	2,200	1,661	3,861
TOTAL	602,759	691,889	1,294,648

TABLE 27. DISTRIBUTION OF NORTHEASTERN TRADE BY DESTINATIONS, 1936 (in 1,000 Yuan)

	Exports	*Imports*	*Total*
China	128,516	47,744	176,260
Japan	237,546	507,216	744,762
Korea	48,443	27,414	75,857
Russia	1,586	261	1,847
Hongkong	8,728	4,947	13,675
Netherland Indies	1,478	6,865	8,342
India	1,691	28,224	29,915
Great Britain	27,521	7,419	34,940
France	4,837	789	5,626
Germany	50,278	13,025	63,302
Belgium	953	1,018	1,971
Netherlands	7,072	631	7,703
Italy	383	1,624	2,007
U. S. A.	16,356	23,735	40,091
Others	67,371	20,978	88,349
TOTAL	602,759	691,889	1,294,648

[1]Value given in 1,000 Haikwan taels, but changed to yuan since 1933, 1 yuan being equivalent to about 70% of a tael.

[2]The port of Tumen is formed by the union of the ports of Hunchun and Lungchingtsun. The ports of Shanhaikwan and Chengteh are entirely new.

TABLE 28. PRINCIPAL COMMODITIES EXPORTED AND IMPORTED IN 1936 (in 1,000 Yuan)

Imports		*Exports*	
Cotton Piece Goods	87,501	Soya Beans	216,475
Raw Cotton	18,601	Bean Cake	53,127
Clothings	13,598	Bean Oil	21,383
Silk Piece Goods	35,683	Other Beans	14,838
Artificial Silk	15,801	Groundnuts	16,110
Woolen Piece Goods	14,315	Perilla Seed	13,818
Gunny Bags	14,025	Perilla Oil	6,764
Vehicles and Vessels	39,550	Millet	18,318
Iron and Steel	39,506	Kaoliang	11,726
Machinery and Tools	38,918	Maize	6,995
Electrical Requisites	16,358	Coal	35,181
Wheat Flour	27,116	Sulphate of Ammonia	11,424
Rice and Paddy	12,592	Iron and Steel	16,888
Fishery and Sea Products	12,005	Raw Silk, Wild	6,118
Sugar	29,421	Cotton Yarn	6,189
Paper	16,793	Salt	5,072
Timber and Wood	11,746		
Chemicals	13,526		

E. Transportation. — Transportation in the Northeast has been greatly modified of late by the extension and reorganization of railways, and the development of highways and airways. There were already 5,823 kilometers of railways in the Northeastern Provinces when they were seized by the Japanese forces. These railways were originally subjected to the divided rule of Chinese Government and private interests, Japanese semi-governmental and private interests, and joint Sino-Russian or Sino-Japanese management. They have served as the foundation for all recent progress in the field of transportation. Several of the new lines were already under construction at the time of the Mukden Incident.

The first step taken by the Japanese was to rearrange the existing lines. Thus the Kirin-Changchun and Kirin-Tunhua railways were joined together and renamed as the "Hsinking"-Tumen Railway, as it was soon to be extended to the bank of the Tumen River. The Liaoning section of the Peiping-Mukden Line was reorganized into the Mukden-Shanhaikwan Railway. The Mukden-Hailung (Chaoyangchen) and Kirin-Hailung (Chaoyangchen) railways have also been combined into a single system, known as the Mukden-Kirin Line. On March, 1, 1933, all of the Chinese lines which had been previously seized in the name of "Manchukuo" were handed over to the South Manchuria Railway Company for management and operation, while the puppet government acknowledged the total amount of obligations owed by a number of these lines at 130,000,000 yen. The transfer affects new lines as well, since their construction has been intrusted to the S. M. R. Co. under the same agreement.

By its assumption of control over the Chinese Eastern Railway, which is now called the North Manchuria Railway, on March 25, 1935, the process of unification under the S. M. R. was practically completed. The following six months were devoted to the reconstruction of the southern branch of this line, from Changchun to Harbin, into standard guage. On the other hand, the S. M. R. Company has gained control over the railways of Northern Korea, together with the ports of Seishin, Rashin and Yuki, which are being built or enlarged. It is planned to convert Rashin into another Dairen on the Japan Sea. Since the same company has been intrusted with the task of completing the construction of the Hulutao harbor on the Liaotung Bay, it is in control of all of the harbors for steamers along the coast of the Northeast and near its borders, in addition to all of the railways within this

area and connected with the ports of northern Korea.

Approximately 3,000 kilometers of railway are scheduled to be constructed during the period of six years beginning 1933. The new lines are laid out mainly, if not solely, for strategic purpose. They are distributed in the hilly regions surrounding the Northeastern Plain, not so much for the sake of developing these sparsely populated regions as for the sake of facilitating the transport of Japanese troops to the borders of Russian and Chinese territories. The following have already been opened to traffic :

TABLE 26. NEW RAILWAYS OPENED SINCE 1931

Line	*Kms.*	*Year*	*Remarks*
Tsitsihar-Peian	102.6	1933	Extension of Tsitsihar-Koshan Line, from Taian eastward. Total length 230.4.
Ningnien-Noho	38.8	1933	Originally branch of Tsitsihar Koshan Line, from Laha northward. Total length 86.8.
Harbin-Peian ..	106.0	1933	Extension of Hulan-Hailun Line from Hailun northward. Total length 332.3.
" Hsinking "-Tumen..	189.9	1933	Part of Kirin-Kainei Railway project strongly opposed by Chinese, from Tunhua eastward. Total length combined with Kirin-Changchun Line, 528.0.
Lafa-Harbin	271.7	1934	Connected with " Hsinking "-Tumen Line.
" Hsinking "-Talai ..	214.8	1935	To be extended to Taoan.
Taoan (Paichengtze)-Solun	106.8	1935	Completed to Huiyuanchen in 1931. Total length 109.8.
Peian-Heiho	302.7	1935	
Tumen-Mutankiang .	249.0	1935	
Mutankiang-Linkow .	110.0	1935	Formally opened in 1936.
Yehpaishou-Chihfeng .	147.0	1935	Connected with Chinchow-Chengteh Line.
Chinchow-Chengteh ..	323.0	1936	Total length 436. Chinchow-Peipiao Line (113) utilized as its eastern section. Opened to Pingchuan in 1935.
Linkow-Mishan	180.0	1936	
Solun-Halun Arshan..	130.8	1936	

Railway lines opened to traffic since Japanese occupation aggregated 2,559.3 kms. on December 31, 1935. Altogether, there are at present 8,712.2 kms., with 7,121.6 kms. considered as under state control, 1,129.1 kms. belonging to the South Manchuria Railway Company, and 461.5 kms. remaining in private hands. The " state " lines are now subdivided between the Mukden, Kirin, Tsitsihar, and Harbin directions. The general direction is also located in Mukden.

Highways and airways are being developed along with the railways. The bureau of state highways was established to undertake the building of state highways. By the end of 1935 a total of 6,600 kms. had been completed. On September 1, 1935, there were 28 state bus lines operating 318 cars over a total length of 3,746 kms. and 62 private bus lines operating 407 cars over a total length of 4,185 kms. The so-called state bus lines are operated by the same general direction which controls the state railways. The Japanese authorities in Korea and " Manchukuo " decided in December, 1936, to undertake as a joint enterprise the spanning of the Yula and Tumen Rivers with 14 new bridges.

Air transport in the Northeast has been developed by the Manchuria Aeronautical Company, established in 1932 as a Japanese and " Manchukuo " joint investment. The air routes generally run parallel to the railways

but they are more numerous in the extreme north than existing railways. Scheduled flights extending over 19 lines cover a total distance of 10,475 kms. They have been connected with the air lines in Japan and North China.

In the matter of water transportation, very little change has occurred during recent years. However, it is to be noted that navigation on the larger rivers has also been transferred to the general direction since 1934, along with the construction work at Hulutao. Furthermore a waterways conference met at Blagoveschensk, on May 31, 1936, for the purpose of settling navigation rights in dispute between Soviet Russia and "Manchukuo," but it broke up on July 25, without having arrived at any definite agreement.

PEACE AND ORDER

A. Army and Police.—While Japan relies mainly upon her own military strength to maintain her power over the occupied land, these forces are supplemented by the "Manchukuo" army. The latter now consists of 26 brigades and eight cavalry brigades. The whole territory excluding the Hsingan Provinces has been divided into five army districts, the Hsingan Provinces being placed under two garrisons each made up of two mixed brigades. Their headquarters are distributed as follows:

1st Army	Mukden
2nd Army	Kirin
3rd Army	Tsitsihar
4th Army	Harbin
5th Army	Chengteh
Hsingan Provinces	
1st Garrison	Hailar
2nd Garrison	Chienchiatun

According to official figures, there are only 130,000 officers and men in the regular army, but a number of independent units on guard duties are not included in this figure. Another 100,000 men are trained as police forces, such as the patrol corps on seas and rivers, the special guards along the borders, and traveling police patrolling between the principal cities. Furthermore, local residents are organized into the *paoweituan*, or militia, to assist the police in their own neighborhoods. The river defense squadron on the Sungari and Heilungkiang consisted in 1935 of 15 ships, of a total displacement of about 2,350 tons.

All of these forces are considered merely as auxiliary forces to supplement the Japanese units. For the "services" rendered by the latter, the "Manchukuo" government was required to contribute towards their expenses 5,000,000 yuan in 1934–1935, and 19,500,000 yuan in 1935–1936.

B. The Internal Situation.—Ever since the Mukden Incident in 1931 the Japanese authorities in the Northeast have been bothered by the problem of opposition among the Chinese people. Although they have succeeded in disintegrating and diminishing the number of volunteer bands, there were still 28,000 strong left in the field, according to the Kwantung Army, at the end of July, 1936. Of this number, 7,000 were described as communists, and 500 were Koreans. Their number increases again each fall. These men are keeping up their activity in small bands, holding up trains, invading towns or villages, or attacking the military depôts by surprise. Their field of activity is now confined almost exclusively to the hilly country along the borders, but after every encounter, they are simply scattered, not vanquished.

While the Japanese and "Manchukuo" authorities are unable to suppress armed resistance, they do strain every effort to rule the people with an iron hand. A number of Chinese and Russians were sent to jail during Pu Yi's visit to Harbin in September, 1935, simply as a precaution. Arrests are often made on the ground that the persons arrested are communists or are partaking in anti-Japanese movement. However, the Japanese are unable to prevent the discontented people from taking action, especially among the farmers. Hence all private arms and ammunition have been required to be handed in before the end of June, 1936. But the situation is still far from being satisfactory to the Japanese.

C. External Conflicts.—Externally the Japanese and "Manchukuo"

authorities are pursuing different policies on the two different fronts. On the Chinese frontier, the aggressive policy was revived early in 1935 by dispatching "Manchukuo" troops under Li Shou-hsin to occupy northern Chahar. In such manner they are utilizing the Hsingan Provinces and Jehol as military bases for penetrating into Inner Mongolia, and encircling North China. Although the professed object is to stop the advance of Russian influence, they are again doing it at the expense of China.

On the Russian side, rivalry between Japan and the Soviet Union was by no means terminated with the transfer of the Chinese Eastern Railway, but the disputes between the two countries have been withdrawn to the borders. Frequent incidents have occurred along the eastern border, on the Heilungkiang, and on the frontier of Outer Mongolia. These incidents usually take the form of the exchange of a few shots between the frontier guards, or the capture of one or more guardsmen who are considered as encroaching upon lands across their own boundary. The most serious case was the affray at Harha Miao near Lake Buir on January 8, 1935. Another type of dispute arises from the flight of aircraft over neighboring territory. Thus far all cases have been settled by mutual concession. Both parties tend to consider disputable boundary as a source of trouble. A conference held in the summer, 1935, between the representatives of Outer Mongolia and "Manchukuo" was finally broken up without achieving any result. Discussion was resumed early in 1936, but the attempt again failed, because the problem is too involved.

Relations between Russia and Japan are admittedly strained in many ways. Both sides are massing a great number of troops and making all sorts of preparations for war. The Japanese charge that there are now 300,000 Russian soldiers concentrated in eastern Siberia. But neither party is desirous to bring about an open conflict, at least not immediately. Nevertheless, it is hard to predict whether the present tension will slacken to make way for peace, or heighten into a clash.

MONGOLIA

KONG CHIN-TSONG (孔慶宗) AND

LAWRENCE M. CHEN (陳文通)

Mongolia derived its name from the tribes who originally carried on a nomadic existence in the valleys of the Kerulen River to the north of the Gobi Desert. With the emergence of Genghis Khan (1162-1227) to power, and the subsequent territorial expansion by conquests, the conquered territory and the original pastoral lands combined came to be known under the inclusive name, Mongolia.

At the height of their power, the Mongols overcame the territory north and south of the Gobi Desert. Extending to the sea in the east, and to the south overrunning the whole of China Proper and practically the whole or Asia, advancing even to Eastern Europe as far as the Danube, the domain of the Mongolian Empire was perhaps unrivalled in extent since ancient times.

After the resurgence of Chinese power, the Mings (1368-1644) shook off the foreign yoke and recovered China Proper, while the Mongols or the Yuan dynasty (1280-1368), then under Shun Ti, fled back to the Mongolian plateau which they originally held, and carried out border skirmishes and inroads of little consequence.

When the Mongols came under the suzerainty of the Manchu Empire (1644-1911), the Mongol territory, with the Gobi Desert as the center, was divided into a number of regions comprising the territory stretching from Kirin and Heilungkiang in the east, to Ili and Altai in Sinkiang in the west, and the territory to the north of the Great Wall and south Siberia.

The Mongols had not taken up agriculture; they were not a settled, but a nomadic people living in tents, tending their flocks and herds, and at the same time piously devoted to that branch of Buddhism since known as Lamaism.

During the early years of the Ching dynasty, the Manchu Emperor exercised a loose administrative control or overlordship over the Mongols, based on the peculiar features of the Mongol tribal organization. Later, definite frontiers were assigned to each of the tribal units ruled by a prince of a particular banner. For a period af more than 200 years peace and tranquility was secured for the Mongol territory, with the result that there was a gradual migration of Chinese to colonize and develop the lands for agriculture; and when the population grew in size and thickly settled Chinese colonies arose, foundation for the present-day provincial administration was laid.

GEOGRAPHY AND TRIBAL UNITS

Mongolia is essentially a high plateau, with an average sea leval of 4,000 feet. It is enclosed on all sides by high mountain ranges, with the Gobi Desert located in the center. It has a continental climate, subject, in consequence, to constantly variable extremes of heat and cold. The low humidity, coupled with a scarcity of rainfall, renders agriculture highly impracticable without the aid of irrigation.

Mongolia is at present ruled by some 20 tribal leagues each controlling a varying number of banners, although there are still a number of independent banners controlling flocks and herds, totaling in all 240 small and large units. Apart from the Mongols of Outer Mongolia, Kobdo and Urianghai, by far the greater number of Mongol

Leagues are scattered in the provinces of Liaoning, Kirin, Heilungkiang, Jehol, Chahar, Suiyuan, Ninghsia, Chinghai and Sinkiang. The fusion of the Mongols with the Chinese colonists renders a precise distinction between the Chinese unit of administration, which is the hsien, and the Mongol settlements, whose unit is the banner, highly difficult. The present distribution of the different Mongol Leagues is as follows:

1. *Mongol Banners in the four North-eastern Provinces:*
   - The Hulun Buir Mongols, with eight banners
   - The Cherim League, with 10 banners
   - The Chosotu League, with seven banners
   - The Chaouda League, with 13 banners
   - The Yegho Mingan Banner
2. *In Suiyuan and Chahar:*
   - The Silingol League, with 10 banners
   - The Chahar Mongols, with 12 banners
   - The Ulan Chap League, with six banners
   - The Ikh Chao League, with seven banners
   - The Kweihua Tumet Mongols, with one banner
3. *In Ninghsia:*
   - The Alashan Mongols, with one banner
   - The Edsingol Mongols, with one banner
4. *In Chinghai:*
   - The Chinghai Mongols (right wing), with 16 banners
   - The Chinghai Mongols (left wing), with 13 banners
5. *In Sinkiang:*
   - The Bato Setkhiltu Mongols, with three banners
   - The Unen Su Suktu Mongols, with 10 banners
   - The Ching Setkhiltu Mongols, with 10 banners
6. *In Outer Mongolia:*
   - The Jassaktu Khanate, with 19 banners
   - The Sain Noyan Khanate, with 24 banners
   - The Tushetu Khanate, with 20 banners
   - The Tsetsen Khanate, with 23 banners
7. *In Kobdo:*
   - The Sain Joyakto Khanate (right wing), with seven banners
   - The Sain Joyakto Khanate (left wing), with 12 banners
8. *In Urianghai:*
   - The Urianghai Mongols, with six banners

The above include, however, only the Mongol banners which are found in Chinese territory; there are others such as the Buriats in the Soviet territory Barga and Irukutsk, and other Mongols are found in Central Asia and Eastern Europe who have retained unchanged their habits of life, their language, culture and customs.

POPULATION

Hitherto no reliable statistics have been compiled in regard to the Mongol population, but it has shown a universal tendency to fall off. It the early period of the Ching dynasty the basic organization of Mongols was the *tso-ling* (佐領), under each *tso-ling* being 150 families. Up to the present the number of *tso-ling* has not increased, but on the other hand the number of families under each *tso-line* has decreased, so that cases of a *tso-ling* exercising control over 150 families are no longer to be found. Even those controlling around 100 families are extremely few, while there are others who now control as small a number as 20 to 30 families. From this it may be surmised that the mongol population has not increased. That it has steadily decreased seems to be due primarily to four chief causes: (a) the prevalence of venereal diseases; (b) the influence of Lamaism (the great number of Mongols who become Lamas take the vow of celibacy); (c) being nomads, the Mongols have found it difficult to maintain a large family; and (d) the high mortality rate and the lack of medical facilities.

With a view to remedying this state of affairs, the Central Government has devised measures for the promotion of education among the Mongols, at the same time promoting public health and encouraging the development of lands for agriculture among them.

The Mongol population in the different areas is estimated roughly as follows:

1.	Chahar	150,000
2.	Suiyuan	220,000
3.	Ninghsia	20,000
4.	Chinghai	140,000
5.	Sinkiang	250,000
6.	Outer Mongolia, including Kobdo & Urianghai	700,000

The Mongol population in different areas as given above totals about 1,480,000; and while no reliable statistics

are available regarding the Mongol population in the four Northeastern provinces, it is surmised that it does not exceed 1,000,000, so that the two figures combined aggregate 2,480,000. The correct figure, it would seem, is between 2,000,000 and 3,000,000.

The ratio of Mongol population to that of Chinese in the areas where both have settled down is as follows:

Territory	*Mongols*	*Chinese*
Four Northeastern provinces	1,000,000	29,000,000
Chahar	150,000	1,800,000
Suiyuan	220,000	2,080,000
Ninghsia	20,000	1,350,000
Chinghai	140,000	1,360,000
Sinkiang	250,000	2,250,000
Outer Mongolia	700,000	5,000

POLITICAL FEATURES AND ADMINISTRATION

During the Ching dynasty the Li Fan Yuan (literally Border Affairs office) at Peking, dealt exclusively with Mongolian, Tibetan and Sinkiang affairs. The organization of the *Li Fan Yuan* was modeled after the other six *pu* (六部). After the 1911 Revolution this was reorganized into the Board of Mongolian and Tibetan Affairs. Since the establishment of the National Government in 1927, this organization has been known as the Commission on Mongolian and Tibetan Affairs under the Executive Yuan. It enjoys the same status as that of a ministry or any other commission of the government.

During the Ching dynasty the various Mongol tribal organizations were reorganized into banners and leagues, although there were other tribal organizations which were not interfered with by the imperial government. The banner was the unit of Mongol tribal organization; it either came under a league or was independent. The tribal chieftain or khan held office by hereditary rights, while the leaders (captain-general) or the leagues (composed of several tribes) were elective heads. Under a league are the banners, each banner having a banner chieftain or Jassak who holds office by hereditary title, and is assisted by subordinate officers, civil and military, in the management of tribal affairs.

Under the imperial government each banner was composed of many *tso-ling*, each of which had jurisdiction over 150 families. From each family an able-bodied male was recruited, three recruits being given a shield or armor, so that a captain-general had a standing army of 50 soldiers and 100 reservists. A general estimate could thus be formed of the size of the Mongol population and armies by judging from the total number of *tso-ling*.

The Mongol leagues and banners were supervised by resident imperial commissioners and military generals who received their direct appointment from the imperial government.

The tribal organization of the Chahar Mongols and of the Suiyuan Tumet Mongols differed, however, from the Mongol tribal organization above-mentioned. Here there were no hereditary banner chieftains or Jassaks and no hereditary princes. Banners were not organized into tribes or leagues but instead an appointive chieftain exercised control over each banner. In times gone by these appointive banner chieftains were placed under the supervision of the resident imperial commissioners and military generals but they have since been brought under the jurisdiction of the provincial governments.

As they do not hold office by hereditary title, unlike that of the Mongol Jassaks, the authority of the appointive chieftains is also very much circumscribed. They are also assisted by subordinate officers, civil and military, in the management of tribal affairs, but these chieftains now hold office with the approval of the provincial governments by whom they are appointed, and enjoy a status not unlike that of a district magistrate in a Chinese province.

The critical situation precipitated in Inner Mongolia by the "Mukden incident" of September 18, 1931, necessitated the devising of fresh measures by the government to cope with it; one of these was the promulga-

tion, in February, 1934, of a mandate granting autonomy to Inner Mongolia and the establishment of the Mongolian Autonomous Political Council at Pailingmiao.

The council was placed under the Control of the Executive Yuan and charged with the execution of administrative affairs concerning Mongol leagues and banners in the provinces of Chahar, Suiyuan, Ninghsia and Chinghai. This arrangement proved to be a failure, however, and a separate new organization, known as the Suiyuan Mongolian Autonomous Political Council, was established in January, 1936, to attend exclusively to Mongol affairs in Suiyuan province. This was followed by the reorganization of the Mongolian Autonomous Political Council at Pailingmiao into the present Chahar Mongolian Autonomous Political Council, to attend exclusively to Mongol affairs in Chahar province. This divided administration for the two provinces has since proved to be more effectual and practicable.[1]

RELIGION

Buddhism, the religion to which the Mongols are devoted, has had a long history. During the Yuan dynasty (1280-1368) Kublai Khan had for political reasons taken Lamaism under his protection and thus enabled it to flourish. This was the religion of the "red cap sect," a corrupted and debased form of worship tainted with mysticism and black magic.

Under the Ming dynasty, Tson-ka-pa or Zunkava (宗喀巴), born 1357 A.D., instituted the order of Lamas known as the "yellow cap sect" from the head-dress worn. He did away with magic, and restored the older form of worship. The origin of the Yellow Sect dates from this period, and is to-day the established Church in Tibet and in all Mongolia. The first Lamas of the Yellow Sect after Tson-ka-pa were the Dalai Lama, the Panchen Lama and the Hutukhtu (哲布尊丹巴呼圖克圖), who formed the trinity of Lama saints. When the last-mentioned Hutukhtu was reincarnated in Mongolia and the Living Buddha who bore this name later went to live at Urga, the cause of the Yellow Sect was greatly aided and its influence spread to all mongolia.

The Ming emperors, taking a cue from the experiences gained by the Yuan rulers, also attempted to utilize Lamaism for their political ends. Anda, who had relinquished his military career and made peace with China in 1571, and was given the title of Shun Yi Ti (順義帝) by the Ming Emperor, became more and more devoted to Lamaism in his declining years. This had the further effect of hastening the ascendancy of the Yellow Sect in Mongolia. In the early years of the Ching dynasty the Manchus had cause to feel apprehensive of the war-like Mongols, but, knowing them to be piously devoted to Lamaism, and realizing that the Lamas exercised over the Mongol princes and dukes an influences such as no others could hope to wield, they contrived to harness the latter to their own purpose, so to speak. This the Manchu Emperor did by exalting the authority and prestige of the Dalai Lama to that of a primate to supervise Lama affairs in all China, and confirming this appointment by conferring upon him the imperial seal and credentials. As proof of his goodwill the Manchu Emperor at the same time caused numerous lamaseries to be erected in Peking and its vicinity. This secured for him the loyalty and confidence of the Mongols and the Tibetans, spreading peace and tranquillity throughout the frontier provinces for a period of more than 200 years.

The earnestness of the religious devotion of the Mongol princes, dukes and laymen is shown by their annual pilgrimages to Lhasa and to Wutai-shan (sacred mountain in Shansi). As they journey to these holy places of worship, the pilgrims make prostrations with a step and manner expressive of the most heartfelt contrition and humility, in total dis-

[1] For Outer Mongolia's demand for autonomous rule as a result of alien instigation, see *Chinese Year Book* for 1936-37.

regard of physical fatigue. They consider it their sacred duty to undertake the hazardous journey, and no personal sacrifice or loss of property, which many of them would sell in order to defray the costs of the journey, would be considered too great, such is their fanatic devotion to Lamaism.

For this reason the Manchus erected for them numerous imposing lamaseries and lesser Lama temples in Peking, Jehol, Dolonor, and at Wutaishan and other places. The Manchu Emperor would dispatch his own representatives to participate in the priestly ceremonies which were held from time to time. Dach of the larger lamaseries had more than 1,000 Lama priests, and each of the smaller at least several hundred. These Lama temples are also to be found scattered throughout Mongolia.

They were placed in charge of a central bureau of Lamas (Keepers of the Church Treasury), composed of two Jassak Lamas appointed from among the Hutukhtu Lamas resident in peking. The bureau was placed under the direct control of the *Li Fan Yuan*. After the Revolution of 1911 it was transferred to the control of the Board of Mongolian and Tibetan Affairs.

In 1928 the bureau of Lamas was reorganized into the Peking Lama Affairs Bureau and placed under the control of the Commission of Mongolian and Tibetan Affairs until it was again reorganized into the present Lama Temples Reorganization Committee at Peiping.

Heretofore the different Lama temples of the various Mongol banners have been placed under the control of their respective banner chieftains, no special organ having been created for that purpose.

The Lamas who have rendered special assistance to the government or meritorious services to the country are given the title of Kuo-shih (國 師).

The Central Government has promulgated a set of regulations which govern the reward and punishment of the Lamas. The highest titles of distinction awarded to Lamas are graded into the following: (1) the *Ta-shih* (大 師); (2) the *Chan-shih* (禪 師); and (3) the *Fa-shih* (法 師). That the Lamas have continued to exercise a potent influence over frontier affairs, which in turn exerts an intimate bearing upon the government's frontier policy, is the *raison d'être* of this governmental provision.

ECONOMIC CONDITION

The economy of the Mongols is essentially pastoral; mining, agriculture, trading and commercial undertakings are largely centered in the hands of the Chinese. As to Mongol live-stock breeding, no reliable statistics have hitherto been available, and only rough estimates have been arrived at.[1]

Although agricultural development in Inner Mongolia began at an early period, it was not until the close of the Ching dynasty that this became more or less systematic under the influence of a general plan of policy by which Chinese immigration was encouraged. This Chinese colonization of agricultural lands laid the foundation for the present-day provincial administration.

In regard to cultivated lands, during the past 20 years or so more than 4,900,000 *mow* of farm lands have been put under cultivation in the six districts in Chahar province, outside of Kalgan; up to 1932 there were also 19,521,000 *mow* cultivated in Suiyuan and in Chinghai; 284,680 *mow* were surveyed and distributed for farming purposes in the period between April, 1927, and March, 1933. The fact should not be overlooked that the development of Mongolia has followed and depended largely upon the penetration of Chinese culture to bring a change in the habits of life among the Mongols and consequently a change of the economic condition.

By far the larger portion of Mongolian exports comprises animal furs, hides and hairs. Wool, goat's bristles, and camel hair are the chief items which comprise the animal hairs that

[1] See the chapter on "Animal Husbandry", Tables 1-2.

are exported. These are being produced in greater abundance in Outer Mongolia than in Inner Mongolia, however.

Aside from wool and hides, etc., there has been a surplus of mutton and beef, particularly from Outer Mongolia, which is being exported. In view of the fact that mutton and beef are abundantly produced in Jehol Chahar, Suiyuan and Ninghsia far in excess of the quantity required for home consumption, it may be surmised that large surplus quantities are being exported.

The export of animal hides also occupies an important place in Mongolian trade. Mongolian imports includes tiles, tea, wheat flour, textiles, cereals, tobacco, spirits of wine, sugar and articles of adornment in Buddhistic temples, the annual total value of which according to Russian estimates is about 12,250,000 roubles, as against the annual exports amounting to about 15,900,000 roubles.

Since the ascendance of Soviet Russian influence there, Outer Mongolia's volume of trade with Soviet Russia has steadily increased, while on the other hand its trade with China has steadily fallen off. The following table of comparison will serve to emphasize Outer Mongolia's trade position:

Year	*Import*		*Export*	
	Chinese	*Russian*	*Chinese*	*Russian*
1927	27,600,000	4,000,000	12,080,000	16,900,000
1928	25,400,000	7,100,000	10,780,000	21,000,000
1929	8,700,000	2,300,000	6,000,000	21,500,000

Outer Mongolia's trade with China practically ceased after 1930, but, on the other hand, the excess of exports over imports which hitherto characterized Mongolia's trade balance has been reversed in favor of Soviet Russia. Not only has this affected the trade position in China, but its reaction upon Mongolia's internal economic conditions has also caused the much suffering to the Mongols. The following table of comparison will show Outer Mongolia's trade relations with Soviet Russia:

Year	*Imported from Soviet Russia*	*Exported to Soviet Russia*
1930	$17,819,000	$19,845,000
1931	37,343,000	28,833,000
1932	19,954,000	7,254,000

There are in Mongolia no large-scale modern industries to speak of; those which are comparatively important are located in Jehol, Chahar, and Suiyuan, such as distilleries, salt mining, vegetable oil extraction, hair and fur industries, flour milling, dyeing and tanning. These industries are largely centered in Chinese hands, however. In the Mongolian plains there are no industries of any description to speak of: much less are there Mongols organizing and controlling any of their own industries, of the kind cited. Although in recent years the Mongols have begun to establish small-scale factories, these undertakings are as yet comparatively insignificant.

The minerals which are known to be found in Mongolia include gold-nuggets, gold-dust, silver, copper, lead, iron, coal, mineral oils, asbestos, graphite, sulphur, salt, lime and crystal. These deposits are distributed in Outer Mongolia, Jehol, Chahar, Suiyuan and Ninghsia, but remain mostly untapped. The few mines which have been developed are under the control of alien interests; the output from nine out of ten mines developed by the natives is very small, due to their primitive methods of mining, and even regarding these there are no reliable statistics.

No large-scale prospecting of the mineral resources has been done, and consequently these remain unassessed,

but the iron mined in Chahar, the gold-dusts and mineral oils in Outer Mongolia, and the salt produced from the salt-fields in Chahar, Suiyuan and Ninghsia, have long been reputed to be of a very high quality.

FINANCE

Their economy being essentially pastoral and their tribal organizations far from elaborate or complicated, the Mongols have hitherto not felt compelled to meet heavy expenditures such as arise from the need for economic reconstruction, nor have they ever had to meet any heavy financial disbursements arising from the maintenance of public and social services of the kind known to countries which are industrially developed.

The revenue in Inner Mongolia is derived largely from land taxes, taxes on life-stock, grazing taxes, salt tax and mining tax, etc. Apart from expenditures involved in the maintenance of public peace (the maintenance of a standing army), and small sums spent for the maintenance of educational facilities, the Jassaks or banner chieftains and their retinue have a practical monopoly of the revenue, which they divert to their own personal purposes. The revenue of the banner chieftains, however, is slender, ranging from an annual income of a few thousand dollars to several tens of thousands, but in no instance exceeding $100,000.

No broad differences of policies existed between Outer and Inner Mongolias until the revolution which broke out in Outer Mongolia caused a breach and necessitated the formation of a separate financial administrative organ by the revolutionary government of Outer Mongolia. Outer Mongolia's revenue is derived largely from the imposition of land taxes, customs imposts, pastoral animal taxes, poll taxes, business taxes, stamp taxes and other miscellaneous levies. By far the greater portion of Outer Mongolia's financial disbursements are apportioned to the army budget. Soviet Russia, on the other hand, exercises a free hand in Outer Mongolia's program of economic reconstruction, which she manipulates.

ARMY

The Inner Mongolian banners are an adaption of the Manchu regimental banners, and are therefore military in organization. Conscription is universal. All able-bodied males who have attained the age of 18 are required to bear arms for life; they carry their own personal firearms, however. As has been noted, each *tso-ling* has jurisdiction over 150 families, from which recruitments are made. The standing army and the reservists ordinarily attend to their daily routine, and only in times of emergency will they be summoned to military duties. However, they are not trained as soldiers, for their ability to fight as such depends largely upon the experience they have acquired in hunting. This military system originates from the Manchu Empire, and although it continues to function under the republic, it has undergone certain modifications. The Mongol leaders have realized the need of giving adequate training to their fighting forces in order to keep abreast of the development of modern military tactics and the science of war, and in order that they may be enabled to defend more effectively their territory.

Moreover, the bow and arrow is no longer effectual in modern warfare. For this reason modern arms are supplied to the armies by the government, and as many recruits as are enlisted from the different families are now being put into training under the command of their respective banner chieftains. In normal times they either reside in army encampments or at home. Excepting the Lamas, who are exempt from military service, the recruits bind themselves to take the field whenever called. Their martial spirit, their readiness to rush into the field, showing themselves ever ready to sacrifice at the call of the Jassaks, cannot but command admiration.

No reliable statistical figures are available in regard to the armies of the various Mongol banners of the different provinces; but so far as can be ascertained, they are as follows:

Province	*Banners*	*Armies*	*No. of Rifles*	*Ordnance or Artillery Unit*
Chahar	Silingol League	3,000	3,500	10
	Chahar Mongols (left wing) 8 banners	1,600	not known	—
Suiyuan	Ulan Chap League	1,440	800	—
	Ikh Chao League	3,380	1,500	—
	Kweihua Tumet League	2,000	1,500	—
	Chahar Mongols (right wing) 4 banners	500	not known	—
Ninghsia	Alashan & Edsingol banners	400	not known	—
Outer Mongolia	Various banners	50,000	not known	not known

EDUCATION

The nature of the Mongol pastoral economy has not permitted the Mongols to settle upon any permanent habitation and this has not made for the development of education. It was the judicious policy of the Manchu imperial government, however, to prevent the Mongols from studying Chinese, so that there have been no educational facilities in Mongolia to speak of.

Education, as it is understood among the Mongols, has been a privilege extended only to a limited few, especially to the children of the ruling class and officials. Private tutors are often engaged for that purpose, but the object of education often does not mean more than the mastering of official documents and the learning of characters. This is pursued with the hope that the students may later serve in official positions when they attain maturity. This state of affairs has served further to emphasize the utter lack of any educational facilities for the general run of the Mongolian people.

The situation underwent a change, however, as a result of the steady inflow of Chinese immigrants to Mongolia at the close of the Ching dynasty, causing also a re-orientation of the Manchu imperial policy towards the Mongols. The Mongol contact with Chinese immigrants and Chinese culture and all that that word implies had the effect fo making the Mongols realize the need for promoting education. Indeed, a few of the Mongol banner chieftains soon began to foster education among their own people.

Under the republic, a number of banner chieftains, influenced as they were by the impact of Chinese civilization and the changed environment, soon realized the need for education, and began to bend their efforts towards its promotion. Since the establishment of the National Government the development of the frontier provinces and the promotion of education among the frontier population as a prerequisite has been considered an urgent task, so that no efforts have been spared in encouraging and

supporting all such measures having that end in view.

A number of schools for Mongolians have been established with government grants. In Peiping there is a Mongolian-Tibetan School, while at Hsiao-chuang, Nanking, there is another Mongolian-Tibetan School to which are affiliated a number of similar schools established in the frontier provinces. In all of these schools Mongolian and Tibetan students study under government scholarship. The 12 Mongol banners in Chahar have also established 10 primary schools and two secondary schools. These schools are maintained by an annual government grant of more than $10,000. In Suiyuan province another primary school has been established in the Ulan Chap League for the benefit of the three banners of the Urad Tribes. The annual government grant for the maintenance of the school is about $7,000. Primary schools have also been established among the Maomingan banners and the Ikh Chao league. By far the greater number of schools are to be found among the Tumet Mongols. Here there are two secondary schools and an affiliated primary school, and seven other primary schools. The annual sum spent for the maintenance of these schools amounts to $10,000. The Mongols of the Alashan banners have three primary schools with an annual expenditure of a few thousand dollars. Towards the maintenance of all of these schools the Central Government contributes the larger part while the different banners contribute only a fraction.

Since 1935 the Central Government has formulated a general plan for the promotion of education in the frontier provinces. Schools of different grades have since been established. Among these is the National Suiyuan Mongolian Normal School which is given an annual government grant of $15,000. This school has begun to enrol students. There is also the Ninghsia Mongolian Normal School receiving a government grant of $15,000. It is housed in the Ninghsia Primary School Teachers' Training Institute, where primary school teachers already engaged in teaching in Mongolia take their turns in receiving further instructions.

The Central Government has also drawn up a set of regulations whereby Mongolian students entering schools in the southern provinces are to be exempted from taking entrance examinations and will be given a scholarship. Other governmental provisions have also been made whereby self-supporting Mongolian and Tibetan students studying in schools of secondary grade and above are each to be benefited by a government scholarship of $100 a year. This scholarship is limited to 50 students each year. During last year several other Mongolian students studying in universities and colleges were each granted an annual sum of $300. Mongolian educational, cultural and kindred organizations are also entitled to request government grants-in-aid in accordance with governmental provisions. The Central Government hopes that these subventions may lend an impetus to the gradual expansion and growth of educational and cultural institutions in Mongolia.

COMMUNICATIONS

The Mongolian plateau being very extensive, great impediments stand in the way of communication and unless these are overcome they will continue to arrest the progress of Mongolia's economic development in its every aspect.

Pathways.—The grasslands of the Mongolian plains provide natural pathways for communication; but as these routes are subject to natural physical changes they are never permanent but are constantly shifting their positions. There are no especial difficulties in finding one's way across the plains, but this would be well-nigh impossible in the mountain valleys, where there are luxuriant vegetable under-growths and where the pathway is submerged and strewn with pricky pebbles. Such difficulties attending travel are made all the more intolerable by the fact that oases are few and far between and hotels are conspicuous by their

absence all along the plains. Knowledge of the distance from one banner principality to another is complicated, moreover, by the fact of the routes being too numerous and often crossing one another.

There are, however, several courier routes which date from the Ching dynasty, All of these converge upon Peiping and are linked up with the various Mongolian principalities. At a later period two military fortifications were erected, one at Alashan and the other in Sinkiang both of them being located at the junctions of military and commercial importance. The different routes are as follows:

Name, Route	*Stations En Route*	*Distance from Peiping (in li)*	*Total Distance (in li)*
Hsifengkow	18	410	2,260
Kupeikow	16	240	1,000
Kalgan or Changchiakow	24	—	1,600
Shahukow	12	930	1,000
Tushihkow	7	520	700
Kobdo	57	—	4,565
Urga	28	—	1,900
Urianghai	6	—	810

Railways. — Apart from the railways in eastern Mongolia which have fallen into Japanese hands as a result of their military occupation, the only other railway which provides a link with Mongolia is the Peiping-Suiyuan Railway totaling 855 kilometers in length.

Roads.—Apart from the Sinkiang-Suiyuan motor routes which traverse the Mongolian steppes, there are several others such as the following:

Name of Route	*Point to Point*	*Points En Route*	*Length (in li)*	*Remarks*
Kalgan-Urga	Kalgan-Urga	Pangkiang (river), Taolin, Wuteh	2,345	in 5 days
Kalgan-Tolun	Kalgan-Tolun	Kuyuan	—	—
Pingtichuan-Pangkiang	Pingtichuan-Pangkiang	——	500	—
Hsingho-Chaikowpu	Hsingho-Chaikowpu	——	—	—
Paotow-Ninghsia	Paotow-Ninghsia	Wuyuan, Linho, Tengkow, Pinglo	2,000	in 5 days
Kweisui-Pailingmiao	Kweisui-Pailingmiao	Wuchuan	300	—
Kweisui-Chingsuiho	Kweisui-Chingsuiho	——	335	—
Lung-Wu	Lungshenchuang-Wuchuan	Taolin	560	—
Suiyuan-Hingho	Suiyuan-Hingho	Liangcheng, Fengcheng	540	—
Peiping-Jehol	Peiping-Chengteh	Kupeikow	380	—
Chengteh-Chihfengkow	Chengteh-Chinfengkow	Pingtichuan	—	—
Cheng-Chao	Chengteh-Chaoyang	Pingtichuan, Lingyuan	—	—
Urga-Kiachta	Urga-Kiachta	——	—	By Soviet Russian Motor buses
Urga-Kobdo	Urga-Kobdo	Uliassutai	2,400	—

Communication in the provinces of Suiyuan, Chahar and Ninghsia have improved in recent years as a result of the extension of highways. The following were the principal highways in these provinces in 1936[1]

Province	*Mileage*
Chahar	3,798 km.
Suiyuan	4,282 km.
Ninghsia	2,533 km.

Postal Administration. — A number of post offices with their postal carriers, who operate along mapped-out routes, have been established in the thickly settled areas of Jehol, Chahar, Suiyuan and Ninghsia. The postal services in these areas are being maintained in much the same way as those in other parts of China. In regions which are more remote, such as the Mongolian steppes where the population is not so dense, only a few postal routes have been established, but further extensions of the postal services are awaited.

Telegrapn. — The telegraph system in the Northeastern provinces formerly made Peiping the starting point. One of the important trunk lines leads from Tungchow via Kupeikow to Jehol province; another leads from Tientsin via Shanhaikwan to the Northeastern provinces. The most important of the trunk lines in Chahar, Suiyuan and Ninghsia are those which make connections with Outer Mongolia, and finally with Siberia, via Kalgan and the river Pangkiang. There are also telegraph lines of minor importance which link up Kalgan with Tengkow, in Ninghsia, via Fengcheng, Kweihua, and Paotow.

Wireless sets supplied by the Central Government to the various Mongolian leagues have been installed since 1933. At Urga the Soviet Russian authorities operate a wireless station by which they are able to communicate with, and obtain information o importance from Outer Mongolia. During the course of 1937 more radio broadcasting stations have been established at different important Mongolian centers, thereby facilitating wireless communication between China and Mongolia.

[1] Cf. the chapter on "Highways," p. 927.

SINKIANG

I. GEOGRAPHY

The province of Sinkiang, occupying an area of about 550,000 square miles, is, with the exception of Mongolia, China's largest single unit of territory, being almost twice as large as Manchuria and three times the size of Szechwan Province. It is situated in the northwest of China. On the northwest it is bordered by Semipalatinsk and Kasakistan, U. S. S. R.; on the southwest and south by Afghanistan, India and Tibet; on the east by Chinghai and Kansu; and on the northeast by Mongolia.

The central geographical features of Sinkiang are the Tsungliang (葱嶺), which lies in the west, and the Tienshan (天山), which separates the province into the two basins of Northern Sinkiang (北疆) and Southern Sinkiang (南疆). In Northern Sinkiang lies the Dzungarian Desert, between the Tienshan and the Altai on the north, and in Southern Sinkiang lies the Takla Makan Desert, between the Tienshan and the Kuenlun on the south. Both deserts connect on the east with the Gobi Desert. South of Tienshan, the chief river is the Tarim River, which, after receiving its tributaries the Kashgar River, the Yarkand River and the Khotan River, runs eastward and ends in the Lob Nor depression. From the north side of Tienshan, the Ili River flows westward into Lake Balkhash in Siberia, and the Black Irziss River passes through Zaisan Nor and eventually reaches the Arctic.

The best land in the whole province is found along the Tarim River system and in the Ili Valley. Along the former, from east to west, are found the important towns of Hami (哈密), Turfan (吐魯番), Karaschar or Yenchi (焉耆), Kuerhlei (庫爾勒), Kucha (庫車), Aksu (阿克蘇), Pachu (巴楚), Kashgar (疏附), Shuleh (疏勒), Yarkand (莎車), Khotan (和闐) and Yutien (于闐). In Northern Sinkiang are, also from east to west, Barkol (鎮西), Kuchengtze (古城子), Tihua or Urumchi (迪化), Suilai (綏來), Wusu (烏蘇), Chuguchak (塔城) and Suiting or Ili (綏定).

II. POPULATION

In no other single unit of territory in China is the "racial" composition of the local population so complicated as in Sinkiang. According to an estimate made in 1928, the total population then was about 3,000,000 in round numbers. The inhabitants are usually classified into the following groups:

A. The Chinese.—Historically the Chinese have been in contact with the natives of Sinkiang since as early as the Han and Tang dynasties. Although for thousands of years they have dominated this region through either political or military forces, Chinese colonizers have never gone there in considerably numbers. Just before the reign of Tung Chih (同治), the terrible Mohammedan rebellion broke out in 1862, and all of the Chinese in the province were massacred. At the close of the Taiping uprising in 1865 General Tso Tsung-tang and his Hunanese followers were able to restore order in that region. Since then there have been large numbers of Hunanese in Sinkiang, though emigrants from Shensi and Kansu followed the troops for purposes of trade. A number of Tientsin merchants who went there and made huge profits during those days are still powerful in commercial circles.

Despite the fact that the inhabitants of pure Chinese blood in the province number less than one-tenth of the

total population, it is they who really keep the administration going. At present, some 7,000 Chinese, who came from the Northeastern Provinces through Siberia subsequent to the Japanese occupation of Manchuria, occupy an important political position in the whole region.

B. The Chantou (纏頭) or Head-binders.—Somewhat resembling the Turks, the Chantou are a very mixed people. Strong in physique, they are honest, good-natured and law-abiding. For the purpose of worship they are dressed from head to foot in white clothes, thus incurring the Chinese name Chantou. Occupying by far the larger part of Southern Sinkiang and also being scattered in every northern district, they outnumber all the other racial groups in the province. Constituting about 60% of the total population, they are distributed throughout the province. Those settled in Hami, Turfan and Shanshan (鄯善) are relatively quick-tempered. This partly accounts for the fact that all of the disturbances that have occurred in Sinkiang originated here. For hundreds of years these districts had been in the hands of the Mongols and Buddhism had prevailed. With the Mohammedan conquest came an intermixture of races and the domination of Islam. Those found in Kucha, Karaschar and Aksu are good-natured. Apart from a few who work on the farms, most of them are engaged in handicraft works which are considered the best in Sinkiang. Those settled in Kashgar and neighboring localities are good farmers or business men. The natives of Khotan are purer in blood. Being hard workers, they have developed a remarkable handicraft trade.

C. The Mongols.—In point of number, the Mongols used to stand next to the Chantou. At present, they form about 6% of the total population. Like most of their brothern in Outer Mongolia, they are still leading a nomadic life. In addition to the three leagues of Torgot and Hoshot Mongols found in Karaschar, Wusu and Chuguchak, there are a number of Chahar and Eleuth Mongols scattered along the Borotala and Ili valleys. The Mongols who live in the Altai region are related to their Urianghai kinsmen.

D. The Kasaks (哈薩克族).—Constituting about 5% of the population, these inhabitants are predominantly Turkish by blood and Moslem by religion. They live in and around Ili, Chuguchak and Altai. Lazy, cunning, hot-tempered and capable of doing nothing except tending live stock, they lead a bandit's life, as a rule, when winter comes. As they tend to migrate to and fro over the Sinkiang-Siberian frontier, they are the cause of frequent border troubles.

E. The Kirghis (布魯特族).—The Kirghis, somewhat related to the Kasaks, can be brought under the law with less effort. Besides looking after live stock, they do some farming and engage in trade. Most of them are found in Kashgar and Uch.

F. The Tungkans (通乾族) or Chinese Hui-Hui. The Tungkans speak Chinese and are partly Chinese by blood, but believe in Islam. Brought in from Kansu and Shensi during the Manchu dynasty to offset the power of the Mongols, they are now settled in Kuchengtze, Tihua, Manas, Ili, Karaschar, Turfan, Hami, Uch and many other places on both sides of Tienshan. They form one-tenth of the total population.

G. The Manchus.—After the pacification of Sinkiang during the reigon of Emperor Chien Lung (乾隆) and the establishment of an administrative center at Ili, a large number of Manchu soldiers settled down there. In order to encourage the entry of more Manchu civilians, land grants were made and houses were built for them by the Manchu government. Divided into the two groups of Sibo and Solon (Mongolian-Manchus), they now constitute about 5% of the population. Most of them believe in Buddhism and live a life essentially Chinese in character, though they still preserve their identity and speak their own dialects.

H. The Tajiks (塔吉克族). Forming only a small minority of the population, the Tajiks are found near the Chinese Pamirs. They lead a nomadic life, in the main, and are said to be the purest of the "Alpine" stocks.

I. The Naturalized "White" Russians.—The 60,000 Russians found in Chuguchak, Ili, Tihua, Altai, etc. constitute about 2% of the population. They consist of traders who came to Sinkiang in Tsarist times and also of those who fled from the Soviet rule. Most of them have managed to get themselves naturalized as Chinese citizens. Several thousands have enlisted in the Chinese army.

III. NATURAL RESOURCES

Sinkiang is an undeveloped region and rich in natural resources, of which the important items are listed below.

A. Minerals.—Gold, silver, copper, iron, lead, zinc, coal, kerosene, jade, salt and sulphur are found in abundance. Gold mines are worked in Altai, Yutien and Chuguchak. The area in which this metal exists is said to cover more than 2,000 square miles, with a reserve of 31,000,000 ounces. In Paicheng (拜城) copper mines are found, of which the annual production is about 200,000 catties. The iron produced in Shuishi (水西) is of a high quality. Ever since the time of Emperor Chien Lung, iron foundry works have been prosperous and a large quantity of iron products has been exported to Kansu Province. Coal can be obtained on both sides of the Tienshan, but that produced at Hami is the best. Kerosene is found in Wusu and Manas. In the latter place the provincial government's department of reconstruction has set up as oil-refinery. The rate of production at present amounts merely to 400 catties per month. Salt is so abundant in Sinkaing, that a plentiful supply of it is found within every hundred miles or so. North of Tienshan the main salt regions are Chuguchak, Chingho (精河) and Tihua; south of it the salt regions are Karaschar, Turfan, Chokiang (婼羌) and Shanshan. The high quality of Khotan jade is well-known. "Jade mountains" or "jade rivers" are by no means terms of exaggeration in this province.

B. Farm Products and Forests.—Apart from one-third of Sinkiang which is covered with mountains and deserts, the remaining area is fertile farm land. While snow on the Tienshan and streams flowing therefrom have rendered indispensable services to agriculture, drought or flood is rather unusual. The farms are mostly located near the Ili River, the Tarim River and the Urumchi River. In Aksu and Manas the quality of both wheat and rice compares favorably with that produced in South China. Sinkiang grapes, especially those grown in Turfan and Shanshan, and Hami watermelons are famous even outside of China. Thanks to favorable climatic conditions, cotton of a quality comparable to any produced in the rest of China can be obtained here. On account of difficulties in transportation, an annual production of only 20,000,000 catties is exported through Chuguchak in the north and Kashgar in the south. On the northern side of Tienshan, abundant pine-trees cover the whole length of 3,000 miles, stretching from Barkol (鎮西) westward to Ili. The luxuriance of the forest reminds one of the Hsingan woods in Manchuria. Khotan silk is another article deserving of notice, its annual production amounting to 170 tons.

C. Live Stock.—From time immemorial Sinkiang has been a natural ranch. Cattle, horses, sheep and wool are exported to Soviet Russia. Ili, Barkol and Karaschar are placed where fine horses are raised.

IV. FINANCIAL CONDITIONS

Though rich in natural resources, Sinkiang is poor financially. Ever since it was raised to the status of a province under the Tsing dynasty, it had had to rely upon an annual subsidy of $2,400,000 from the central government in order to keep the provincial budget balanced. Upon the establishment of the Republic the grants were discontinued, however, and there had been an accumulation of deficits from year to year. As a remedial measure the provincial government resorted to the expediency of issuing paper currency so as to make both ends meet. It is natural that an unrestricted issuance of unredeemable

notes by successive administrations should have resulted only in a rapid depreciation of the paper, leading eventually to the present financial chaos.

As a matter of fact, government paper money had been in circulation in Sinkiang as early as 1907 when "dragon notes" amounting to one million taels were issued. Being limited in number, their exchange value was at par with silver. In 1913, when the local authorities at Ili began to issue their own paper money amounting to three million taels, in addition to the eight million taels previously issued by Governor Yang Tseng-hsin, a slight depreciation occurred. For various reasons, including political disturbances as well as a too free issuance of notes, the 20% depreciation in paper currency reached during Governor Yang's time increased rapidly during the administration of Governor Chin Shu-jen until the exchange value of the Sinkiang notes at present amounts only to 1/1,500 of the value of the national currency. In 1932, the total revenue of the provincial government amounted to only $2,217,000 while there was an expenditure of $41,000,000. Similarly the various district governments incurred a total deficit of $7,600,000 in the same year, the revenues being $3,200,000 and the expenditures $10,800,000. Since then the deficits have grown to even more appalling proportions.

Realizing the danger which lurks behind the whole situation, the present provincial administration has been compelled to seek advice from financial experts. The reforms proposed by them consist of: (1) balancing the budget, (2) restricting the issue of paper currency and (3) monopolizing certain native products. It has been estimated that incomes from duties levied on native products and from other sources, if properly managed, would be sufficient to meet the disbursements of the government. For instance, import duties amounting to $9,000,000 could be collected from farm products, live stock, cigarettes and wines brought in from the U.S.S.R. Besides its intention of limiting military expenses to within 35% of the total revenue of the province, the present government has decided to raise enough funds as reserve for new notes to be issued.

V. COMMUNICATION AND TRANSPORTATION

A. Roads and Transportation.—From ancient times communication between Sinkiang and the coast of China has invariably depended upon two routes. The northern route leads from Suiyuan to Tihua via the Mongolian pasture and Barkol, while the southern route reaches the same destination via Anshi (安西), in Kansu, and Hami. Camels have always been the primary means of transportation. With the completion of the Sinkiang-Suiyuan Highway in 1931 and the organization of the Sin-Sui Motor Transportation Company, it has been possible to travel from Suiyuan to Tihua in a couple of weeks instead of the three months required by camel caravan. Although the head office of the company is situated at Tientsin, its service starts from Kweisui. Pailingmiao, Sungtaoling (松稻嶺), Erhliho (二里河), Mingshui (明水), etc. are the stations leading to Hami.

Within the province itseif main routes radiate from Tihua to Ili, Chuguchak, Altai, Hami and Kashgar. With the exception of the Tihua-Altai route, good roads for motor vehicles have been completed during the last decade. Only three or four days are needed now to cover the distance from Tihua to Ili or to Chuguchak.

B. Post Sevice.—In 1910, by order of the Peking government, modern post offices were established, in place of the old horse stations, in Ili, Tihua, Kuchengtze, Karaschar, Kucha, etc. though actual administration of these new institutions remained in the hands of the provincial government. Upon the inauguration of the Republic, the Ministry of Communications, with a view to centralizing the postal administration of the whole country, took over the Sinkiang post offices and set up a general post office at Tihua. At present, there are some 30 post offices and 40 agents in the province. Parcel

post, suspended for a while, has been resumed in recent years.

C. Telegraph Service.—Telegraph service in Sinkiang began in 1893–1896 when 240,000 taels were appropriated by Emperor Kuang Hsu (光緒) for the construction of telegraph lines and establishment of telegraph offices. From 1903 to 1913, the Tihua-Kuchengtze, the Suiyuan-Altai, and the Kuchengtze-Yuanhu (元湖) lines were completed. However, telegrams between Sinkiang and Hopei or Manchuria still have to be transmitted via Siberia. Moreover, owing to the enormous distance over the desert, telegraph lines there can be maintained in good order only with the greatest vigilance.

D. Radio-Telegraph Service.—In view of the successful experiments made in 1921 by the radio station at Kashgar, a 250-watt station, powerful enough to reach Taiyuan, was installed in Tihua in 1930. Up to the present, stations can be found at Tihua, Kashgar, Kuchengtze, Hami, Chuguchak, Barkol, Karaschar, Ili, Kucha, Aksu and other important towns.

E. Aviation.—The first flight from Shanghai to Sinkiang was made in 1931 by a commercial plane of the Eurasia Aviation Corporation. At present, for political reasons, the Shanghai-Chuguchak service remains to be resumed.

VI. TRADE

On account of difficulties in communication and the simplicity of the native social and economic organization, trade has not been an essential factor in the life and history of Sinkiang. Especially in regions north of the Tienshan the natives have pursued a mainly nomadic life. Nevertheless, the province has for many centuries been a great silk market in Central Asia, from which many Polish merchants brought this article into Europe. During the reigns of Tung Chih (同治) and Kuang Hsu, (光緒), when Chinese troops were dispatched into Sinkiang for the suppression of the Mohammedan uprisings, a large number of merchants from Hunan, Hupeh, Shensi, Shansi and Hopei accompanied them and traded with the soldiers. When, upon the cessation of military activities, Tihua was made the capital, these merchants settled there and established business headquarters. Since then branch firms have been set up throughout the province. Of all the Chinese merchants in Sinkiang, those who came from Tientsin are the most influential, not only because of their plantiful supply of capital but also due to their superior business methods and sociability. Most of these merchants handle both import and export business.

In transporting goods from the coastal provinces to Sinkiang, Kweisui and Paotow are reached first through the Peiping-Suiyuan Railway. From Paotow goods are carried by camels to Tihua, which serves as a center for distribution. Customarily, spring and autumn are the seasons for camels to make the journey. By setting out from Suiyuan in March, they can reach Kuchengtze in June. The return journey is made in the three months from August to November. Thus only one round trip can be made in a year.

Although the Chinese merchants had somewhat enlarged their business in the years of the Russian Revolution, they have lost it more recently, following the completion by the Soviet government of the Russian-Turkestan Railway, which reaches the border of Sinkiang. Taking advantage of the shortened distance as well as of the better means of communication and of the political troubles existing in the province, the U. S. S. R. has encroached upon the trade of the Chinese. The Soviet-Sinkiang Trading Company, organized in 1926, has been steadily extending its influence in recent years. At present it contemplates an increase of its business to the amount of 130,000,000 Haikwan taels. Moreover, 700,000 rubles have been set aside for the purchase from Shanghai of tea, silk, seaweeds, etc. to be shipped and stored in ware-houses located near the frontier of Sinkiang. These articles will in turn be retailed to the natives of the province.

In Kashgar a number of British merchants have established their business headquarters.

VII. EDUCATION

Similar to conditions in other branches of provincial activity, progress in education is hampered by the same difficulty of communication. At present, educational institutions in the province include the following: (1) one college of law and political science, (2) three middle schools, (3) one normal school for boys, (4) one girls' normal school, (5) 120 primary schools and (6) 15 popular and vocational schools. The College of Law and Political Science, the highest institution of learning in the province, with an annual appropriation of $80,000, has an enrolment of about 100 students, including a special class for the Chantou and the Kasaks. The three middle schools are located in Tihua and Ili, with an enrolment of 350 students, including a number of "White" Russians. The two normal schools at Tihua have 120 students. The annual appropriations for these secondary schools amount to $300,000. For conducting the 120 primary schools, of which the total enrolment is 7,700, a sum of $400,000 is appropriated. In the 15 popular schools there are about 500 students.

For the purpose of encouraging enrolment and improving the quality of education, free board has been given to students and better instructors have been appointed from the coastal provinces. The decision made by the provincial government in 1932 of allotting annually 20% of the total revenue of the province for educational purposes, if strictly carried out, would do much towards the enlightenment of the population at large.

VIII. ADMINISTRATION AND POLITICS

Following the type of government found in the other provinces of China, the Sinkiang Provincial Commission consists of a chairman and a number of commissioners, of whom four serve concurrently as heads of the bureaus ofcivil affairs, finance, education and reconstruction respectively. For purposes of administration, the province is divided into nine areas, in each of which are a number of hsien or districts. The names of these areas are: Ili, Chuguchak, Altai, Hami, Tihua, Aksu, Karaschar, Kashgar and Khotan.

From the first year of the Republic until 1928 the province was under the rule of Governor Yang Tseng-hsin. After a long term of 17 years of service, Governor Yang was succeeded by Governor Chin Shu-jen, who served from 1928 to 1932. Since the latter date General Sheng Shih-tsai has been an important figure in the provincial commission. Together with him, General Ma Chung-ying, a Chinese Mohammedan from Kansu now sojourning in Moscow, and General Ma-Mu-Ti (蘇木提), a Chantou, form a powerful triumvirate.

The army of Sinkiang is under the control of the three generals just mentioned. Under General Sheng are the troops from the Northeastern Provinces, besides several thousands of "White" Russian soldiers. In addition to an aviation school, a school for the training of military officers and another for police officers, other military institutions include the following: (1) The Tupan's Office (督辦公署), with General Sheng as the chief, (2) The bureau of public safety (保安總局), under the Tupan's Office, with General Sheng acting concurrently as bureau chief, and (3) a number of district bureaus of public safety set up at Chuguchak, Ili, Kashgar, Aksu, Kuchengtze, Hami and Turfan.

TIBET[1]

KONG CHIN-TSONG (孔慶宗) AND
TZE-HSIUNG KUO (郭子雄)

Tibet, the outlying region of China, is commonly known to the outside world as the land of lamas, the land of snow or the land of mysteries. Indeed every one of these terms contains a partially true description of this loftiest region on the surface of the globe. Owing to its inaccessibility and its policy of exclusion, Tibet has remained aloof from world affairs for thousands of years. Though it has fascinated peoples throughout the world, very few travelers have actually entered the Holy City of Lhasa. It is therefore deemed necessary to study Tibet from the geographic, historical, religious, political and social points of view.

I. LAND AND PEOPLE

Physically, Tibet may be divided into three parts, namely, the southern, northern and eastern plateaus. The tablelands are estimated to be more than 16,000 feet above sea level, the valleys from 10,000 to 13,000 feet, the mountain passes from 14,000 to 16,500 feet and the peaks from 18,000 to 24,000 feet. The area of these tablelands is estimated to be about 904,999 square kilometers, but the boundaries bordering Sikang and Chinghai have not been demarcated. At the end of the Ching dynasty (1910) General Chao Erh-feng, Commissioner of Frontier Affairs, memorialized the throne and recommended that the boundary between Tibet and Sikang be set at Giamda (Chiangta in Chinese), eight regular marches northeast of Lhasa. The Imperial Government at first hesitated but later approved this plan. The Tibetans have never been satisfied with this delimitation, however, and hence the boundary line between Tibet and Sikang has been a question of constant dispute since the establishment of the Republic. Many attempts have been made to settle permanently this boundary controversy, but they all ended in disagreement. Owing to the interference of the British Indian Government and its frontier political officers in Tibetan affairs, this seemingly difficult problem still remains unsolved. As a result of such external encouragement the Tibetans were induced from 1917 onward to resort to armed force with a view to settling the question in dispute at the expense of Sikang. This contention led to intermittent warfare between the Szechwan-Sikang forces on the one hand and the Tibetan troops on the other, resulting in the making of an arrangement between the two parties with the Yangtze River (Chinsa Kiang) as a temporary dividing line. At present the region under the control of the Lhasa Government extends from the Upper Yangtze River in the east to the Kashmir frontier in the west, and from the Kuenlun Mountains in the north to the Himalaya Mountains in the south.

There is no census in Tibet and consequently no statistics are available to show the number of the Tibetan population. Different estimates have been made by different authorities, however, varying from less than 1,000,000 to 6,000,000. According to the statistical table compiled by Tao Meng-ho and Wang Shih-ta of the Academia Sinica, the population of Tibet is 750,000 of which 388,791 are males and 361,209 are females. The

[1] This article has incorporated the essential material in the chapter on Tibet which appeared in the *Chinese Year Book* for 1936–37.

number of families is 153,061 and the number of persons per family is 4.9. The density of population per square kilometer is 0.83. The immigrants from China Proper into Tibet are very few in number and most of them reside in Lhasa, where about 700 Chinese merchants are found. A great part of the Chinese colony in Lhasa comes from Szechwan, while the rest are from Yunnan and Hopei. One fifth of the population in Tibet are lamas who are bound by vows to lead a celibate life in the monasteries. The celibacy of priesthood, the practice of polyandry and poor sanitary conditions have been largely, if not entirely, responsible for the small population of Tibet. In a country of snow-clad mountains, gorges, cliffs, small valleys and uncultivable slopes, agriculture on a large scale is impossible. The Tibetans do not wish to have a large population, owing to unfavorable economic conditions. In short, not until the economic life of the people were improved would a larger population in Tibet be desirable.

II. HISTORICAL BACKGROUND

The history of Tibet is full of myths and legends. The Tibetans believe that their ancestors were descended from *Chen-re-si*, the compassionate spirit. *Chen-re-si* in Tibetan legend more or less corresponds to Adam and Eve in the Christian Bible. From *Chen-re-si* all the spiritual and human rulers came. Modern historians place the Tibetan race in the Mongolian family, however. Though relations between Tibet and China date from time immemorial, they first came into prominence in the days of the Tang dynasty. Intercourse between Chinese and Tibetans increased rapidly in course of time. With the Mongol conquest in the thirteenth century, Tibet was incorporated into the Yuan Empire. At the beginning of the Ching dynasty a tribute was paid by the Dalai Lama to the Imperial court as an expression of homage and obedience. In return, an envoy was sent to Tibet to announce to the Dalai Lama the grace and beneficence of the emperor. This marked the beginning of political relationship between the Manchu court and Tibet. Throughout the Ching dynasty Tibet was under the control of the Imperial Government at Peking. The office of an Amban or Resident stationed at Lhasa was created in the reign of Yung-cheng and its power was increased in the reign of Chien-lung.

The relations of Tibet with the outside world date back to 1774, when George Bogle of the East India Company was sent by Warren Hastings to the Tashi Lama with the object of establishing a trade connection between India and Tibet. In 1811 an English traveler by the name of Thomas Manning who had planned to reach the interior of China by way of Tibet managed to reach Lhasa. This ambitious man stayed in the Holy City of Lhasa for a few months and had several interviews with the Dalai Lama, but was finally forced to return to India, whence he had come. During the nineteenth century many attempts were made by Europeans to enter Tibet, but the Tibetans were determined to exclude foreigners and to eliminate foreign influence in order to preserve their own traditions, customs and religion. Owing to their objection to foreign penetration into their territory, the Tibetans repudiated the Convention of 1890 between Great Britain and China relating to Sikkim and Tibet. This repudiation led to misunderstandings which ended in the Younghusband Expedition to Lhas a in 1904. After the Dalai Lama had fled to Mongolia, the Lhasa Convention was signed between Colonel Younghusband, the hotheaded young English officer, and the powerless Tibetan officials. By virtue of this convention Great Britain secured those rights and privileges which the British Indian Government had wished to obtain for a century. This convention was modified, however, by the Convention of 1906 between Great Britain and China. But the Younghusband Expedition into Lhasa left the Tibetans with fear and suspicion. Realizing that this might drive the Tibetans into the arms of Russia, Great Britain signed with the latter in 1907 a convention of non-

interference with the internal administration of Tibet.

At the end of the Ching dynasty there was a short period of Chinese reassertion of authority when General Chao Erh-feng, the Frontier Commissioner, had a stronghold on Tibet and the Chinese Resident at Lhasa was the real political administrator. The action taken by the Frontier Commissioner to safeguard Tibet from foreign aggression caused misunderstanding and fear on the part of the Dalai Lama, who fled to India upon the arrival of General Chao at Lhasa in 1910. With the establishment of the Republic in 1912, the Tibetans were legally considered one of the five races (Chinese, Manchus, Mongolians, Mohammedans and Tibetans) constituting the Republic of China. In spite of this, the Dalai Lama was advised by his foreign friends to declare Tibet independent of the Chinese Republic. The Chinese vassal states of Bhutan and Sikkim had already become the buffer states of India and the British political officer of these two states now took advantage of the situation with a view to creating a buffer state out of Tibet. During his tenure of office Sir Charles Bell advocated the creation of an independent state of Tibet serving as a puppet against Russian domination and Chinese control. This sinister design was severely criticized by newspapers in England and in India. The failure of the Simla Conference to settle the question of Tibet gave the British political officer of Bhutan and Sikkim a great opportunity to play the game of intrigue. In his "Tibet, Past and Present," Sir Charles Bell undisguisedly exposed to the world his scheme of creating a puppet state of Tibet. Downing Street has not accepted his plan and recommendation, however, in as much as England has been busily engaged in devising ways and means of solving her European and colonial problems.

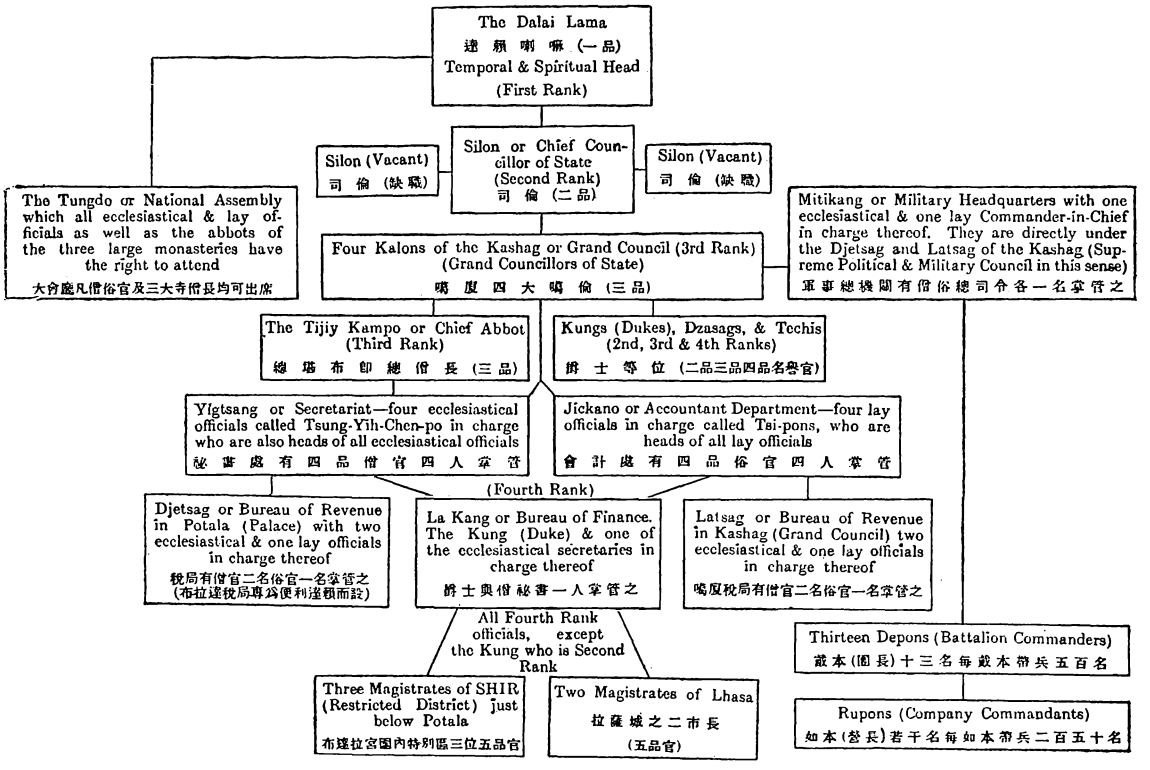
With the establishment of the National Government in Nanking in 1927 the Dalai Lama sent a representative to the new capital as a liaison agent between Tibet and the central authorities. Upon the death of the 13th Dalai Lama the National Government immediately decided to send a special mission to Tibet for the purpose of conferring posthumous titles upon this spiritual and temporal ruler of the Tibetan race and offering him sacrifices in accordance with Chinese and Tibetan customs. Since this was the first mission to be sent to Tibet since the establishment of the Republic, the expression of good will on the part of the central authorities helped to clear up a great deal of misunderstanding existing between Tibet and the Central Government. Tibet was brought into still closer contact with the Central Government by the establishment of a wireless station at Lhasa. Two members of the special mission were ordered to remain behind for the purpose of bringing about close cooperation between the regional and the Central Government as a preliminary step in promoting the welfare of the Tibetan people. The Lhasa Government, on the other hand, sent four representatives to Nanking to participate in the actual administration of governmental affairs. The Central Government is not so much interested in the question whether Tibet is an autonomous region *de jure* or *de facto*, as in the welfare of the Tibetan people, and is ready to grant them equal rights and representation. The Tibetan Government and people fully realize the significance of the relation between the regional government at Lhasa and the Central Government in Nanking and still acknowledge Tibet as an integral part of China.

III. POLITICAL ORGANIZATION AND ADMINISTRATION

As matters stand the Dalai Lama is the supreme ruler both in civil and religious affairs and under him are the ecclesiastical and lay officials. During the Ching dynasty there was stationed at Lhasa an Amban or Resident who was the representative of the Imperial Government and with whom the Dalai Lama had to consult in matters of political importance. At

THE POLITICAL AND MILITARY ORGANIZATION OF TIBET

西藏政治與軍事之組織



the end of the Ching dynasty, Chang Yin-tang was appointed to investigate Tibetan affairs. As a result of his investigation, a program of reform was launched by which the Lhasa Government was ordered to establish nine bureaus, namely: (1) finance, (2) army, (3) foreign affairs, (4) education, (5) salt and tea, (6) roads and mines, (7) agriculture, industry and commerce, (8) police and (9) justice. All these bureaus were set up with the object of hastening the work of political and economic transformation in Tibet. As a result of the vicissitudes of fortune, five out of nine bureaus have ceased to exist and the remaining four (finance, police, agricultural affairs, salt and tea) exist in name only. With the formation of the Republic, the Amban or Resident stationed at Lhasa was forced to have Tibet and all of the power was therefore centered in the hands of the Dalai Lama. In recent years, the political system of Tibet has undergone certain changes, but it is still exceedingly simple.

The Dalai Lama is the highest authority in connection with the spiritual and temporal affairs of Tibet. Upon the death of the 13th Dalai Lama, the Tibetan National Assembly (Tungdo) elected Reting (Je-chen) Hutuktu, a young priest of 23, as Acting Dalai Lama until the 14th Dalai Lama shall be found and shall have reached the age of 18. Under the Dalai Lama are three Silons or chief councilors of state the portfolios for which were recently created. At present there is only one Silon, the nephew of the late Dalai Lama. Under the Silon is the Kashag or grand council, composed of four Kalons or grand councilors of state, of whom three are laymen and one a priest, known as the Kalon Lama. The Kashag is the highest organ of administration. It carries out orders from the Dalai Lama in consultation with the Silon as to the means of execution. In this way, the Silon has a great deal to say in political matters and he can exercise his power if he wishes to do so. On the whole, the Kalons are the real administrators of Tibet with all the powers, be they executive, legislative, judicial, military or external, centered in their hands. The system of joint decision has been adopted in the Kashag. Under the Kashag are the Yigtsang or secretariat and the Jickano or accountant department. The former is composed of four ecclesiastical officials, called Tsung-yih-chen-po, who are heads of all ecclesiastical officials, while the latter is made up of four lay officials, called Tsi-pons, who are heads of all lay officials. There are two magistrates for the city of Lhasa in charge of the public safety, the prison and the administration of justice. The magistrates are lay officials to be appointed by the Kashag.

With regard to the official ranks of Tibet, the Dalai Lama alone forms the first rank, the Silons belong to the second, the Kalons to the third, the secretary-general, secretaries, commander-in-chief of the Tibetan army and battalion commanders to the fourth, and the magistrates to the fifth. Apart from regular official ranks, there are honorary titles, such as Kung, Dzasag, Techi and so forth. The hereditary title Kung is bestowed upon the father of the Dalai or Tashi Lama, and it is the highest rank (second rank) among laymen. Dzasag (third rank) may be conferred upon both lay and ecclesiastical officials for meritorious service rendered to the Government and people. Techi, between the third and fourth ranks, is conferred on laymen only, although both civil and military officials are eligible for it. As a matter of fact, the holders of these titles enjoy social privileges and not political power.

The Tungdo or National Assembly is one of the most important organs in the political system of Tibet. All lay and ecclesiastical officials, as well as the abbots of the three large monasteries, have the right to attend the Tungdo. The chairman must be over the age of 60. When matters of emergency arise in domestic and foreign affairs, it is the Tungdo which is convened to discuss and decide necessary measures to be taken in dealing with the situation. Its decisions are acted upon by the Government. Even with his supreme power, the Dalai Lama is not in a position to make decisions

on matters of first political importance without the knowledge of the Tungdo.

In Tibet, the local unit is called the *chung*, which is equal to a district in the Chinese provinces. There are more than 170 *chung* in the whole Tibet, each with a Chungpon in charge of local administration. The office of Chungpon is equivalent to the district magistrate in Chinese local government. Some of the Chungpons are officials of the fifth rank and some of them are of the sixth, while the rest are of the seventh; all depends on the size of the administrative district. The Chungpon is responsible for the administration of civil affairs and of justice, as well as for the collecting of taxes and for miscellaneous works of the district. In case of war, the Chungpon is under the direction of the Depon and is intrusted with the defense of the district. Owing to the congestion of routine works in greater districts, two Chungpons may be appointed for the sake of convenience. The Chungpon can be either a lay or an ecclesiastical official, but if there are two Chungpons in a district, one must be a lay official and the other an ecclesiastical official. When two Chungpons are found in a district, they are of the same rank and they discharge their duties by joint direction and responsibility. During wartime, however, one is responsible for civil affairs and the other for military affairs. A *chung* is composed of a certain number of villages and the strategical point has always been chosen as a center of defense and administration.

IV. ARMY

The organization of the army as prescribed in the Ching dynasty was composed of six Depons with the fourth rank and a Depon for each 500 soldiers. Under the Depons were 12 Rupons with the fifth rank and one for each 250 soldiers. Under the Rupons were 24 Chiapons with the sixth rank and one for each 125 soldiers. Under the Chiapons were 120 Tingpons with the seventh rank and one for each 25 soldiers. All of the military officials in the Tibetan army were selected and appointed jointly by the Chinese Resident at Lhasa and the Dalai Lama. The soldiers were trained by Chinese military officials and soldiers who were selected and sent by the governor of Szechwan to garrison Tibet. With the dispatch of 2,000 Chinese soldiers into Tibet at the end of the Ching dynasty, the Tibetan army with its rudimentary organization gradually sank into oblivion.

Upon the formation of the Republic, the condition of Tibet underwent serious changes and the Szechwan soldiers stationed in Tibet entirely evacuated. The old Tibetan military system was replaced by a new one. By the introduction of the conscription system, all Tibetans with the exception of lamas are required to perform military service for a certain period of time. The exact size of the Tibetan army is unknown, but the number of well-equipped soldiers with good training is estimated to be from 5,000 to 6,000, and in no circumstances does it exceed 10,000. With regard to the military officers it is said that there are a commander-in-chief, 13 Depons or battalion commanders and a certain number of Rupons or company commanders. The Tibetan army is modeled after the British pattern, not only are munitions imported from Great Britain, but uniforms are also cut after the British style. As a matter of fact, the Tibetan soldiers are trained by British instructors and in some cases by Tibetans educated in British military schools. Whether the late 13th Dalai Lama adopted voluntarily or reluctantly the military reform on the British model is a question, but in no case can the tremendous British influence on the development of the Tibetan army be denied.

V. LAWS AND THE ADMINISTRATION OF JUSTICE

The religious King Song-tsen Gampo, who ruled Tibet in the seventh century, instituted a system of criminal laws for the punishment of murder, robbery, adultery and other high crimes. Besides the criminal code, Song-tsen Gam-po formulated a

moral code consisting of the following 16 cardinal virtues:

1. Faith in the supreme Beings (chief rare ones).
2. Performance of religious ceremonies and pursuit of knowledge.
3. Filial duty.
4. Respect for the virtuous.
5. Respect for the elders, especially the aged and persons of noble birth.
6. Attention to relatives and friends.
7. Service to the country.
8. Honesty.
9. Realization of the light use of food and wealth.
10. Following the good example of others.
11. Expressing gratitude to benefactors and returning favors with kindness.
12. Using correct weights and measures.
13. Refraining from jealousy and bringing about harmony among all.
14. Ignoring words of women.
15. Gentleness in speech and skill in conversation.
16. Bearing suffering and distress with patience and meekness.

Buddhism is the foundation of the 16 cardinal virtues as advocated by Song-tsen Gam-po. The law of *karma* which ordains that "as a man sows so shall he reap" underlies the whole judicial system of Tibet. The establishment of a system of law and the formation of a moral code indicate a great effort toward the elimination of social evils. Indeed Song-tsen Gam-po exerted a tremendous influence on the development of law and the administration of justice in Tibet.

The administration of justice is in the hands of lay officials. The Silon is given full power to deal with all criminal cases which are considered unfit for His Holiness the Dalai Lama. Important civil cases are submitted to the Dalai Lama for final decision, however. Usually punishment is meted out to the criminal by the Kalons in consultation with the Silon. During the Great Prayer Festival of 21 days which usually takes place in February and March following the Tibetan new year, the administration of the civil and criminal cases at Lhasa is transferred to Drepung Monastery to be in charge of two priests who act as judges. The practice of Tibetan law is full of cruelty. Owing to the belief in Buddhism, capital punishment was not prescribed in the Tibetan law, but the means of inflicting death upon criminals is both severe and inhuman. In the Ching dynasty, steps were taken to reform the existent laws and the administration of justice in Tibet. Tax-collectors were concurrently intrusted with the administration of civil and criminal cases with a view to improving the actual situation. With the abolition of the office of tax-collectors at the end of the Ching dynasty, the administration of justice was transferred to Chungpons in the case of local units and to the magistrates in the case of Lhasa. In practice, the Hutuktus and the Depons deal freely with civil and criminal cases and sentences are often made in accordance with custom and even in accordance with their pleasure or displeasure. Though the people have long been dissatisfied with this maladministration of justice, they are not in a position to overthrow or to improve the existing legal institutions. When the program of reform was launched by Chang Ying-tang, the special commissioner for the investigation of Tibetan affairs, the Bureau on the Administration of Justice was one of the nine bureaus set up by the Lhasa Government in accordance with the order of the Imperial Government. Unfortunately circumstances changed greatly and the Bureau on the Administration of Justice with its rudimentary organization disappeared.

VI. ECONOMIC CONDITIONS

Human power and natural resources form the foundation of economic development. Scarcity of population and failure to exploit mineral resources have been responsible for the economic backwardness of Tibet. For the sake of clarity, economic conditions may be outlined as follows:

A. Agriculture.—A severe climate and arid soil constitute the most unfavorable factors for agriculture. The Tibetan plateaus are unsuitable for the raising of cereals. The arable land is limited to the small valleys situated in the southern part of Lhasa and production is carried on on a small scale. Barley, wheat, beans and peas are the main crops raised in Tibet, but they

are produced in small quantities. Tibet is primarily a pastoral region, especially in the northern part, where cattle-raising is the chief occupation of the common folk. The annual production of wool, milk and butter is abundant but owing to the lack of statistics the exact quantity is unknown to the outside world. Wool is exported to India, while milk and butter are kept for local consumption. Forests are found in eastern and southwestern parts of the Tibetan plateaus, but they remain undeveloped owing to the inconvenience of communications.

B. Industry.—Tibetan industry is still in the stage of handicraft and its products are both crude and simple. The main industrial products are woolen cloth, wooden bowls, carpets, paper, images of Buddha, wood carvings and various objects of art. Machine industry is rare, if not unknown, in Tibet. There is a small arsenal in Lhasa which can manufacture rifles and repair arms and which serves as an important instrument in the enlargement of the Tibetan army. In addition, an electric plant has been newly set up there.

C. Commerce.—Economically, Tibet is far from being self-sufficient, despite the fact that her people lead a very simple life. The Tibetans therefore depend on the outside world for finished goods and for some of their foodstuffs. The trade between Tibet on the one hand, and the provinces of Szechwan, Yunnan, Sikang and Chinghai on the other has been prosperous for centuries. The articles imported into Tibet from China Proper consist of tea, silk, scarfs, cotton cloth, tobacco, bean sauce, ham, porcelain, wines, religious ornaments and so on. The most important items of export are wool, furs, skins, drugs and medical herbs. Among the trade centers, Tatsienlu is foremost with tea, fur and medical herbs as the principal articles of trade. In the province of Chinghai, Yushu is a trade center where the business is chiefly concerned with medical herbs, cattle and woolen goods. In former times the amount of tea imported through Tatsienlu into Tibet was valued at 3,000,000 taels a year, but the trade is now shared by the Yunnan tea which is imported by way of India. The trade relations of Tibet with the neighboring countries of Bhutan, Nepal and India are close and a large volume of business is transacted every year. Imports from India consist of finished goods and munitions, while those from Nepal consist principally of salt. The balance of trade with India is adjusted by the export of wool from Tibet. The trade of Tibet has been carried on almost as a monopoly by a Lhasa firm, named Pang Ta Chang, which has branches in India and other places. Both imports and exports are in the hands of this firm, which also acts as an agent of the Lhasa Government for the purchase of munitions. In short, Pang Ta Chang is in no way dissimilar to a commercial trust under the joint control of the Government and people of Tibet.

D. Mineral Resources.—Tibet is famous for its rich mineral resources, but the actual quantity of minerals is unknown owing to the lack of scientific investigation. The success obtained through operations by primitive methods suffices to show the abundance of the deposits, however. The minerals in Tibet include gold, silver, copper, iron and petroleum; gold is widely found. Owing to the superstition of the Tibetans the operation of mines has been forbidden and natural resources hence left undeveloped. Coal is found in the north near the province of Chinghai and probably there are large coal deposits along the Kuenlun Mountain Range.

VII. FINANCE

In the days of the Ching dynasty, the Tibetans paid their annual taxes in terms of goods. But in the distant districts where the transportation of goods was found difficult, taxes were rendered in terms of money. The annual income amounted to more than

127,000 taels and was deposited in the treasury at the Central Temple. Expenditures covered (*a*) the payment of salaries made to the lamas for the reciting of Buddhist scriptures in all monasteries during January, and a sum amounting to more than 70,000 taels; (*b*) the expenses of religious ceremonies and different grants costing about 39,200 taels; (*c*) the purchase of food and equipment, together with expenses devoted to charity purposes, amounting to more than 24,400 taels. The deficit in expenditure was met by other means. With regard to the Panchan Lama, the annual income of the Tashi Lhun-po Monastery amounted to more than 66,900 taels, while the annual expenditure was about 74,600 taels. Apart from expenditures in the religious field, the surplus was allocated as salaries for the army. All matters relating to public finance were placed under the supervision of the Resident in Lhasa.

Since the formation of the Republic the system of public finance in Tibet has undergone great changes. The amount of taxation has been increased as a result of new taxes having been imposed upon the people. Among the government incomes the principal revenues are duties levied on cattle, tea, rice, salt and medical herbs as well as land, property and poll taxes. The important items in the annual expenditure are for the increase of armaments, the repairing of monasteries, the purchase of food and equipment, and the payment made to the lamas for the reciting of Buddhist scriptures. During the Ching dynasty, three was a balance between annual income and expenditure owing to the simplification of governmental affairs and the stable life enjoyed by the people. In recent years, however, incomes have been limited and expenditures have increased, resulting in a large deficit. The increase of taxes, the issue of paper notes and the profit made from the mint have been the only means to meet the situation. This policy has been responsible for the chaotic condition in public finance and the sense of insecurity among the people.

There are three media of exchange in the currency system in Tibet. Amongst these the Indian rupee, both in cash and in notes, has been the most influential and is regarded as the standard currency in business transactions. Next to the Indian rupee come the Szechwan half-dollar silver coins, the number of which is limited, however. Lastly, there are Tibetan coins and paper notes the number of which is beyond estimate. Nominally Tibetan coins are composed of 70% silver and 30% copper, but as a matter of fact they are minted with 50% silver and 50% copper. With the unlimited issue of paper notes, the Tibetan currency has depreciated heavily in the course of time. In former times, when the Tibetan people were still economically self-sufficient, the import of finished goods from India could be balanced easily by the export of wool and there was always an excess of exports. Through the maintenance of a favorable balance of trade, the value of Tibetan money was kept above that of Indian money. With the establishment of the Republic, however, Chinese soldiers withdrew from Tibet with the economic consequence that no more money was received from the Central Government to be spent in Tibet. In addition, the trade route between Tibet and China Proper was interrupted and consequently the native products of Tibet could not be transported into China in exchange for daily necessities. The import of munitions, tea, finished goods and other necessities of life could be met only by the export of cash and raw materials. The ratio of foreign exchange gradually became unfavorable to the Tibetan currency. Thus the trade and finance of Tibet are under the British domination.

VIII. COMMUNICATION

Primitive methods of transportation and the obstruction of mountains and rivers have made Tibet difficult, if not impossible, of access from the outside world. A long history of intercourse between the Chinese and the Tibetans and the incorporation of Tibet into the Chinese Empire, however, created two roads into Tibet. With its starting point at Tatsienlu the first road runs from east to west,

through Batang and Chamdo to Lhasa and Tashi Lhun-po, and goes northwest to Sinkiang, with its terminus at Yutien. This road forms a link between Szechwan, Tibet and Sinkiang. The second road starts from Sining and runs southwest, along the north of the Kuenlun Mountains and the Tangla Range to Lhasa. This road forms a link between Chinghai and Tibet. After the British conquest of Sikkim, the railway was extended to Darjeeling and across the border through the Dze-lep La Pass of the Himalaya Range to Yatung and Gyantze, two important trading centers of Tibet. This road runs through high mountains of from 14,000 to 18,000 feet and it is difficult to travel there in the rainy season or when it is snowing. Another road runs from Simla through Gantok, the capital of Sikkim, crossing the Natu La into the fertile Chumbi Valley, and from there either runs to Shi-ga-tze or to Lhasa. This route is important because most of the Indo-Tibetan trade is carried over it. Both roads are links of communications between India and Tibet. In Tibet the means of land transportation are ponies, mules, yaks and donkeys while on the waterways it is the boat made of leather which accommodates at most 20 persons. Most of the bridges are made of wood and are liable to destruction by floods after heavy rains. In some cases the rivers are crossed by iron chains which take the place of bridges.

With regard to the postal service, owing to technical difficulties, the Ministry of Communications has not yet set up any post office in Tibet. The Tibetan authorities, have inaugurated a local postal system, however, and have issued stamps which are only good in Tibetan territory. In case a letter should be sent from Tibet to China Proper it can be done only by way of India; hence both Tibetan and Indian stamps must be used. The telegraphic communication in Tibet is said to have been the joint enterprise of the Dalai Lama on the one hand and British interests on the other. Wires were set up between Lhasa and Gyantze, a distance of 144 miles. In case a message is sent to China Proper it can be done only by way of India and hence the rate is exceedingly high —amounting to more than three rupees per word. Fortunately a radio station was set up in Lhasa by the Ministry of Communications in 1934, having been established for the use of the Special Mission sent by the Central Government to Tibet. Recently, radio receiving sets have been installed in Lhasa and news broadcast from Nanking can be heard by the Tibetan people. The improvement of the means of communication would certainly help to strengthen the relations between the central and the Tibetan authorities.

IX. SOCIAL ORGANIZATION

The social organization of Tibet is simple both in form and spirit. Monasteries and families are centers of society. About one fifth of the population are lamas who alone form the intelligentsia. The family system in Tibet is one of large families. All members of the family live permanently together in the same place in order to keep the family estate and properties intact. There exist in Tibet all forms of marriage—monogamy, polygamy, polygyny and polyandry. Monogamy is very common and polygamy and polygyny are universal among the wealthy classes, while polyandry is the common practice among the poor. In Tibet marriage is arranged by the parents of both parties and the female has practically nothing to say in matters of matrimony. In consultation with the horoscopes weddings take place between males and females who are of similar social standing. Literacy is considered to be one of the important qualifications for a prospective husband, while good housekeeping is thought to be essential in the case of a future wife. The marriage ceremonies are different in different classes and in different localities, however.

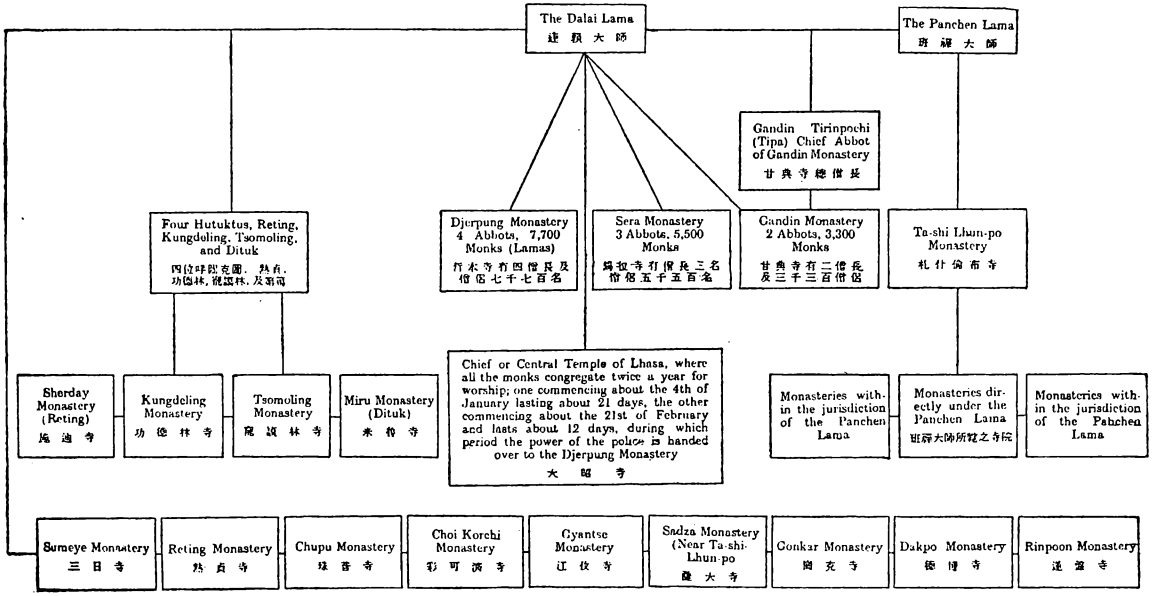
The idea of class distinction is deeply rooted in Tibetan society. There exist in Tibet three main classes, the nobility constituting the first class, the merchants the second, and the shepherds, herdsmen, peasants and servants the third. The nobility is

composed of 175 families from which all lay officials come. The merchants form the middle class but are without influence. The shepherds and herdsmen are simple, sociable, law-abiding, hardy and independent people, while the peasants and servants are more or less slaves. In addition, the lamas constitute a distinctive group and they alone are qualified to be appointed as the ecclesiastical officials. All lamas come from the common folk. But the common folk lack education and the only way for them to make up this lack is to become lamas and hence acquire knowledge of religion and government. In Tibet monasteries are really centers of learning. When lamas become ecclesiastical officials their position is far superior to that of the lay officials. Even the Dalai Lama, the most powerful spiritual and temporal head of Tibet, usually comes from the common folk as a result of incarnation. Thus there is always an opportunity for an exchange of position between the nobility and the common folk, between the laymen and the priests and consequently no revolution has occurred in Tibet, despite the prevalent idea of class distinction. Obsessed by superstition, imbued with the Buddhist principles of life, secluded from the rest of the world, Tibetans have their own peculiar habits and customs.

X. RELIGION

"The people of Tibet," said the Panchan Lama, "are all believers of the Buddhist religion and the spirit of Buddhism has manifested itself in politics, law, custom and life. Whenever it is beyond the reach of the law, it is by religion that work is done. This embodiment of politics and religion is a system which suits the condition of Tibet." Thus the history of Tibet is inseparable from that of Buddhism. Legend says that in ancient times an Indian prince came to Tibet and was made king by the Tibetan people. This marked the introduction of Buddhism into Tibet. Down to the time of the seventh century, King Song-tsen Gam-po, who married the Princess Wen-chen of the Tang dynasty, was an ardent adherent of the Buddhist faith. For the promotion of Buddhism in Tibet, students were sent to India to study Buddhist scriptures but only one of them acquired a profound knowledge of Buddhism. On his return to Tibet this eminent scholar undertook to create the written Tibetan language through the adoption of Buddhist scriptures. The propagation of Buddhism was achieved by the translation of Buddhist scriptures into the Tibetan language. In the course of time Buddhism in Tibet emerged into the Red Sect, which was once the dominating force among the Tibetan people. After the Mongol conquest of China, there appeared in Tibet a saint who could recite tens of thousands of Buddhist scriptures at the age of seven. Through the respect and confidence of Emperor Kublai Khan, this saint was made the head of the Buddhist religion in the empire. The Red Sect flourished most extensively in the Yuan dynasty, but it soon underwent a period of decline and decadence through its association with the witchcraft of sword-swallowing and fire-eating. In the Ming dynasty there appeared another saint who undertook to re-establish Buddhism through the discarding of later opinions and interpretations and the restoration of the original faith. By leading the new movement towards the re-evaluation of Buddhism, this religious reformer became the founder of the Yellow Sect. The founder had two disciples, the first named the Dalai Lama and the second the Panchan Lama, who were co-leaders of the Yellow Sect. The rebirth of both the Dalai and the Panchan Lamas is by reincarnation. In addition to the Red and the Yellow Sects there are the Black and the White Sects, but the Yellow Sect is the most powerful in Tibetan Buddhism. At the beginning of the Ching dynasty in view of the close relation of Mongols and Tibetans with Buddhism, the Imperial Government conferred honorary titles upon the Dalai Lama and intrusted him with the work of directing Buddhism in the empire. Many temples were built outside the city wall of Peking as an expression of

RELIGIOUS ORGANIZATION
西藏佛教之組織



the sincerity and devotion of the Imperial Government as regards the promotion of Buddhism. This policy gained the good will of Mongols and Tibetans.

The Dalai Lama is the spiritual head of Tibet and next to him is the Panchan Lama, although in religious ranking the Panchan Lama is equal to the Dalai Lama. Directly under the Dalai Lama are three great monasteries in and around the Holy City of Lhasa, namely, the Djerpung (drepung) Monastery with four abbots and 7,700 lamas, the Sera Monastery with three abbots and 5,500 lamas, and the Gandin (Ganden) Monastery with two abbots and 3,300 lamas. Among the three monasteries the Djerpung is the largest, but the Gandin is the most influential and powerful, because of the fact that the chief abbot residing there is next to the Dalai and Panchan Lamas in rank. Under the Panchan Lama is the Tashi Lhun-po Monastery with 4,000 lamas, and numerous smaller monasteries are within his jurisdiction. In addition there are four Hutuktus, each of whom occupies a monastery either under his own name or in some other name. Reting, one of the four Hutuktus, has been chosen as Acting Dalai Lama. The Central Temple of Lhasa is the place where the Kashag is located and where the lamas from all parts of Tibet together for the great religious festival immediately following the Tibetan New Year. Monasteries are too numerous to name, however, and the table shows only the important ones in order to indicate the organization of Tibetan Buddhism. Tibet is famous for its inseparability of religion and politics, but this is only true with respect to the supreme authority, the Dalai Lama, under whom there are ecclesiastical as well as lay officials with different functions.

XI. EDUCATION

Strictly speaking, apart from reading and reciting Buddhist scriptures, there is no education in Tibet. A few priests and aristocrats may have a profound knowledge of Buddhism but there is certainly a lack of common sense. As to the common folk, they understand no Chinese and the majority of them are ignorant even of the Tibetan language. It is therefore natural for the Tibetans to remain aloof from world affairs. Tibetan culture is not only derived from but based on Buddhism, and monasteries are in themselves educational institutions. The three great monasteries all maintain their own schools where young disciples of the faith are educated to be full-fledged lamas. Each disciple has one of the learned lamas as his teacher. Two government schools are found in Tibet for the training of prospective ecclesiastical and lay officials, however. In addition, there are a number of private schools, each with a handful of students. Males and females together attend the classes in which the Tibetan language and calligraphy are taught. No hours are fixed for class attendance, but lessons are usually given in the morning and at night. No tuition fees are paid, gifts being made instead to teachers by students individually at the new year and other festivals. In Lhasa, there are colonies of Chinese and Mohammedans and a Chinese and Mohammedan Primary School was once set up to accommodate their children. This school was unfortunately closed down, but it was recently reopened and renamed the First Municipal Primary School of Lhasa. The curriculum consists principally of Chinese and common sense, the Tibetan language is also taught but with less emphasis. If this school eventually attains success, it will have been the forerunner of modern education in Tibet. As a result of the exclusion of foreigners from Tibetan territory, no missionary schools have been set up by Europeans and Americans. A small number of Tibetan students have been sent to study in Great Britain with facilities given by the British authorities. In recent years Tibetan students have come to study in Nanking and other places in China Proper in increasing numbers and with great enthusiasm.

XII. CONCLUSION

On account of its geographical propinquity, racial affinity and economic

dependence, Tibet has never been separated from China. Historically, Chinese sovereignty over Tibet may be traced back to the beginning of the Yuan dynasty (probably in the year 1247) when the prelate of Sa-kya Monastery, commonly known as the Sa-kya Pandita, was invited to the Imperial Palace by the grandson of the Mongol conqueror, Jenghiz, and again, in 1252, when Emperor Kublai Khan, after having conquered eastern Tibet and ascended the throne of China, invited to his court the Sa-kya Pandita's nephew, Pak-pa Gyal-tsen, and invested him with sovereign powers over Tibet. Throughout the Ching dynasty Tibet was an integral part of the Chinese Empire. Upon the establishment of the Chinese Republic in 1912 the Tibetans were constitutionally declared one of the five races forming the Republic.

Despite the fact that Tibet has been an autonomous region *de facto* since 1912, the Lhasa Government still recognizes Tibet as a part of China and no attempt has been made on the part of the central anthorities to change its political system and internal administration. Unfortunately British frontier political officers have repeatedly taken advantage of the Tibetan autonomy and its financial stringency in order to play a game of diplomatic intrigue with the object of converting Tibet into a puppet state. At first especially during his period of exile in India and immediately following his return to Tibet during the early part of the Republic, the Dalai Lama was convinced by his foreign advisers that the setting up of an independent government at Lhasa would be a blessing to the Tibetan people in view of the internecine warfares within the Republic. Under the pressure of foreign domination of the postal service, telegraphic communication and currency, as well as the stationing of foreign troops in the Tibetan territory, the Dalai Lama finally began to lose faith in his foreign "friends" and once more looked to the Central Government for co-operation. This insight of the Dalai Lama is truly significant, in as much as Tibet is physically and financially incapable of maintaining an independent government without visiting the danger of foreign intervention. Realizing the necessity of co-operating with the Central Government, the Tibetan authorities wish only to maintain the *status quo*. Hence, politically speaking, had it not been for foreign intrigues and interference, there might not have been any political disputes between the regional ond Central Government. Economically, Tibet is a poor country and unless subsidies and encouragement are given by the Government, no economic development can be realized. Unless there be some improvement in respect to the people's livelihood, the social structure, political system and economic organization will remain unchanged. Culturally, Tibet has been greatly influenced by Chinese traditions and customs after a long history of constant intercourse. Furthermore, social stability is guaranteed and strengthened by the remarkable family system, which is even more pronounced in Tibet than in China. Unlike the rest of China, no fundamental change has been effected in Tibetan life. Because of its physical inaccessibility and its peculiarity as a Buddhist stronghold, Tibet remains unchanged as the land of lamas, of snow and of mysteries.

THE CHINESE OVERSEAS

LIN YU (林幽)

INTRODUCTION

The attitude of our government towards the Chinese overseas has undergone a great change; whereas formerly they were regarded as renegades, now their welfare is a subject of great public interest. In spite of the former discouragement by the authorities, however, the Chinese have always been great colonists. Though they have settled chiefly in southeastern Asia and Oceania, which are known to the Chinese as Nanyang, or the South Seas countries, Chinese emigrants are found as far north as Siberia and as far south as South Africa, in Europe as well as the Americas. When the Europeans first reached the South Seas in search of spices they found the Chinese already there engaged in prosperous trading.

But all these countries now belong not to the Chinese, but to the Europeans. This is a great anomaly: the Chinese people are great colonists, but China has no colony of her own. In spite of the lucrative trade, for centuries the Chinese Government had placed upon migration to the South Seas a strict ban which was not lifted until the latter half of the 19th century. These anomalies must be explained in the light of the history of the emigration of the Chinese people which is briefly surveyed below.

I. HISTORY

A. Chinese in the South Seas Countries.—When the Europeans reached the South Seas they found the Chinese already trading in these regions, but the Chinese, suffering from the government ban on emigration and lacking in political ambition, did not compete with the Europeans for supremacy in the South Seas countries. Instead they rendered useful services to the Europeans, which usually took the form of acting as guides for their expeditions, and as middlemen in supplying the Europeans with what they needed, from provisions to taxes, from laborers to petty officials. Particularly deserving of mention was the system of farming taxes, with the Chinese as the "farmers," the "forced culture" system, which was not successful until the Chinese were induced to cultivate the land for the kind of product which the Europeans desired and to exploit the tin mines which were first worked almost entirely by the Chinese alone.

In return for all these services the Chinese amassed great fortunes, but they were not always fairly treated. There were three unfortunate results of this contact between the Chinese and the Europeans—the wholesale messacres of the Chinese overseas, the coolie trade or contract labor and the degeneration of the patriotic secret societies into labor racketeers' organizations.

1. The Massacres.—The massacres were caused by mutual jealousy and suspicion. In this respect the Chinese resident in the Philippines suffered the worst. In 1600 the Spaniards, suspecting that the Chinese were plotting to revolt, massacred about 25,000 Chinese in Manila. About three decades later the Chinese engaged in cultivation in these islands revolted against the Spaniards because of their cruelty and some 20,000 were killed. By 1709 the Chinese were once more influential enough to arouse the ire of the Spanish who forced their government to issue an order for the expulsion of the non-Christian Chinese, which order was not carried out, however, till two years later.

In 1740 there took place in Batavia a great massacre of the Chinese, which is known to them as the Red River Massacre. A number of Chinese—either poor men or the unruly elements—were seized by the Hollanders and shipped out of the city, some of them being thrown overboard. Batavia Chinese learnt the news from a survivor who had been thrown into the sea but had swum back to the shore. The situation immediately became tense. Rumors were circulated by the Europeans that the Chinese intended to commit arson against them. This resulted in the issuance by the Dutch of an order for the wholesale massacre of the Chinese, who lost, according to the Netherlanders themselves, some 10,000 lives. The Chinese made an unsuccessful attempt, in co-operation with some of the natives, to capture Semarang.

2. *The Secret Societies.*—Whatever the origin of the secret societies, there is no doubt that they aimed at driving the Manchus out of China. They worked very well in the beginning; but, finding themselves in a society composed mainly of workers whose chief concern was that of getting some means of livelihood, they were faced with the problem of helping the workers or else losing their hold on them, and their leaders chose the former course, which was compatible with the mutual help ideology of the society. Soon it became a matter of providing work for their members in the place where they held a dominant position to the exclusion of the non-members of the society. Those excluded took to the same tactics and rivalry between the secret societies developed, with the result that these societies degenerated into labor racketeers' gangs.

The governments in the South Seas countries first were puzzled by the working of these secret societies, then about the middle of last century legalized them so that they could be brought under control, and finally towards the end of that century drove them underground again. During the period of their legal existence, they often assumed the name of *kungszu* (公司), or companies, aspiring to become one day like the British or Dutch East India Companies. And in many places they did become, at one time or another, the *de facto* government.

3. *The Contract Labor System.*—The frugal living, intelligence and willingness to work of the Chinese laborers created a great demand for their services, to obtain which the Europeans and their agents often resorted to cheating and kidnapping. The abolition of slavery helped to bring about the contract labor system, the inhumanity of which has long been exposed and need hardly be touched upon here. Suffice it to say that the mortality among the laborers was exceedingly high, whether during the voyage to, or in the working camps. Apparently a contract laborer would be free to go wherever he pleased after the expiration of the contract. But the stipulations of the contract made it well-nigh impossible for him to do so. The long hours of work each day and the number of working days in a year, with no provision for sickness, and the meager amount of pay, together with the gambling and opium dens in the camps, usually placed the laborer in debt, either in money or working days at the expiration of the contract, which meant that he had to renew the contract for another period.

The inhuman conditions under which the contract laborers worked aroused worldwide indignation against the system, and the countries whose nationals were interested in the trade began to restrain their nationals from partaking in the coolie trade and to improve the working conditions. Britain was one of the countries to take the lead, while Portugal was the least willing to ban the trade, as her concession in Macao enjoyed practically the monopoly of the export of contract laborers.

It also led the Chinese Government to lift, by the Treaty of Peking in 1860, the ban on Chinese laborers going abroad. This latter treaty provided for their repatriation to China at the end of three years at the expense of the employers, protected the laborer from being cheated and limited the export of such laborers from treaty ports.

From the ban on contract labor developed a credit-ticket system, so-called because the laborer signed with the "creditor" promising to "help" him to get work a loan agreement for the traveling expenses to his destination. If after arriving at his destination or at a port of trans-shipment the laborer could find friends or relations to refund the loan he would be freed immediately. Otherwise the government would uphold the right of the creditor and force the laborer to do any work the creditor might obtain with the object of enabling the laborer to pay off the loan.

Deplorable as the system is, it brought the Chinese to many countries where otherwise they would not perhaps have gone. At any rate, great numbers of Chinese went to Cuba, Peru, British Guiana, Brazil, Honolulu and other Pacific islands and to South Africa at first as contract laborers.

B. Chinese in Places Other Than the South Seas.—In 1810 Brazil hired a few hundred Chinese laborers to work on tea plantations but the experiment failed and the project came to naught.

Chinese contract laborers were said to have been brought to British Guiana in 1844, but records date back only to 1853. By 1866 the number of Chinese coolies entering British Guiana was definitely on the ebb. The lot of the Chinese laborers was improved by the immigration law of 1864 and was bettered still further by its revision in 1891 providing for the five-year contract, the seven-hour working day, the minimum wage, the right of the laborers to sue his employer for cruelty, etc. A number of Chinese who had no money with which to return to China after the expiration of their contracts built, in 1870, their own settlement, which has come to be known as Hopetown.

This example of British Guiana employing Chinese contract laborers was followed by Cuba and Peru, but the same liberal laws governing working conditions were not adopted. Chinese laborers in these two countries managed, however, to send petitions to the Manchu government requesting it to look after their welfare, to which the government replied by sending a special envoy to investigate the situation. Thus in 1874, when a commercial pact was entered into by China and Peru, provision was made for the safeguarding of the welfare of the Chinese coolies and for their repatriation upon the expiry of their contracts. In 1909 was signed the Porras-Wu Ting-fang Protocol by which China voluntarily agreed not to send any more coolies to Peru, although all Chinese of the merchant class were to be admitted. In 1877 Spain was forced by world public opinion to sign an agreement with the Chinese Government to terminate the practice in Cuba. Chinese laborers may, after the expiration of their contracts, remain in Cuba or return to China at their option.

The emigration of Chinese laborers to the U. S. A. was commonly regarded as dating back to 1820, but it was the discovery of the Californian gold mines that really started the movement of the Chinese to America. Further inducement for Chinese laborers to go to the U. S. A. was offered by the building of the American trans-continental railways. The peak of Chinese immigration to the U. S. A. was reached in 1880, when they numbered 105,000.

But the anti-Chinese movement had already set in by 1877, as in that year California was hit by business depression and the low-waged Chinese workmen became the scapegoat of the Sandlot demagogues. Two years later a law was forced through the Californian legislature defranchising the Chinese as well as forbidding the big companies from employing them. But the worst fate the Chinese laborers suffered was the attack made upon the Chinese miners in Rock Springs, Wyoming, by the American miners of Utruck and Sweetwater on September 2, 1885, when 16 Chinese were shot and more than 50 were burned to death. The arrested miners were freed because of the lack of specific charges against them, but the American government paid an indemnity of $147,000 to the Chinese.

In the Peking treaty of 1880 China agreed that the American government should restrict the entry of Chinese

laborers into the United States. Two years later the American Congress enacted a law prohibiting the entry of Chinese laborers for 10 years. In 1892 the life of the law was prolonged for a further decade, and in addition all Chinese were required to register with the American Government; any failure to comply with the registration requirement was punishable by deportation. In 1904 the law expired, but the restriction on Chinese emigrants was not lifted. This caused a boycott of American goods which extended as far as Singapore, resulting finally in materially improving the situation.

Although the contact between Hawaii and China dates back to the end of the 18th century, Chinese emigration to that territory, as a movement, could not be said to have started until the middle of the last century, when the Hawaiian Islands began to take to sugar cane planting. The treatment of the Chinese contract laborers in Hawaii was relatively better than that accorded them in many other lands, and in 1872 and 1892 laws similar to those of British Guiana were passed to protect the contract laborers. From 1898, when the Hawaiian Islands were annexed by the U. S. A., the American immigration law with its restriction of entry of Chinese laborers has been enforced.

The migration of free Chinese laborers to Canada started in the 'fifties, chiefly in British Columbia. Because of the demand for Chinese workmen in the construction of the Canadian Pacific Railway, in the four years between 1881–1884 alone more than 15,000 Chinese laborers moved into other states of Canada from China or the U. S. A. This aroused an anti-Chinese agitation which caused the Canadian government to enact in 1886 an immigration law restricting the admission of Chinese workmen into Canada. The landing tax of $50 per immigrant and the tonnage restriction on steamers carrying Chinese immigrants (50 tons for one Chinese) failed to stem the influx of Chinese laborers. In 1901 the landing tax was doubled but still it did not produce the desired effect, which was not obtained until 1904, when the landing tax was increased to $500.

Chinese emigration to Australia probably dates from the year 1820, when New South Wales stations, or ranches, began to employ "non-whites." But it was the gold mines that started the influx of the Chinese laborers into Australia. Numerous restrictions were placed on Chinese immigrants by the government of Victoria. Other states followed suit and riots took place. With the formation of the Federal Government in 1901 a uniform immigration law came into existence. The restrictions on Asiatic laborers, saving the pearl divers, included a 50-word dictation test, which was applicable not only to the new immigrants but also to those who had resided for less than three years in Australia, and the Premier's power to declare at any time a strict ban on the entry of any people into any province or port. The law has had its desired effect and each year scores of Chinese are refused entry. Chinese merchants, students and tourists can enter freely into Australia, but otherwise the entry of Chinese is practically stopped.

The story of the Chinese in New Zealand is very similar to that of the Chinese in Australia, except that the gold rush, instead of the cattle station, marked the beginning of Chinese immigration and that the restrictions of the immigration law are more severe. The dictation test consists of 100 words instead of 50, there is a landing tax of £100 for each immigrant and the tonnage allowance for one Asiatic is 200 tons. The New Zealand Government now forbids temporarily the entry of Chinese immigrants.

The Chinese were found to have settled in Mauritius before 1843, when the island still belonged to France, and in Madagascar before 1867. In the latter island attempts were made in 1896–1897 to use Chinese labor in building the railways, but the result proved unsatisfactory and the majority of the laborers were repatriated. The importation of Chinese contract laborers into South Africa was started in 1904 to develop the gold mines, but most of

them were sent back to China at the expiration of their contracts.

The date when the first Chinese junk reached Europe is not known but in 1845 one arrived in London. When China sent her first envoy to Europe in 1866 he found some Chinese already doing business in Paris. The overland route to Europe was established much earlier, and by the 17th or 18th century Chinese traders had already reached Moscow by way of central Asia, establishing a Chinese settlement not far from the Russian capital. There are to be found in Europe, besides sailors, a number of Chinese peddlers, the Shantung hawkers of silk and laces, the Chekiang dealers in marble articles and the Hupeh artificial flower-sellers. During the World War, France employed 150,000 Chinese laborers, Britain 50,000 and Russia 30,000. Most of these laborers returned to China after the war, but a number of them remained in France.

Since the depression most countries have tightened up their regulations governing the entry of immigrants and this bears particularly severely on Asiatics. Such countries as Australia, New Zealand, Canada, the U. S. A., Mexico and Peru have completely banned the entry of Chinese of the laborer class, but under special arrangement merchants usually can obtain admission.

II. THE CHINESE ABROAD

After the history of Chinese emigration come these questions: How many Chinese are there abroad? And how do they fare in the land of their sojourn?

The number of Chinese abroad is a subject of much dispute, the totals varying from the 11,586,252 given in Li Chang-fu's "History of Chinese Colonization" published in 1937 to the 7,900,000 officially released by the National Overseas Affairs Commission in 1935. The difference is not so striking as it may seem at first, however, for Mr. Li includes the 4,000,000 Formosan Chinese who have become naturalized Japanese subjects, whereas the N. O. A. C. counts only those Chinese who still retain their Chinese citizenship and gives their number at 46,691. By combining these two sets of figures with my own estimates I give the following figures (the letter "L" indicates that the figures are taken from Mr. Li's statistics, the letter "N" from the N. O. A. C.'s, those figures without any letter being my own.)

Soviet Russia (principally in Siberia) (N)	430,000
Korea (N)	41,000
Japan (N)	82,000
Formosa (N)	46,691
Indo-China (N)	400,000
Siam*	3,000,000
Burma (N and L)	193,598
India (L)	5,000
British Malaya (N)	1,700,000
British North Borneo (N)	88,000
Netherlands East Indies (N and L)	1,232,650
Philippine Islands*	120,000
Timor (Portuguese) (N and L)	3,500
Tahiti (N)	5,000
New Chu-ming Island (N)	2,000
Other Pacific Islands (N)	1,200
New Zealand (N and L)	2,854
Australia (N and L)	15,500
Hawaii*	27,495
U. S. A. (N)	74,954
Canada (N)	50,000
Mexico*	20,000
Cuba (N)	30,000
Central America (N)	9,400
West Indies (N)	50,000
Colombia (N and L)	1,000
Ecuador (L)	1,500
Peru (N and L)	5,704
Chile (N and L)	2,700
Argentine (N)	600
Brazil (L)	58,867
Guiana (N and L)	2,300
Venezuela (N and L)	2,826
France (N)	17,000
England (N)	8,000
Holland (N)	8,000
Germany (N)	1,800
Portugal (N)	1,200
Belgium (N)	500
Denmark (N)	900
Czechoslovakia (N)	250
Italy (N)	274
Switzerland (N)	148
Poland (N)	139
Other European Countries (N)	273
Turkey and Egypt (N)	7,075
South Africa (N)	17,000
Indian Ocean Islands (Madagascar and Mauritius) (N)	5,000

* The figures for Siam and the Philippines are usually accepted by the officials of those countries. In 1930 there were 25,000 Chinese in Mexico, but after the anti-Chinese campaigns in 1932–1935 thousands of Chinese were forced to give up their businesses and return home almost penniless, and so it is safe to put the figure at 5,000 below that number at the very least. The figure for Hawaiian Chinese is taken from the *Hawaii Chinese Annual*, Vol. VIII and represents the actual figure on June 30, 1936.

Regarding the overseas Chinese population a few words may be said as to the main points of concentration and the parts of China from which they mostly come from, as well as in regard to their treatment at the immigration offices and after landing, the discrimination exercised against them, and the anti-Chinese movements among the natives.

In Indo-China most of the Chinese are concentrated in Cochin-China and Cambodia, though in the north there are many Yunnanese. They are classified by the government into five groups: Cantonese, Fukienese (Changchow and Chuanchow), Hainanese, Swatow people and Hakkas, the last category also including all the immigrants from the other parts of China. Each of these groups is placed under one headman who is responsible to the government and its agent in performing all the government duties, taxation, police power, etc. There is a movement among the Chinese to terminate this system.

The immigration law of Indo-China is not particularly hard. Even though he lacks a passport, a Chinese may land there, provided the head of the division of Chinese to which he belongs will act as his guarantor. But the enforcement of the law at the hands of the officers makes it particularly hard on the Chinese immigrants. There is an anti-Chinese movement among the natives which, if not inspired by the French, is at least condoned by them.

In Siam the Swatow people are the most numerous, next come the Cantonese, then the Hakkas and the Ningpo people, with Fukienese, who were among the earliest Chinese settlers in Siam and have long been absorbed by the Siamese, coming last. Chinese have spread to every nook and corner of Siam, though their population center is in Bangkok, which from the business point of view may be considered a Chinese city.

As China has no treaty relations with Siam Chinese immigrants have been regarded as Siamese upon landing there. This results in the Chinese enjoying a number of privileges denied to foreigners, the most important being the right of owning land. But they are also conscripted to serve in the army and navy. The immigration law in Siam dates back to 1928, and was subsequently revised in 1931 and 1933; it taxes heavily the immigrants, who have to pass a language test as well. This cut the Chinese migrating to Siam to almost 10% of the former number. Due to the Chinese boycott of Siamese rice in 1935 the enforcement of the law was somewhat relaxed so that it proved no serious obstacle to Chinese emigration there, but in April, 1937, the Siamese immigration officers once more decided strictly to enforce the law.

When the nationalists came to power after the bloodless revolution the Siamese government introduced, in 1932–1935, a number of labor laws which, if strictly enforced, would have thrown thousands of Chinese laborers out of work. But such laws were unenforceable, so well entrenched in the Siamese national economy are the Chinese. The new education laws of 1933 and 1935 forbade the teaching of the Chinese language in Chinese schools except as a "foreign language" and were so operated as to close nearly 100 Chinese schools. It was this law that brought on the boycott of Siamese rice in 1935 which resulted in relaxation of the enforcement of the educational law as well as other laws directed against the Chinese.

In Burma the Chinese are centered in Rangoon, where the ratio between the Fukienese and the Cantonese is eight to two. In Upper Burma Yunnanese predominate among the Chinese. There is hardly any restriction on Chinese immigration into this country.

In Malaya, which consists of the Straits Settlements. the Federated and the Unfederated Malay States, the Chinese are usually classified in the order of their numerical strength: Fukienese, Cantonese, Swatow people, Hakkas and Hainanese. An immigration law was enforced from 1930 limited to 2,500 monthly, the number of Chinese laborers permitted to enter the Malayan ports. The limit has been gradually decreased since 1933, and in 1937 there has been a move-

ment among the rubber plantation owners to remove the ban altogether.

The Chinese are rather free in Malaya. Their system of appointing influential Chinese to the offices of "majors" and "captains" to rule over the Chinese was abolished many years ago, and today there are Chinese protectorates in the leading Malayan cities to take care of the troubles between the Chinese who do not go to court to settle their cases. There are three Chinese members in the Legislative Council of the Straits Settlements. The Kuomintang is not permitted to function in Malaya, and many Chinese were deported from the country on suspicion of being Kuomintang members.

Turning to the Netherlands East Indies, Java has more Chinese than any of the other islands, with Sumatra coming next. Southern Fukienese are probably the most numerous, while other groups are the Cantonese, Swatow people, Hakkas, Hainanese and the Foochow people. The N. E. I. immigration law in existence prior to 1934 placed a landing tax of 150 guilders on each immigrant, but since then the authorties have introduced a quota system which, owing to a loophole, admits, instead of the quota allotted them out of the total of 1,200 entries a year, more than 2,000 Chinese a year. This number is the average derived from the number of those admitted to the N. E. I. during the decade prior to the enforcement of the new law.

There is an anti-Chinese movement among the natives in Java, and this is a source of much worry to the government. On the one hand it does not like to antagonize the natives, who have to be protected against exploitation by the Chinese, while on the other they wish to co-operate with the Chinese, in order to prevent the Japanese from gaining too strong a hold on the N. E. I. The Chinese are represented in the Volksraad by five members. They have become equal in recent years to the Europeans before the civil law, but the criminal law for Asiatics still applies to them, which means that they may be arrested, detained and tried by the police merely on suspicion and their houses searched at will. Often punishment has been administered for acts which were punishable under no law. The Kuomintang is legally permitted to function in the N. E. I. but the possession of Dr. Sun Yat-sen's books has led to many arrests and punishment. Chinese schools in eastern Java are not allowed to register with the Chinese government.

In the Philippine Islands the Chinese are concentrated in Manila, where the ratio between the Fukienese and the Cantonese is about eight to two. The American immigration law applies to these islands. Formerly the system of appointing "captains" to rule over the Chinese obtained, but that system was abolished with the coming of the Americans. In the Philippine Islands there is a strong anti-Chinese sentiment among certain classes of the people, including some politicians and the more unruly elements, who express their feeling in anti-Chinese handbills and by occasional unprovoked attacks on Chinese shops. Under the able and far-sighted leadership of Messrs. Quezon, S. Osmenia and Manuel Alzate, it is to be hoped, however, that the movement will never reach such serious proportions as it did more than a decade ago when the Bookkeeping Law was passed.

In Japan most of the Chinese are Fukienese, Cantonese and Chekiangese while in Korea they are mostly Shantungese, as are those who migrate to Siberia. Chinese going to Japan do not require passports, but Chinese do not migrate in any large number to Japan owing to the operation of other laws which make it unprofitable for them to do so. During the Tokyo earthquake of 1923 the Chinese were attacked and some 200 killed by the Japanese, and in 1931, as a result of the Wanpaoshan incident, Koreans killed between 200 and 300 Chinese in various parts of the country. The Japanese have also been deporting hundreds of Chinese from their country in the last few years, the excuse offered being that the Chinese had violated the Japanese labor law.

In Europe most of the Chinese are sailors coming chiefly from Canton, while the hawkers come from Shantung, Hupeh and Chekiang The immigration laws vary with different countries but as a rule they do not operate harshly on the immigrants. From Czechoslovakia the few Chinese there were expelled in 1934.

In South Africa, Australia, New Zealand, Hawaii and the Americas almost all the Chinese are Cantonese. In Cuba the admission of Chinese lately became a function of the Ministry of Labor instead of the Ministry of Finance as formerly. The immigration law operates particularly harshly on the Chinese, and this change of administration will probably make it worse, the vice-minister of the Ministry of Labor having declared that the way to bring prosperity to Cuba was to deport all the Chinese in the land.

In Central and South America practically all countries have laws restricting the entrance of Chinese immigrants, Brazil welcomes agricultural laborers, however, and makes an exception for them. In South Africa the restrictive immigration law is directed against the Indians, but nevertheless it operates against the Chinese.

Formerly Chinese men emigrating to foreign lands freely married the native women, and as a result their offspring either were absorbed by the natives, or, like those in Malaya, produced a culture of their own which was neither Chinese nor native, and which presented a problem in itself. In the past few decades, however, Chinese women, too, migrated to foreign countries—some as wives or daughters or sisters of the Chinese overseas and some as immigrants themselves. This immediately created a new problem—that of women workers and of an intensified transplanting of Chinese culture into foreign lands. The anti-Chinese movement in Siam was partly due to the fact that Chinese men had been bringing their wives to Siam and bringing up their children as Chinese rather than as Siamese.

III. THE ECONOMIC STATUS OF THE OVERSEAS CHINESE

In the centers of the Chinese overseas population, i.e., Indo-China, Siam, Malaya, the Netherlands East Indies, the Philippine Islands, even a casual observer will see that there is hardly a field of any importance in the national economies of these lands in which the Chinese do not participate. Many of the South Sea cities are as Chinese as the coastal cities in China. A closer observation will reveal, however, that their position is not quite so formidable as it appears at first. Generally speaking, the economy of these lands may be divided into the upper, middle and lower strata, dominated respectively by the Europeans, the Chinese and the natives. This must not be taken too literally, however. For, as was pointed out in the early part of this chapter, there is hardly a field of economic importance in which the Chinese overseas do not participate—they are to be found engaged in banking, in the import and export business, in plantations, in farming, in shipping, in bus lines, in government services, etc. But they are principally the shopkeepers of these nations, acting as the middlemen between the Europeans and the natives. Withdraw the Chinese, and there will be a void in the economic structure of these lands which can hardly be filled by any other people with equal efficiency and economy.

The functions of the Chinese as the middlemen between the Europeans and the natives are chiefly two–buying produce from the natives for the Europeans and selling the European manufactured articles to the natives. In the capacity of ratailers they perform the second task, which is comparatively simple, but their first function is more complicated. Usually they advance loans to the native and obtain a lien on the latter's produce, in this way obtaining the goods at a lower price than would otherwise be possible.

The majority of Chinese nationals in southeastern Asia and Oceania are laborers and a word may be said about them. They migrated south as

common laborers but many of them have rapidly become skilled workmen. Even as common laborers, because of their intelligence and hardworking qualities they command much higher pay, sometimes three times that of the native workers. Historically, their contributions towards making these lands what they are to-day have been very great. It was acknowledged by one of the British governors of the Straits Settlements that but for the Chinese the development of Malaya would have been impossible. The pioneer tin mining, the harbor development and the reclamation of the land from the wild—all of these things were done largely by the Chinese.

In Korea many lumbermen, miners and cooks are Chinese, while in business they are engaged chiefly in the silk and grass-linen trade. In Siberia their professions are much the same as in Korea. In Japan some Chinese were engaged formerly in the import and export business, but their influence has greatly decreased in the past 10 years. There are laborers too, but many of them have been deported. Many of the barbers and restaurateurs, and practically all of the tailors of foreign clothes are Chinese. In Formosa, the economic position of the Chinese is not strong. If we include the Chinese who have acquired Japanese citizenship, however, then there is hardly any field of activity in which the Chinese do not predominate in number.

In Indo-China the rice trade and market gardening are almost entirely in the hands of the Chinese. Even French rice mills have to depend on the Chinese for getting rice from the natives. Their position is becoming shaky, however, as the government has gone into the business of making loans to the native farmers. Rice mills, timber mills and the construction of junks also belong to the Chinese. Chinese rice mills constitute between 60 and 70% of the total.

In Siam the Chinese are engaged chiefly in the rice mills (constituting 70 to 90% of the total, according to various estimates), fishing (90%), and lumber mills (but not the export of timber, which is in the hands of the British, the French and the Danes). Retail trade is entirely in the hands of the Chinese. In Burma the Chinese are engaged principally in rice milling and the timber trade, besides the retail trade, which is shared almost equally with the Indians. They do not enjoy so prominent a position as their compatriots in Siam or Malaya.

The Chinese in Malaya are most diverse in occupation, but most of them are laborers. Their economic position is strong, however, in mining, in rubber planting (second only to the Europeans), in pineapple, gambier and copra production, in shipping, banking, the import and export business, especially in relation to farm produce, and in manufacturing. After the peak year of prosperity in 1926, a slump in the price of tin and rubber set in. The Malayan business depression touched its bottom in 1932 and prosperity began to return in the following year. At present Malaya is experiencing another boom period because the armament programs of different nations have caused a sharp rise in the prices of tin and rubber.

In the Netherlands East Indies the Chinese are second only to the Netherlanders in sugar production, while in rubber production they occupy the fourth place. In the tea industry the Hollanders also dominate, but the natives, while growing the tea plant themselves, depend upon the Chinese for converting the fresh leaves into finished products for consumption. The Chinese are also engaged in tobacco planting and in cigar and cigarette making, though their cigars and cigarettes are mostly of inferior quality and are designed chiefly for consumption by the natives. The rice trade, lime, cement, tile and brick making and the manufacture of furniture are also in the hands of the Chinese. The Chinese lost a large proportion of their tin mining interests to the Europeans during the business depression period of the past few years. Fishing and hog-raising in Java, too, are in the hands of the Chinese. In the native produce business the position of the Chinese in the N. E. I. is very much like that of the Chinese

in North Borneo. In manufacturing most of the big factories are owned by Europeans, while many medium and small-sized ones are owned by the Chinese. Many Chinese are also engaged in market gardening. In the retail trade the Chinese also hold an influential position, though they have suffered heavily because the Japanese have gone into the business themselves as a result of the Chinese boycott of Japanese goods after the Manchurian "incident." Business prosperity began to return to the N. E. I. at about the same time as to Malaya, but only slowly. Since the devaluation of the guilder last year business has been picking up fast.

In Australia the Chinese, besides being cooks, house-boys and miners, at one time were doing 75% of the market gardening and were producing 98% of the tobacco. Owing to the ban on the entry of Asiatics, however, the number engaged in these lines has greatly decreased. At present about half of them are engaged in market gardening or agriculture, while the other half are furniture makers, miners, shop-keepers, grocers and fruiterers. In New Zealand the dairy business was started by the Chinese. Their present position is very much like that of their compatriots in Australia.

In the Philippines the Chinese also hold a predominant position in the import and export business, in wholesale and in retail trade, and many are engaged in the lumber, rice, sugar and tobacco business. Their retail and wholesale business suffered a serious setback during the past few years, the former for the same reason and with the same disastrous effects as the retail trade in the N. E. I. Restaurants, bakeries, laundries and grocery stores also are largely operated by the Chinese.

In Hawaii the Chinese have long moved out of the fields in which they were first engaged and have climbed to a higher rung in the economic ladder. Their chief contributions to Hawaii in the past were the sugar industry and rice cultivation. Many of them have now become bankers, independent merchants and professional men, however, and their *per capita* investments in the banks are more than the average.

In the U. S. A. the Chinese are largely restaurateurs, though some are engaged in the import and export business, in the grocery business and in selling curios. In Canada the Chinese along the Pacific coast are actively engaged in fisheries, canneries and lumber camps; they are also found in the tailoring business, in potato farming and in market gardening. In the east they become restaurateurs and grocers.

In Mexico they are chiefly engaged in the grocery business (which, after the Spanish fashion, deals in piece-goods as well), in conducting restaurants, hotels and market gardens and in import and export concerns. During the business depression anti-Chinese agitations were organized, and the unemployed used to close the Chinese shops and to drive thousands of Chinese overseas from the land almost penniless. These agitations began to subside in 1935.

In Central America some of the Chinese are merchants in rice, groceries, silk and sundry articles, but the majority are laborers. The more wealthy Chinese own cocoa, banana or coffee plantations. In Cuba they are mainly merchants, shopkeepers and market gardeners, while in South America they are mostly engaged in agriculture. In Europe the Chinese are sailors, restaurateurs and hawkers of Chinese silk, novelties and curios, etc. In South Africa they are market gardeners, shopkeepers, miners and laborers.

IV. THE SOCIAL LIFE AND CULTURE OF THE CHINESE OVERSEAS

Chinese nationals abroad may be classified into two categories: those who keep to the social patterns of China, and those who deviate from them. Each of the foregoing categories may again be divided into two types, and so in reality we have four types. These are (1) those who keep to the social patterns of old China, and (2) those who copy what is newest

from China; there are also (3) those who leave Chinese culture behind to be completely assimilated by the indigenous culture, and (4) those who have somehow or other developed a culture of their own which is neither Chinese or native, but something of both.

The most perfect type of complete assimilation of the Chinese by the natives is to be found in the Siamese officials. On one occasion Rama VI, a former Siamese king, commanded those of his courtiers who had Chinese blood in their veins to stand to the right and 90% of them did so. Siamese officialdom to-day is not radically different from that of a few decades ago, and yet it was these sons of China who passed the immigration, educational and labor laws which operated to the great disadvantage of overseas Chinese. Not only do they adopt Siamese costumes and customs and speak the Siamese language, but they have actually become Siamese in their outlook as well as at heart. An example of this complete assimilation more comprehensible to the readers of the *Chinese Year Book* would be the younger generation of the Chinese in America, who use American slang with perfect ease, but, more likely than not, are unable to read Chinese.

The *babas* and *nu-ngias*, the offspring of Chinese men and Malay women, have their customs—wedding ceremonies, for instance—which are Chinese in origin, but which are certainly not the same as those practised in China. Also their clothing is an adaptation of the Malayan dress, but their mentality is a cross between the Chinese tradition and the British or Dutch education. They move in a world by themselves, which, though fascinating to a degree, cannot be described in so short a space.

Social customs are less rigid in the South Seas countries than in China. Deviations and adaptations are present everywhere. Even the language suffers great changes; new words are added to meet the needs of new situations or as a concession to the native Malays. But lately *Kuoyu* (國語) has been gaining in popularity. Chinese festivals are celebrated with great pomp, but they are dying out gradually. This indicates the general trend towards which the social life of the Chinese overseas population is moving. The old is dying out and the new is taking its place. So far as the Chinese in south-eastern Asia and Oceania are concerned, the influence of New China is being felt more and more keenly, though the tendency to assimilate the French, the British, the Dutch and the American cultures is very strong. Elsewhere Chinese overseas feel this pull of China less strongly; they must choose between hugging the old culture that they know, or absorbing the indigenous culture. The choice of those born in China is usually the former, while that of their offspring is usually the latter.

A special phase of the overseas Chinese social life that deserves closer attention is their education and those activities connected with it which are generally known as "cultural activities." As Chinese emigrants went abroad chiefly for economic reasons it was but natural that they should have neglected the education of their children. Whatever education might have existed before the turn of this century must have been largely a private matter either of a wealthy family whose patriarch employed a teacher to teach the younger members of the family, or of a teacher who, trying to make a living for himself, set up a school of his own so that those who wished to learn the three R's in order to prepare themselves for white-collared jobs might come to study under him.

After the failure of the 1898 reform movement, K'ang Yu-wei and Liang Chi-chao fled abroad for their lives. There they organized the *Paohuangtang* or royalist party, and in an effort to organize the people as well as to enlighten them on political ideas more up to date than absolute monarchy, they preached the establishment of the home guild houses and schools. But Dr. Sun Yat-sen went one step further and preached the founding not only of new schools, but also of libraries and reading clubs. Even to-day these libraries and reading clubs

have a mission more important than just libraries and reading clubs, though they are largely free from political implications.

Schools sprang up like mushrooms. This tendency to found more and more schools is still visible to-day. By the end of 1934 there were known to the National Overseas Affairs Commission 2,331 schools, but by May 1, 1936 this number had increased to 2,668, or an increase of 337 schools in 16 months.

All of these schools are supported by the home guilds, or wealthy merchants, who form the board of directors, and are responsible for the school's finances. Whatever deficit a school incurs is to be met by money paid out of the pocket of the president of the board of directors of that school, or else borrowed on his credit. An exception to the rule is found in the Philippines, where a special arrangement is made with the Philippine government to collect an educational fund (of 1% of the import duties) from goods imported by the Chinese merchants.

Because of the connection of the schools with the various home guilds there was and still is, to a certain extent, duplication of efforts and even rivalry between the schools. However, lately there has been a tendency to amalgamate the schools. The following figures give the number of amalgamations last year: in Malaya and North Borneo 23 schools were combined into nine, in the Netherlands East Indies six schools into three, in Siam two schools into one. The amalgamation of schools goes hand in hand with the improvement of school buildings and equipment.

Two more tendencies of overseas Chinese education are to be observed. The joint examinations for the graduating classes of the different middle schools in the same city, started in 1934, have continued in popularity. The teaching of *Kuoyu* has been gaining ground in the last few years; evening classes are being held, while many debates and oration contests have been conducted in this language.

In Siam, since the enforcing of the educational law of 1935, all courses have been taught in Siamese from grade one up, and Chinese is taught as a "foreign language." In Singapore Chinese schools are free to work out their own curricula, but textbooks are carefully censored and passages expressing any anti-imperialist sentiment are banned. In the Philippines Chinese schools have to fulfil the government requirements in the morning, and then teach the Chinese courses in the afternoon. As a result there is much duplication of subjects in the Chinese and English lessons. In America the Chinese schools conduct their classes after the day is over for the American schools.

Very little was done by the Chinese government towards aiding the overseas Chinese in education until the establishment of the National Overseas Affairs Commission in 1932. Before that time the work of the Chinese government included the sending of occasional envoys to investigate Chinese education abroad, the conducting of conferences to study its needs, and the establishment of the Chinan University to take care of the children of the overseas Chinese who came back to study in China. Since then the work of the Chinese government in this field may be summarized as follows: the creation of the Overseas Education Bureau, the investigation and registration of Chinese schools abroad, the granting of subsidies to them and of scholarships to needy students who desire to study in China, and, finally, the training of teachers for overseas schools. This latter deserves special attention as it has an important bearing on the future of Chinese overseas education. A special training school was inaugurated in September, 1934, and in 1936 it was turned over to the Chinan University. The Overseas Education Bureau also undertook in 1936 to give the teachers who had already taught in Chinese overseas schools a special training course which ended in the spring of 1937 with a tour of the principal educational centers in China.

A few words may be said about the reading rooms, reading clubs and libraries. The British government regards many of these libraries with

suspicion, believing that they carry on political and Kuomintang activities in Malaya. The organizers of the libraries, reading rooms and reading clubs do use them, however, as a center for study groups or for doing research work. As for the average patrons of the libraries and reading rooms, their most popular reading matter consists of pictorial magazines and novels, etc.

The newspapers of the better class are well edited, with Chinese news fully reported, and South China news especially in great detail. This is natural as most of the Chinese overseas come from South China. The following is a list of the leading Chinese newspapers published abroad.

Formosa: Taihoku:
Sin Min Jit Po.
Indo-China: Saigon:
Min Po, Chung Kuok Jit Po, Journal de Chinois, and L'Union.
Siam: Bangkok:
Tiong Hua Min Poh, Chung Hua Jit Poh, Min Kuo Jit Po, Shuen Chong Daily News, Kiaw Sing Po, China Siam Daily News, and China Overseas Press.
Burma: Rangoon:
Kak Min Jit Po, Rangoon Yit Po, Commercial News, and Burma News.
India: Calcutta:
IndiaPo.
Malaya: Singapore:
Nanyang Siang Po, Union Times, Sin Kuo Min Po, Min Kuo Yit Po, and Sin Chew Jit Po.
Penang:
Kwang Wah Yit Po, Penang Sin Po, and Pin Cheng Sin Poh.
Kuala Lumpur:
Yat Chung Po and Chinese Commercial Journal.
Netherlands East Indies: Batavia:
Sin Po, Thien Sung Jit Po, Batavia Times, Kong Siang Jit Po, and Ho Suk Min Kuo Jit Po.
Semarang:
Chung Nan Jit Po.
Soerabaya:
Tai Kong Siang Poo, Java Daily Telegraph, Java Times, Hoa Kiaw, Nam Kiaw Jit Po, Pawarta Soerabaya, and Kiauw Sing Djit Poo.
Macassar:
Min Sung Poo.
Medan:
Sumatra Bin Po and New China.
Philippine Islands: Manila:
Kung Li Po, Chinese Commercial News, Fookien Times, Chien Chu Po, and New China Herald.
Australia: Sydney:
The Chinese Republic News and Chinese Times.
Hawaii: Honolulu:
United Chinese News, Liberty News, and New China News.
Canada: Vancouver:
Chinese Times, New Republic, Sin Hua Cheng Po, and Hung Chung See Po.
Toronto:
Chinese Times and the Shing Wah Daily News.
U. S. A.: Seattle:
Chinese Star.
San Francisco:
Chung Sai Yet Po, Chinese Daily News, Chinese Republic Journal, Chinese World, Kuo Min Yat Po, Morning Sun, Young China and Chinese Times.
Chicago:
Kung Shang Yat Po, and San Ming Cheng Po.
New York:
Chinese Reform News, Chinese Nationalist Daily, Chinese Republic News, Justice Daily News, Chinese Journal of Commerce, Chinese Sun, and Chung Kwok Jit Po.
Panama: Panama City:
Kung Wo Po.
West Indies: Jamaica:
Chung Hwa Sheng Po.
Cuba: Havana:
Man Sen Yit Po, Wah Won Siong Po, and Kai Men Kung Po.
Peru: Lima:
Man Shing Po and Kung Yuen Po.
France: Paris:
San Min Po.
South Africa: Johannesburg:
Hwa Chiao Sheng Po, Chung Hwa Jit Po, and Hwa Min See Poo.
Mauritius: Port Louis:
Chinese Times and Chinese Commercial Paper.

V. RELATIONS BETWEEN THE CHINESE OVERSEAS AND CHINA

There remains to be considered the relationship between the overseas Chinese and China. This problem may be treated from two different angles: what the Chinese overseas have done for China, and what the Chinese government has done for them.

What the Chinese overseas have contributed to the development of China is well known. Firstly, the revolution against the Manchus would have been impossible if it had not been for the overseas Chinese. Dr. Sun Yat-sen first conceived the idea of revolution in Honolulu, and later directed the revolutionary activities from Japan and other overseas centers. But there were other groups of revolutionaries as well, and they were merged together to form the *Tungminghuei*, or the Great Alliance, which, after the establishment of the republic, was transformed into the Kuomintang. During the revolution, from Singapore alone more than $1,000,000 was con-

tributed to the revolutionary cause within three months and thousands returned to China to join the revolutionary army. Chinese in other lands were equally enthusiastic and helpful. It has been truly said that the overseas Chinese were the founders of the revolution.

Another form of help that the Chinese overseas render to China is the giving of moral and material support whenever there is some international issue between China and other countries. Take for instance the money collected by Chinese nationals overseas to aid the sufferers of the Tsinan Incident of 1928; Malaya, $2,000,000; the Netherlands East Indies, $1,500,000; Siam, $600,000; Indo-China, $600,000; the Philippines, $200,000; and Burma, $100,000. During the undeclared Sino-Japanese war in Shanghai in 1932 the 19th Route Army received much help from the Chinese overseas, though in some localities, the Netherlands East Indies for instance, they could not send any contributions for military and political purposes. In such cases they did send large sums for the relief of the sufferers of the war, however. Whenever there was a boycott of foreign goods Chinese overseas responded enthusiastically. In 1925 after the Nanking Road Affair a boycott of the British-American Tobacco Company's cigarettes was carried out even in Malaya, right under the nose of the British.

Contributions from overseas Chinese are not confined, however, to those for political purposes. Whenever there has been a famine or a flood they have always contributed towards its relief generously. On the cultural side, the founding and support of the Chip Bee Schools and the Amoy University by Tan Ke-kee (陳嘉庚), costing him some $4,000,000, is the best example, but for one Tan Ke-kee there are scores of others who have been fostering education in China in the same, if a less conspicuous way. And there are thousands upon thousands who have contributed their hard-earned money to Chinese schools.

A few words may be said in regard to the economic side of the question. Most obvious are the remittances of our people overseas to China, which run to hundreds of millions a year and go a long way towards balancing China's international payments. A comparison between the unfavorable trade figures and the remittances from overseas during the past four years (the figures being taken from the Bank of China's annual reports) is given below.

Year	*Unfavorable Trade Balance*	*Remittances from Overseas.*
1933	$807,200,000	$200,000,000
1934	$568,700,000	$250,000,000
1935	$467,000,000	$260,000,000
1936	$329,900,000	$320,000,000

In other words the remittances of overseas Chinese covered from 24.78 to 97.29% of China's unfavorable trade balance.

The Chinese population abroad also helps to consume a great deal of Chinese produce, from vegetables raised in China to textiles woven in Chinese mills. The following statistics show the trade relations between China and her overseas population centers in 1935, 1936, and the first five months of 1937:

		1935	*1936*	*1937*
Indo-China:	Import from	$59,972,920	$18,047,674	$ 8,189,000
	Export to	$2,969,559	$ 4,386,142	$ 3,795,000
	Balance	−$57,003,361	—$13,661,532	—$ 4,394,000

N. E. I.	Import from	$58,356,318	$74,397,145	$43,808,000
	Export to..	$2,643,924	$ 2,099,465	$ 3,125,000
	Balance	—$55,712,394	—$72,297,680	—$40,683,000
Phil. Is.:	Import from	$ 4,853,531	$ 4,019,120	$ 1,942,000
	Export to	$ 2,504,823	$ 2,669,465	$ 3,655,000
	Balance	—$ 2,348,708	—$ 1,349,665	$ 1,713,000
Siam:	Import from	$27,187,301	$18,868,328	$ 6,217,000
	Export to	$ 1,950,687	$ 1,793,028	$ 2,221,000
	Balance	—$25,236,614	—$17,075,300	—$ 3,996,000
Malaya:	Import from	$10,313,498	$10,837,181	$ 6,340,000
	Export to	$ 6,884,221	$ 6,928,011	$ 8,601,000
	Balance	—$ 3,429,277	—$ 3,909,170	$ 2,261,000

It may be noted that China's exports to these countries have increased steadily during the years reviewed and that in 1937 there are excesses of exports over imports from the Philippine Islands and Malaya. The Chinese Goods Traveling Exhibition held in 1936 in the principal countries of south-eastern Asia and Oceania was a great success.

The aid required by Chinese people overseas to further extend their trade with China consists chiefly of better shipping and banking facilities, but especially the extension of credits. Most of the Chinese retailers abroad do not have much capital, and when buying from their local wholesalers they obtain the goods on credit for from 40 to 120 days; but if they order their goods direct from China they have to open a letter of credit, which they find difficult to do. The Japanese retailers on the other hand have been successful partly because they were backed by their manufacturers, who extended credit facilities to them through their banks. To extend more credit to Chinese buyers overseas is materially to increase the export of Chinese goods and this cannot be done until Chinese banks are better represented in the centers of Chinese population overseas.

Direct shipping between Shanghai, China's premier port of export, and the South Seas will also facilitate greatly the trade between these countries and China. In this connection the case of the S. S. Hai Heng is highly instructive. When this steamer, owned by the China Merchants Steam Navigation Company, began to ply between Amoy and Manila at the beginning of this year, it was first expected to meet with strong competition from the S. S. Anking of the China Steam Navigation Company. But so enthusiastic have the overseas Chinese been in supporting the Chinese steamer that the success of the venture was assured.

Investment by the overseas Chinese in China is another way in which they have been helping China in her industrialization and reconstruction. In Shanghai alone it was estimated that in 1924 their investments totaled some $30,000,000. This sum must have been considerably increased since then. Amoy has been rebuilt and modernized largely with their capital. The Swatow-Chaochow Railway was financed largely by one overseas Chinese, Chang Hung-nan (張鴻南). These are but a few isolated facts of one important phase in the relationship between China and her sons abroad.

In order further to induce the Chinese overseas to return home and invest their money, the *sine qua non* is peace and order plus the absence of unnecessary interference. For when overseas Chinese seek a field of investment it is a purely economic proposition, and to neglect these necessary conditions is to court failure. A case in point is that many Chinese who have returned home are in Kwangtung ready to start new industries, provided the spheres between government and private enterprises be clearly defined so that after having done the pioneering work, they will not find their line of industry turned into a government monopoly as soon as their factories begin to make profits.

What the Chinese government has done for the overseas Chinese may now be briefly considered. We have seen how the Manchu government was actually antagonistic to, and suspicious of, the overseas Chinese. In the latter days of the Ching dynasty, the government, though still suspicious of them, did something for them but was chiefly concerned to get their money. In the first years of the Republic, the Peking government was no better. When Dr. Sun Yat-sen set up a government in Canton in opposition to the Peking government, something was done for the Chinese overseas. Even then no continuous and systematic work was done until the establishment in 1932 of the National Overseas Affairs Commission in Nanking under the direct control of the Executive Yuan.

The work of this commission in promoting the education of the overseas Chinese has been alluded to already. It established bureaus in Shanghai, Amoy, Swatow, Kongmen, Hoihow and Canton to take care of the Chinese emigrants and immigrants at these ports. Before the establishment of the bureaus in Kwangtung by the commission in 1936 the Kwangtung provincial government had one provincial overseas affairs commission which established several hostels to house and feed the unemployed Chinese who returned to the South China ports and which also undertook to repatriate them to their native villages. The N. O. A. C. has also one committee for the relief of the unemployed overseas Chinese both at home and abroad. Out of this work grew the Happy Colony for Overseas Chinese which was inaugurated in December, 1934. At present there are only 83 colonists, mostly returned from Japan, fighting hard to get a bare sustenance with a subsidy of $10 per person per month. Attempts were also made to save the returning Chinese from unnecessary troublesome examination by the customs, by distributing luggage labels to them through Chinese consulates and chambers of commerce abroad. There is also in Nanking an overseas Chinese hostel where overseas Kuomintang members and such overseas Chinese as have obtained special permission from the government may live comfortably at the expense of the Central Government.

CONCLUSION

By way of conclusion a few general observations may be made here. Firstly, the unifying movement so clearly discernible in the education of overseas Chinese also finds manifestation in the economic field. The Federation of the Chinese Chambers of Commerce in the Netherlands East Indies in 1934 is an outstanding example of this tendency, but there have been similar organizations in Nanyang, each confining itself to the one line of trade in a smaller region comprising several ports or cities only.

One of the perplexing problems of our countrymen abroad is: with whom should they cast their lot? This problem was heatedly debated by the Chinese in the Netherlands East Indies some time ago, and there were three schools of opinion: (1) the belief that the wisest policy for them to follow is to ingratiate themselves with the government of the land; (2) the belief that their future lies with the natives; and (3) the belief that they must look to China for amelioration of their present plight. The well-to-do usually take the first attitude, while a few radicals have adopted the second and worked hand in hand with the natives

for the improvement of the latter's condition, but have found it impracticable as the natives discriminated against them. The Chinese in the N. E. I. have also occasionally made common cause with the Arabs and thus attained their objectives, such as, for example, satisfaction from the Netherlanders in regard to football games.

These problems of the N. E. I. Chinese are representative of the problems faced by their compatriots abroad elsewhere, though in countries which are not colonies of the Powers the problems are simpler because the government and the people are one. But, whether or not the second generation of Chinese abroad have the citizenship of the land of their birth and whether or not they have been completely assimilated by the indigenous civilization, they are still treated by the people of the land as Chinese and often discriminated against. This is one of the problems that cannot be solved by political means. The solution lies in the hands of the overseas Chinese themselves. They must win the respect of the people of the land and themselves break down the discrimination.

There is no inherent incompatibility, it seems to the writer, between the first and the third schools of opinion, provided neither push their views to the extreme. The Chinese are also among the "haves" in the South Seas, though not on such a big scale as the Europeans, so we can make common cause with the colonial powers in Nanyang. In fact there is one important factor driving us together. The Japanese have become interested in the N. E. I. and believe that in the future these islands must belong either to them or to the Chinese. This, coupled with their intensified activities, including fishing near the N. E. I. forts, has made the Netherlanders nervous and there have been indications that they prefer to co-operate with us. In 1935 the Straits Settlements government passed a law limiting to 25 per month the number of "European" immigrants entering the Malayan ports. This law affects no Europeans other than the Japanese, who have been classified as such. It will be remembered that before the passage of this law there had been several spy scares in Singapore involving the Japanese. It is possible, the writer believes, for the Chinese government to work on this principle and obtain better treatment for the Chinese in Nanyang.

Another problem awaiting solution is the question of nationality. China claims her sons born abroad as Chinese on the principle of *jus sanguinis*, while the countries where they are born claim them on the *jus soli* principle. Thus most of the overseas Chinese have dual nationality. This situation still requires a satisfactory solution.

GENERAL APPENDIX AND INDEX

GENERAL APPENDIX

I. WEIGHTS AND MEASURES

RELATIONS BETWEEN THE STANDARD AND THE MARKET SYSTEMS

Classification	*Names in Standard System Rendered into English*	*Original Names in French*	*Equivalents in Market System*
Length	kung lee (公釐)	millimeter	3.00 shih lee (市釐)
	kung fen (公分)	centimeter	3.00 shih fen (市分)
	kung tsun (公寸)	decimeter	3.00 shih tsun (市寸)
	kung chih (公尺)	meter	3.00 shih chih (市尺)
	kung chang (公丈)	decameter	3.00 shih chang (市丈)
	kung yin (公引)	hectometer	3.00 shih yin (市引)
	kung li (公里)	kilometer	2.00 shih li (市里)
Land Area	kung lee (公釐)	centiare	0.15 shih lee (市釐)
	kung mow (公畝)	are	0.15 shih mow (市畝)
	kung ching (公頃)	hectare	0.15 shih ching (市頃)
Capacity	kung tso (公撮)	milliliter	1.00 shih tso (市撮)
	kung cho (公勺)	centiliter	1.00 shih cho (市勺)
	kung ho (公合)	deciliter	1.00 shih ho (市合)
	kung sheng (公升)	liter	1.00 shih sheng (市升)
	kung tou (公斗)	decaliter	1.00 shih tou (市斗)
	kung shih (公石)	hectoliter	1.00 shih shih (市石)
	kung ping (公秉)	kiloliter	
Mass or Weights	kung szu (公絲)	milligram	3.20 shih sze (市絲)
	kung hao (公毫)	centigram	3.20 shih hao (市毫)
	kung lee (公釐)	decigram	3.20 shih lee (市釐)
	kung fen (公分)	gram	3.20 shih fen (市分)
	kung chien (公錢)	decagram	3.20 shih chien (市錢)
	kung liang (公兩)	hectogram	3.20 shih liang (市兩)
	kung ching (公斤)	kilogram	2.00 shih chin (市斤)
	kung heng (公衡)	myriagram	
	kung tan (公擔)	quintal	2.00 shih tan (市擔)
	kung ton (公噸)	tonneau	

CONVERSION BETWEEN THE MARKET AND THE FOOT-POUND SYSTEM

Classification	*Names in Market System Rendered into English*	*Relative Value*	*Conversion into Foot-Pound System*
Length	shih hao		0.0013 inch
	shih lee	10 hao	0.0131 ,,
	shih fen	10 lee	0.1312 ,,
	shih tsun	10 fen	1.3123 ,,
	shih chih	10 tsun	1.0936 feet
	shih chang	10 chih	10.9361 ,,
	shih yin	10 chang	109.3614 ,,
	shih li	15 yin *or* 1,500 chih	0.3107 mile
Land Area	shih hao		7.1759 sq. ft.
	shih lee	10 hao	71.7591 ,, ,,
	shih fen	10 lee	0.0165 acre
	shih mow	10 fen	0.1647 ,,
	shih ching	100 mow	16.4736 acres
Capacity	shih tso		16.232 minims
	shih cho	10 tso	0.02113 pint
	shih ho	10 cho	0.2113 ,,
	shih sheng	10 ho	0.2642 gallon
	shih tou	10 sheng	2.6418 gallons
	shih shih	10 tou	26.4178 ,,
Mass or Weights	shih szu		0.0048 grain
	shih hao	10 szu	0.0482 ,,
	shih lee	10 hao	0.4823 ,,
	shih fen	10 lee	4.8226 grains
	shih chien	10 fen	0.1102 ounce
	shih liang	10 chien	1.1023 ounces
	shih ching	16 liang	1.1023 pounds
	shih tan	100 ching	110.2300 ,,

MARKET SYSTEM TO OLD STANDARD AND ENGLISH SYSTEMS

		Market System	*Standard System*	*Old System*	*English System*
MEASURE OF	*Length*	1 shih chih (市尺)	⅓ meter (公尺)	1.0417 builder's chih (營造尺) or 0.9375 tailor's chih (裁尺)	1.0936 feet or 0.3645 yard
		1 shih li (市里) (1,500 shih chih)	kilometer (公里)	0.8681 old li (舊里)	0.3107 mile
	Capacity	1 shih sheng (市升)	1 liter (公升)	0.9657 old sheng (舊升) 0.9302 sheng of tsao hu (漕斛一升)	0.2200 Gallon or 0.2642 (American Gallon)
	Weight	1 shih ching (市斤)	½ kilogram (公斤)	0.9472 huei-kuan ching (會館秤) 0.8525 tsao ping (漕平) 0.8119 Szema-ching of S'hai (上海司馬秤) 0.8378 ku-ping (庫平) 0.8267 ching of haikwan (關秤)	1.1023 pound avoirdupois
		2,000 shih ching	1 tonne (公噸)		0.9842 long ton or 1.1023 short tons
	Surface	1 shih mow (市畝) (6,000 square shih chih)	6.6667 or 20/3 are (公畝)	1.0851 old mow (舊畝)	0.1644 acre

OLD SYSTEM TO NEW SYSTEM AND ENGLISH SYSTEM

		Old System	*Standard System*	*Market System*	*English System*
MEASURE OF	*Length*	1 builder's chih (營造尺)	0.3200 m. (公尺)	0.9600 shih chih (市尺)	1.0499 feet
		1 S'hai tailor's chih (上海裁尺)	0.3556 m.	1.0667 shih chih (市尺)	1.1665 ,,
		1 old li=1,800 builder's chih (舊里)	0.5760 km. (公里)	1.1520 shih li (市里)	0.3579 mile
	Capacity	1 old sheng (舊升)	1.03551. (公升)	1.0455 shih sheng (市升)	0.2278 gallon
		1 sheng of tsao hu (漕斛一升)	1.0750 ,,	1.0750 shih sheng (市升)	0.2365 ,,
	Weight	1 ching of huei-kuan ching (會館秤一斤)	0.5279 kg. (公斤)	1.0557 shih chin (市斤)	1.1637 pound
		1 ching of tsao ping (漕平一斤)	0.5865 ,,	1.1730 ,,	1.2930 ,,
		1 ching of ku-ping (庫平一斤)	0.5968 ,,	1.1936 ,,	1.3158 ,,
		1 ching of hai-kwan (海關一斤)	0.6048 ,,	1.2096 ,,	1.3333 ,,
		1 ching of Sze-ma ching of S'hai (上海司馬秤一斤)	0.6158 ,,	1.2317 ,,	1.3577 ,,
	Surface	1 old mow=6,000 sq. old chih (舊畝)	6.1440 are (公畝)	0.9216 shih mow (市畝)	0.1518 acre

ENGLISH WEIGHTS AND MEASURES TO CHINESE NEW SYSTEM

	English System	*Chinese New System*	
		Standard (Meter)	*Market* (市用制)
Linear Measure	Inch=12 lines	25.4000 mm. (公釐)	0.7620 shih tsun (市寸)
	Foot=12 inches	0.3048 m. (公尺)	0.9144 shih chih (市尺)
	Yard=3 feet	0.9144 ,, ,,	2.7432 ,,
	Fathom=2 yards	1.8288 ,, ,,	5.4086 ,,
	Rod=5½ yards	5.0292 ,, ,,	15.0876 ,,
	Chain=4 rods or 22 yds.	20.1168 ,, ,,	60.3503 ,,
	Furlong=40 rods or 220 yds.	201.1678 ,, ,,	603.5034 ,,
	Mile=8 furlongs	1.6093 km. (公里)	3.2187 shih li (市里)
	Seamile	1.8519 ,, ,,	3.7037 ,, ,,
Measure of Surface	Sq. inch	6.4516 sq. cm. (方公分)	0.5806 sq. shih tsun (方市寸)
	Sq. foot	0.0929 sq. m. (方公尺)	0.8361 sq. shih chih (方市尺)
	Sq. yard=9 sq. feet	0.8361 ,, ,,	7.5251 ,,
	Sq. rod=30¼ sq. yds.	25.293 ,, ,,	227.637 ,,
	Rood=40 sq. rods	10.117 a. (公畝)	1.5175 shih mow (市畝)
	Acre=4 roods	0.4047 ha. (公頃)	6.0702 ,, ,,
	Sq. mile=640 acres	259.00 ,, ,,	28.85 shih ching (市頃)
Measure of Capacity Dry and Fluid	Gill	1.42061 dl. (公合)	1.4206 shih ho (市合)
	Pint=4 gills	0.568245 l. (公升)	0.5682 shih sheng (市升)
	Quart=2 pints	1.1365 ,, ,,	1.1365 ,,
	Gallon=4 quarts	4.5460 ,, ,,	4.5460 ,,
	Peck=2 gallons	9.0919 ,, ,,	9.0919 ,,
	Bushel=4 pecks	3.6368 dl. (公斗)	3.6368 shih tou (市斗)
	Quarter=8 bushels	2.909416 hl. (公石)	2.9094 shih shih (市石)
	Load=5 quarters	14.54708 ,, ,,	14.5470 ,, ,,

MEASURE OF WEIGHTS	*Avoirdupois*	Grain	0.0648 g. (公分)	0.2074 shih fen (市分)
		Drachm	1.7718 ,, ,,	5.6701 ,, ,, ,,
		Ounce = 16 dr. or 437.5 grains	28.3495 ,, ,,	9.0718 ,, ,, ,,
		Pound = 16 oz. or 7,000 grains	0.4536 kg. (公斤)	0.9072 shih ching (市斤)
		Stone = 14 lb.	6.3503 ,, ,,	12.7006 ,, ,, ,,
		Quarter = 28 lb.	12.7006 ,, ,,	25.4012 ,, ,, ,,
		Hundredweight = 4 qr. or 112 lb. (cwt.)	50.8024 ,, ,,	101.6047 ,, ,, ,,
		Ton (long)	1.0160 t. (公噸)	2,032.0941 ,, ,, ,,
	Troy	Grain	0.0648 g. (公分)	0.2074 shih fen (市分)
		Pennyweight = 24 grains	1.5552 ,, ,,	4.9766 ,, ,, ,,
		Ounce=24 Pennyweights	31.1035 ,, ,,	0.9953 shih liang (市兩)
		Pound=12 oz.	0.3732 kg. (公斤)	0.7465 shih ching (市斤)
	Apothecaries' Dry	Grain	0.0648 g. (公分)	0.2074 shih fen (市分)
		Scruple=20 grains	1.2960 ,, ,,	4.1471 ,, ,, ,,
		Drachm=3 scruples	3.8879 ,, ,,	1.2441 shih chien (市錢)
		Ounce=8 drachms	31.1035 ,, ,,	0.9953 shih liang (市兩)
		Pound=12 oz.	0.3732 kg. (公斤)	0.7465 shih ching (市斤)
	Apothecaries' Fluid	Minim	0.0592 ml. (公撮)	0.0592 shih tso (市撮)
		Drachm=60 minims	3.5515 ,, ,,	3.5515 ,, ,, ,,
		Ounce=8 drachms	2.8412 d. (公勺)	2.8412 shih cho (市勺)
		Pint=20 oz.	0.5682 l. (公升)	0.5682 shih sheng (市升)
		Gallon=8 pints	4.5460 ,, ,,	4.5460 ,, ,, ,,

II. DIRECTORY OF HIGH RANKING OFFICIALS OF THE CENTRAL AND LOCAL GOVERNMENTS OF THE REPUBLIC OF CHINA

(*June, 1937*)

A. Central Government

NATIONAL GOVERNMENT STATE COUNCIL
(*Kuo Min Chen Fu Wei Yuan Hui*, 國民政府委員會)

President: Lin Sen, 林森

State Councillors:

Chiang Kai-shek, 蔣中正
Tang Shao-yi, 唐紹儀
Chang Jen-chieh, 張人傑
Tsai Yuan-pei, 蔡元培
Hsiao Fu-cheng, 蕭佛成
Hsieh Chih, 謝持
Hsu Chung-chih, 許崇智
Wang Fa-chin, 王法勤
Li Lieh-chun, 李烈鈞
Tsou Lu, 鄒魯
Yeh Chu-tsang, 葉楚傖
T. V. Soong, 宋子文
Wang Po-chun, 王伯羣
Hsiung Keh-wu, 熊克武
Yen Hsi-shan, 閻錫山
Feng Yu-hsiang, 馮玉祥
Chao Tai-wen, 趙戴文
Wang Shu-han, 王樹翰
Liu Shang-ching, 劉尙清
Po Wen-wei, 柏文蔚
Ching Heng-yi, 經亨頤
En-keh-pa-tu, 恩克巴圖
Yang Shu-kan, 楊庶堪
Liu Shou-chung, 劉守中
Chang Chi, 張繼
Huang Fu-sheng, 黃復生
Chen Li-fu, 陳立夫
Li Wen-fan, 李文範
Teng Chia-yien, 鄧家彥
Chou Chen-lin, 周震鱗
Panchen Lama, 班禪
Ma Chao-chun, 馬超俊
Yun-tuan-wan-chu-keh, 雲端望楚克
Wang Chao-ming, 汪兆銘
Wang Chung-hui, 王寵惠

NATIONAL GOVERNMENT HEADQUARTERS

DEPARTMENT OF CIVIL AFFAIRS (*Wen Kuan Chu*, 文官處)

Director: Wei Huai, 魏懷
Chief of Bureau of Documents: Hsu Ching-tse, 許靜芝
Chief of Bureau of Printing and Engraving: Chow Chung-liang, 周仲良

DEPARTMENT OF MILITARY AFFAIRS (*Tsan Chun Chu*, 參軍處)

Director: Lu Chao, 呂超
Chief of Bureau of Ceremonies: Tang Chi, 唐豸
Chief of Bureau of General Affairs: Tien Shih-chieh, 田士捷

COMPTROLLER-GENERAL'S OFFICE (*Chu Chi Chu*, 主計處)

Comptroller-General: Chen Chi-tsai, 陳其采
Chief of Bureau of Budget: Yang Ju-mai, 楊汝梅
Chief of Bureau of Accounting: Chin Feng, 秦汾
Chief of Bureau of Statistics: Wu Ta-chun, 吳大鈞

COMMISSION FOR THE DISCIPLINARY PUNISHMENT OF POLITICAL OFFICIALS
(*Chen Wu Kuan Cheng Chieh Wei Yuan Hui*, 政務官懲戒委員會)

Chang Jen-chieh, 張人傑
Chang Chi, 張繼
Yeh Chu-tsang, 葉楚傖
Huang Fu-sheng, 黃復生
Ching Heng-yi, 經亨頤
En-keh-pa-tu, 恩克巴圖
Chen Li-fu, 陳立夫

Standing Committee: Yeh Chu-tsang, 葉楚傖

NATIONAL MILITARY COUNCIL
(*Chuan Kuo Chun Shih Wei Yuan Hui*, 全國軍事委員會)

Chairman: Chiang Kai-shek, 蔣中正

Vice-Chairmen:
Yen Hsi-shan, 閻錫山
Feng Yu-hsiang, 馮玉祥

Councillors:
Yen Hsi-shan, 閻錫山
Feng Yu-hsiang, 馮玉祥
Ho Ying-ching, 何應欽
Cheng Chien, 程潛
Li Lieh-chun, 李烈鈞
Li Tsung-jen, 李宗仁
Tang Sheng-chih, 唐生智
Chen Shao-kuan, 陳紹寬
Pai Tsung-hsi, 白崇禧
Ma Chan-shan, 馬占山
Su Pin-wen, 蘇炳文
Chen Tiao-yuan, 陳調元
Hsu Yung-chang, 徐永昌

BOARD OF GENERAL STAFF (*Tsan Mou Pen Pu*, 參謀本部)

Chief of General Staff: Cheng Chien, 程潛
Vice-Chief of General Staff: Yang Chieh, 楊杰
Vice-Chief of General Staff: Hsiung Pin, 熊斌

DIRECTORATE-GENERAL OF MILITARY TRAINING
(*Hsun Lien Tsung Chien Pu*, 訓練總監部)

Director-General: Tang Sheng-chih, 唐生智
Assistant Director-General: Chou Ya-wei, 周亞衛
Assistant Director-General: Chang Hua-fu, 張華輔

MILITARY ADVISORY COUNCIL
(*Chun Shih Tsan I Yuan*, 軍事參議院)

Chairman: Chen Tiao-yuan, 陳調元

Vice-Chairman: Wang Shu-chang, 王樹常

NATIONAL ECONOMIC COUNCIL
(*Chuan Kuo Ching Chi Wei Yuan Hui*, 全國經濟委員會)

Standing Committee:
Wang Ching-wei, 汪精衛
Sun Fo, 孫科
T. V. Soong, 宋子文
Chiang Kai-shek, 蔣中正
H. H. Kung, 孔祥熙

Secretary-General: Chin Feng, 秦汾

NATIONAL RECONSTRUCTION COMMISSION
(*Chien Shih Wei Yuan Hui*, 建設委員會)

Chairman: Chang Jen-chieh, 張人傑

Standing Committee:
Wu Chin-heng, 吳敬恆
Li Yu-ying, 李煜瀛
Chang Kia-ngau, 張嘉璈

Secretary-General: Liu Hsin-shih, 劉心石

ACADEMIA SINICA
(*Chung Yang Yen Chiu Yuan*, 中央研究院)

President: Tsai Yuan-pei, 蔡元培
Secretary-General: Chu Chia-hua, 朱家驊
Director, Department of Accounting: Wang Ching-li, 王敬禮
Director, Department of Correspondence: Wang Hsien-ting, 王顯廷
Director, Research Institute of Physics: Ting Hsi-lin, 丁燮林
Director, Research Institute of Chemistry: Chuang Chang-kung, 莊長恭
Director, Research Institute of Engineering: Chou Jen, 周仁
Director, Research Institute of Geology: J. S. Lee, 李四光
Director, Research Institute of Astronomy: Yu Ching-sung, 余青松
Director, Research Institute of Climatology: Coching Chu, 竺可楨
Director, Research Institute of History and Philology: Fu Ssu-nien, 傅斯年
Director, Research Institute of Psychology: Wang Ching-hsi, 汪敬熙
Director, Research Institute of Social Science: L. K. Tao, 陶孟和
Director, Research Institute of Botany: Wang Chia-chi, 王家楫

EXECUTIVE YUAN
(*Hsing Chen Yuan*, 行政院)

President: Chiang Kai-shek, 蔣中正
Vice-President: H. H. Kung, 孔祥熙
Secretary-General: Wei Tao-ming, 魏道明
Director of Political Affairs Department: Franklin L. Ho, 何廉

MINISTRY OF THE INTERIOR
(*Nei Chen Pu*, 內政部)

Minister: Chiang Tso-ping, 蔣作賓
Political Vice-Minister: Tao Lu-chien, 陶履謙
Administrative Vice-Minister: Chang Tao-fan, 張道藩
Director of General Affairs Department: Yang Tsai-chun, 楊在春
Director of Statistics Department: Keh Ching-you, 葛敬猷
Director of Civil Affairs Department: Tsai Pei, 蔡培
Director of Land Administrative Department: Cheng Cheng-yu, 鄭震宇
Director of Police Affairs Department: Feng Yu-kuen, 酆裕坤
Director of Rites and Customs Department: Chen Nien-chung, 陳念中

MINISTRY OF FOREIGN AFFAIRS
(*Wai Chiao Pu*, 外交部)

Minister: Wang Chung-hui, 王寵惠
Political Vice-Minister: Hsu Mo, 徐謨
Administrative Vice-Minister: Chen Chieh, 陳介
Counsellors:
Lin Chun-hsien, 林椿賢
Yui Ming, 余銘
Wang Chi-chiang, 王啓江
Ting Shao-chi, 丁紹伋
Secretaries:
Feng Fei, 馮飛
Hsieh Wei-lin, 謝維麟
Director of General Affairs Department: Hsu Kung-su, 徐公肅
Director of International Affairs Department: Wu Sung-kao, 吳頌皋
Director of Asiatic Affairs Department: Kao Chung-wu, 高宗武
Director of European and American Affairs Department: Liu Shih-shun, 劉師舜
Director of Intelligence and Publicity Department: Li Ti-Tsun, 李迪俊
Chairman of Treaty Commission: Wang Chung-hui, 王寵惠
Vice-Chairman of Treaty Commission: Chen Lu, 陳籙
Concurrently Director of Shanghai Office: Yui Ming, 余銘
Special Commissioner for Foreign Affairs for Kwangtung and Kwangsi (Canton): P. K. C. Tyau, 刁作謙
Special Commissioner for Foreign Affairs for Yunnan and Kweichow (Kunming): Wang Chan-chi, 王占祺
Special Commissioner for Foreign Affairs for Szechwan and Sikang (Chungking): Chaucer H. Wu, 吳澤湘

MINISTRY OF MILITARY AFFAIRS
(*Chun Chen Pu*, 軍政部)

Minister: Ho Ying-chin, 何應欽
Political Vice-Minister: Tsao Hao-shen, 曹浩森
Administrative Vice-Minister: Chen Cheng, 陳誠
Director of General Affairs Department: Hang Hsiung-hsiao, 項雄霄
Director of Military Affairs Department: Wang Wen-hsuan, 王文宣
Director of Army Judiciary Department: Wang Cheng-nan, 王震南
Director of Military Communications Department: Wang Ching-lu, 王景錄
Director of Arsenal Administration: Yu Ta-wei, 俞大維
Director of Commissariat Administration: Chou Chun-yien, 周駿彥

MINISTRY OF NAVY
(*Hai Chun Pu*, 海軍部)

Minister: Chen Shao-kuan, 陳紹寬
Political Vice-Minister: Chen Chi-liang, 陳季良
Administrative Vice Minister: Chen Hsun-yung, 陳訓泳

For the rest of the high ranking officials see page 339

MINISTRY OF FINANCE

(*Tsai Chen Pu*, 財政部)

Minister: H. H. Kung, 孔祥熙
Political Vice-Minister: Tsou Ling, 鄒琳
Administrative Vice-Minister: Hsu Kan, 徐堪
Director-General, Customs Administration: Loy Chang, 鄭萊
Director-General, Salt Revenue Administration: Chu Ting-chi, 朱庭祺
Director-General, Internal Revenue Administration: C. T. Woo, 吳啓鼎
Director, General Affairs Department: Jabin Hsu, 許建屏
Director, Taxation Department: Kao Ping-fang, 高秉坊
Director, Loan Department: Tao Chang-shan, 陶昌善
Director, Currency Department: Tai Ming-li, 戴銘禮
Director, Treasury Department: Lee Tang, 李儻
Director, Accounting Department: S. C. Pang, 龐松舟
Inspector-General of Customs: F. W. Maze, 梅樂和
Chief Inspector of Salt Revenue: Chu Ting-chi, 朱庭祺
Personal Secretary to the Minister of Finance: P. T. Chen, 陳炳章

MINISTRY OF INDUSTRY

(*Shih Yeh Pu*, 實業部)

Minister: Wu Ting-chang, 吳鼎昌
Political Vice-Minister: Cheng Tien-ku, 程天固
Administrative Vice-Minister: Chou I-chun, 周貽春
Director of Forestry and Reclamation Administration: Tan Hsi-hung, 譚熙鴻
Director of General Affairs Department: Yen Shen-yu, 嚴愼予
Director of Agricultural Department: Hsu Ting-hu, 徐廷瑚
Director of Industrial Department: Liu Ying-fu, 劉蔭茀
Director of Department of Commerce: Chang I-ou, 張軼歐
Director of Department of Fisheries: Tsun-yoong New, 嚴振鏞
Director of Department of Mines: Cheng I-fa, 程義法
Director of Department of Labor: Tang Chien-fei, 唐健飛
Director of Department of Co-operatives: Chang Yuan-shan, 章元善
Chief Statistician: Lo Tun-wei, 羅敦偉

MINISTRY OF EDUCATION

(*Chiao Yu Pu*, 教育部)

Minister: Wang Shih-chieh, 王世杰
Political Vice-Minister: Tuan Hsi-peng, 段錫朋
Administrative Vice-Minister: Chou Pin-lin, 周炳琳
Director of General Affairs Department: Lei Chen, 雷震
Director of Higher Education Department: Huang Chien-chung, 黃建中
Director of Elementary and Secondary Education Department: Ku Shu-shen, 顧樹森
Director of Social Education Department: Chen Li-chiang, 陳禮江
Director of Mongolian and Tibetan Education Department: Ku Shu-shen, 顧樹森

MINISTRY OF COMMUNICATIONS

(*Chiao Tung Pu*, 交通部)

Minister: Yu Fei-peng, 俞飛鵬
Political Vice-Minister: Peng Hsueh-pei, 彭學沛
Administrative Vice-Minister: Wang Ta-chen, 王大楨
Director of General Affairs Department: Shen Shih-hua, 沈士華
Director-General of Telegraphs: Wen Yu-ching, 溫毓慶
Director of Navigation Department: Loh Han-chin, 陸翰芹
Director-General of Posts: Kuo Hsin-sung, 郭心崧
Chief Accountant: Lu Yung-kuang, 陸榮光

MINISTRY OF RAILWAYS

(*Tieh Tao Pu*, 鐵道部)

Minister: Chang Kia-ngau, 張嘉璈
Political Vice-Minister: Tseng Yang-fu, 曾養甫
Administrative Vice-Minister: Tseng Yung-pu, 曾鎔浦
Director of General Affairs Department: Hsieh Feng-cheng, 謝奮程
Director of Traffic Department: Chen Ching-wen, 陳清文
Director of Finance Department: Chang Ching-li, 張競立
Director of Engineering Department: Sah Fu-chun, 薩福均
Chief Secretary: Francis K. Pan, 潘光迺
Chief Technical Expert: Yen Teh-ching, 顏德慶
Chief Accountant: Lin Chao-tang, 林兆棠
Foreign Advisers: Robert S. Norman; H. J. von Lochow

COMMISSION ON MONGOLIAN AND TIBETAN AFFAIRS

(*Meng Tsang Wei Yuan Hui*, 蒙藏委員會)

Chairman: Wu Chung-hsin, 吳忠信
Vice-Chairman: Chao Pei-lien, 趙丕廉
Standing Committee:
Lee Pei-tien, 李培天
Pei Yun-ti, 白雲梯
Ke Shing-nge, 克興額
Leng Yung, 冷融
Ah-wang-chien-tsan, 阿旺堅贊
Chu Fu-nan, 朱福南
Director of General Affairs Department: Chiang Yang-cheng, 江養正
Director of Mongolian Affairs Department: Chu Ming-shan, 楚明善
Director of Tibetan Affairs Department: Kong Chin-tsong, 孔慶宗

COMMISSION ON OVERSEAS CHINESE AFFAIRS

(*Chiao Wu Wei Yuan Hui*, 僑務委員會)

Chairman: Chen Shu-jen, 陳樹人
Vice-Chairman: Chou Chi-kang, 周啓剛
Standing Committee:
Tseng Yang-fu, 曾養甫
Cheng Chan-nan, 鄭占南
Chang Yun-fu, 張永福
Hsiao Chi-san, 蕭吉珊
Chen Chun-pu, 陳春圃
Hsieh Tso-ming, 謝作民
Secretary-General: Wang Chih-yuan, 王志遠
Director of Overseas Chinese Affairs Administrative Department: Chow Yien-ming, 周演明
Director of Overseas Chinese Education Department: Chen Chun-pu, 陳春圃

NATIONAL HEALTH ADMINISTRATION
(*Wei Sheng Shu*, 衛生署)

Director: Liu Jui-heng, 劉瑞恒

NATIONAL FAMINE RELIEF COMMISSION
(*Chen Wu Wei Yuan Hui*, 賑務委員會)

Chairman: Chu Ching-lan, 朱慶瀾
Standing Committee:
Wang Cheng, 王震
Liu Chen-hua, 劉鎮華
Wang Shou-chen, 汪守珍
Ho Shao-nan, 何紹南

BOARD OF TRUSTEES FOR THE ADMINISTRATION OF THE INDEMNITY FUNDS REMITTED BY THE BRITISH GOVERNMENT
(*Kwan Li Chung Yin Ken Kuan Tung Shih Hui*, 管理中英庚款董事會)

Chairman: Chu Chia-hua, 朱家驊
Vice-Chairman: R. Calder-Marshall, 馬錫爾
Board-Secretary: Yen Te-ching, 顏德慶
Board-Treasurer: Tseng Yung-pu, 曾鎔浦
Trustees:
J. B. Tayler, 戴樂仁
H. V. Wilkinson, 威爾金生
Li Shu-hua, 李書華
Soong Tse-liang, 宋子良
Chen Chi-tsai, 陳其采
Kenneth Cantlie, 康德黎
Tseng Yang-fu, 曾養甫
Li Sze-kuang, 李四光
Yeh Kung-cho, 葉恭綽
W. S. King, 荆恩
Liu Jui-heng, 劉瑞恒
Director: Han Lih-wu, 杭立武

NATIONAL COMMISSION ON AERONAUTICAL AFFAIRS
(*Chung Kuo Hang Kung Chien Shih Hsieh Hui*, 中國航空建設協會)

President: Chiang Kai-shek, 蔣中正
Standing Committee:
H. H. Kung, 孔祥熙
Ho Ying-ching, 何應欽
Wu Ting-chang, 吳鼎昌
Yu Fei-peng, 俞飛鵬
Chou Chih-jou, 周至柔

Concurrently Director: Chou Chih-jou, 周至柔

LEGISLATIVE YUAN

(*Li Fa Yuan*, 立法院)

President: Sun Fo, 孫科
Vice-President: Yeh Chu-tsang, 葉楚傖
Secretary-General: Liang Han-tsao, 梁寒操
Director, Bureau of Legislative Research: Hsieh Pao-chiao, 謝保樵
Chairman, Law Codification Committee: John C. Wu, 吳經熊
Chairman, Foreign Relations Committee: Fu Ping-chang, 傅秉常
Chairman, Finance Committee: Ma Yin-chu, 馬寅初
Chairman, Economic Committee: Wu Shang-yin, 吳尚鷹
Chairman, Military Affairs Committee: Ho Sui, 何遂

JUDICIAL YUAN

(*Ssu Fa Yuan*, 司法院)

President: Chu Cheng, 居正
Vice-President: Chin Cheng, 覃振

MINISTRY OF JUSTICE

(*Ssu Fa Hsing Chen Pu*, 司法行政部)

Minister: Hsieh Kuan-sheng, 謝冠生
Political Vice-Minister: Hung Lu-tung, 洪陸東
Administrative Vice-Minister: Hsieh Chien, 謝健
Director of General Affairs Department: Teng Tze-chun, 鄧子駿
Director of Civil Affairs Department: Wei Ta-tung, 魏大同
Director of Criminal Affairs Department: Lee Tai-san, 李泰三
Director of Prisons Department: Wang Yuan-cheng, 王元增

SUPREME COURT

(*Tsui Kao Fa Yuan*, 最高法院)

President: Chiao I-tang, 焦易堂
Chief Procurator: Cheng Lieh, 鄭烈

ADMINISTRATIVE COURT

(*Hsing Chen Fa Yuan*, 行政法院)

President: Mao Tsu-chuan, 茅祖權

COMMISSION FOR THE DISCIPLINARY PUNISHMENT OF PUBLIC FUNCTIONARIES

(*Chung Yang Kung Wu Yuan Cheng Chieh Wei Yuan Hui*, 中央公務員懲戒委員會)

Chairman: Wang Yung-pin, 王用賓

CONTROL YUAN

(*Chien Cha Yuan*, 監察院)

President: Yu Yu-jen, 于右任
Vice-President: Hsu Chung-chih, 許崇智
Secretary-General: Wang Lu-I, 王陸一
Supervisory Commissioner for Control Yuan for Hunan and Hupeh: Kao I-han, 高一涵
Supervisory Commissioner for Control Yuan for Hopei: Chou Li-sheng, 周利生
Supervisory Commissioner for Control Yuan for Kiangsu: Ting Chao-wu, 丁超五
Supervisory Commissioner for Control Yuan for Anhwei and Kiangsi: Miao Pei-cheng, 苗培成
Supervisory Commissioner for Control Yuan for Fukien and Chekiang: Chen Chao-ying, 陳肇英
Supervisory Commissioner for Control Yuan for Honan and Shantung: Fang Chiao-hui, 方覺慧
Supervisory Commissioner for Control Yuan for Kansu, Ninghsia and Chinghai: Tai Kuei-sheng, 戴愧生
Supervisory Commissioner for Control Yuan for Yunnan and Kweichow: Jen Ke-cheng, 任可澄

MINISTRY OF AUDIT

(*Shen Chi Pu*, 審計部)

Minister: Lin Yun-kai, 林雲陔
Political Vice-Minister: Liu Chi-wen, 劉紀文
Administrative Vice-Minister: Wang Chi-tien, 王籍田

EXAMINATION YUAN

(*Kao Shih Yuan*, 考試院)

President: Tai Chi-tao, 戴季陶
Vice-President: Niu Yung-chien, 鈕永建

MINISTRY OF PERSONNEL

(*Chuan Hsu Pu*, 銓敘部)

Minister: Shih Ying, 石瑛
Political Vice-Minister: Wang Tzu-chuang, 王子壯
Administrative Vice-Minister: Ma Hung-huan, 馬洪煥

EXAMINATION COMMISSION

(*Kao Hsuan Wei Yuan Hui*, 考選委員會)

Chairman: Chen Ta-chi, 陳大齊
Vice-Chairman: Shen Shih-yuan, 沈士遠

B. PROVINCIAL GOVERNMENT

KIANGSU PROVINCIAL GOVERNMENT

Concurrently Chairman: Chen Kuo-fu, 陳果夫
Concurrently Commissioner of Civil Affairs: Yu Ching-tang, 余井塘
Concurrently Commissioner of Finance: Chao Ti-hua, 趙棣華
Concurrently Commissioner of Education: Chou Fu-hai, 周佛海
Concurrently Commissioner of Reconstruction: Shen Pai-hsien, 沈百先

Lo Liang-chien, 羅良鑑
Wang Po-ling, 王柏齡
Yeh Hsiu-feng, 葉秀峯
Cheng I-tung, 鄭亦同

Secretary-General: Lo Shih-shih, 羅時實

CHEKIANG PROVINCIAL GOVERNMENT

Concurrently Chairman and Commissioner of Civil Affairs: Chu Chia-hua, 朱家驊
Concurrently Commissioner of Finance: Cheng Yuan-fan, 程遠帆
Concurrently Commissioner of Education: Hsu Shao-ti, 許紹棣
Concurrently Commissioner of Reconstruction: Wang Chen, 王徵

Chou Hsiang-hsien, 周象賢
Chu Kung-yang, 朱孔陽
Lo Hsia-tien, 羅霞天
Lou Kuang-lai, 樓光來

Secretary-General: Yen Yu-pu, 閻幼甫

KIANGSI PROVINCIAL GOVERNMENT

Concurrently Chairman: Hsiung Shih-hui, 熊式輝
Concurrently Commissioner of Civil Affairs: Wang Tzu-fu, 王次甫
Concurrently Commissioner of Finance: Wen Chun, 文羣
Concurrently Commissioner of Education: Cheng Shih-kuei, 程時煃
Concurrently Commissioner of Reconstruction: Kung Hsueh-sui, 龔學遂
Concurrently Secretary-General: Liu Ti-chien, 劉體乾

Hsiung Sui, 熊遂
Li Teh-chao, 李德釗
Hsiao Shun-chin, 蕭純錦

ANHWEI PROVINCIAL GOVERNMENT

Concurrently Chairman: Liu Shang-ching, 劉尙清
Concurrently Commissioner of Civil Affairs: Ma Lin-fu, 馬凌甫
Concurrently Commissioner of Finance: Yang Mien-chung, 楊綿仲
Concurrently Commissioner of Education: Yang Lien, 楊廉
Concurrently Commissioner of Reconstruction: Liu Yi-yen, 劉貽燕
Concurrently Secretary-General: Wang Yin-chwan, 王印川

Chu Wei-ching, 楚緯經
Li Ying-sheng, 李應生
Fan Tzu-tseh, 范滋澤

HUPEH PROVINCIAL GOVERNMENT

Concurrently Chairman: Huang Shao-hsiung, 黃紹雄
Concurrently Commissioner of Civil Affairs: Meng Kuang-peng, 孟廣澎
Concurrently Commissioner of Finance: Chia Shih-yi, 賈士毅
Concurrently Commissioner of Education: Chou Tien-fang, 周天放
Concurrently Commissioner of Reconstruction: Wu Ting-yang, 伍廷颺
Concurrently Secretary-General: Lu Chu, 盧鑄

Yang Kuei, 楊揆
Wu Kuo-chen, 吳國楨
Fan Hsi-chi, 范熙績

HUNAN PROVINCIAL GOVERNMENT

Concurrently Chairman: Ho Chien, 何鍵
Concurrently Commissioner of Civil Affairs: Ling Chang, 凌璋
Concurrently Commissioner of Finance: Yin Jen-hsien, 尹任先
Concurrently Commissioner of Education: Chu Ching-nung, 朱經農
Concurrently Commissioner of Reconstruction: Yu Chi-chuan, 余藉傳

Chen Chu-chen, 陳渠珍
Huang Shih-heng, 黃士衡
Tsao Tien-chiu, 曹典球
Huang Chia-sheng, 黃家聲

Secretary-General: I Shu-chu, 易書竹

SZECHWAN PROVINCIAL GOVERNMENT

Concurrently Chairman: Liu Hsiang, 劉湘
Concurrently Commissioner of Civil Affairs: Hsi Tsu-yu, 嵇祖佑
Concurrently Commissioner of Finance: Liu Hang-shen, 劉航琛
Concurrently Commissioner of Reconstruction: Lu Tso-fu, 盧作孚
Concurrently Commissioner of Education: Chiang Chih-cheng, 蔣志澄
Concurrently Secretary-General: Teng Han-hsiang, 鄧漢祥

Tu Pin-chang, 杜炳章
Kan Chi-yung, 甘績鏞

SIKANG PROVINCIAL GOVERNMENT ORGANIZATION COMMISSION

Chairman: Liu Wen-hui, 劉文輝

Tuan Pan-chi, 段班級
Leng Yung, 冷融
Jen Nai-chiang, 任乃強
Liu Chia-chu, 劉家駒
Hsiang Chuan-I, 向傳義
Li Wan-hua, 李萬華

Secretary-General: Yang Yung-chun, 楊永浚

FUKIEN PROVINCIAL GOVERNMENT

Concurrently Chairman: Chen Yi, 陳儀
Concurrently Commissioner of Civil Affairs: Kao Teng-ting, 高登艇
Concurrently Commissioner of Finance: Szu Lieh, 斯烈
Concurrently Commissioner of Education: Cheng Chen-wan, 鄭貞文
Concurrently Commissioner of Reconstruction: Chen Ti-cheng, 陳體誠

Sun Chia-cheh, 孫家哲
Li Shih-chia, 李世甲
Lin Chih-yuan, 林知淵
Li Ching-chuan, 李清泉

Secretary-General: Chen Chin-lieh, 陳景烈

KWANGTUNG PROVINCIAL GOVERNMENT

Concurrently Chairman: Wu Tieh-cheng, 吳鐵城
Concurrently Commissioner of Civil Affairs: Wang Yin-yui, 王應榆
Concurrently Commissioner of Finance: T. L. Soong, 宋子良
Concurrently Commissioner of Education: Hsu Chung-ching, 許崇清
Concurrently Commissioner of Reconstruction: Liu Wei-chih, 劉維熾

Li Hsu-huan, 李煦寰
Lo I-chin, 羅翼羣
Hsiao Chi-san, 蕭吉珊

Secretary-General: Tsen Hsueh-lu, 岑學呂

KWANGSI PROVINCIAL GOVERNMENT

Concurrently Chairman: Huang Hsu-chu, 黃旭初
Concurrently Commissioner of Civil Affairs: Lei Yin, 雷殷
Concurrently Commissioner of Finance: Huang Chung-yueh, 黃鍾岳
Concurrently Commissioner of Education: Chiu Chang-wei, 邱昌渭
Concurrently Commissioner of Reconstruction: Wei Yun-sung, 韋雲淞

Liang Chao-chi, 梁朝璣
Huang Chi, 黃薊
Li Jen-jen, 李任仁
Lei Pei-hung, 雷沛鴻

Secretary-General: Su Hsi-hsun, 蘇希洵

KWEICHOW PROVINCIAL GOVERNMENT

Concurrently Chairman: Hsieh Yao, 薛岳
Concurrently Commissioner of Civil Affairs: Tsao Ching-yuan, 曹經沅
Concurrently Commissioner of Finance: Wang Che-ying, 王澈瑩
Concurrently Commissioner of Education: Chang Chih-han, 張志韓
Concurrently Commissioner of Reconstruction: Hu Chia-chao, 胡嘉詔

Han Teh-chin, 韓德勤
Chou Kung-shou, 周恭壽
Ho Chi-wu, 何輯五

Secretary-General: Yen Chang-wu, 嚴昌武

YUNNAN PROVINCIAL GOVERNMENT

Concurrently Chairman: Lung Yun, 龍雲
Concurrently Commissioner of Civil Affairs: Ting Chao-kuan, 丁兆冠
Concurrently Commissioner of Finance: Lu Tsung-jen, 陸崇仁
Concurrently Commissioner of Education: Kung Tzu-chih, 龔自知
Concurrently Commissioner of Reconstruction: Chang Pang-han, 張邦翰

Lu Han, 盧漢
Hu Ying, 胡瑛
Chou Chung-yao, 周鍾嶽
Miao Chia-ming, 繆嘉銘

Secretary General: Yuan Pei-yu, 袁丕佑

HOPEI PROVINCIAL GOVERNMENT

Concurrently Chairman: Feng Chih-an, 馮治安
Concurrently Commissioner of Civil Affairs: Chang Chi-yung, 張吉墉
Concurrently Commissioner of Finance: Chia Yu-chang, 賈玉璋
Concurrently Commissioner of Education: Li Chin-tsao, 李金藻
Concurrently Commissioner of Reconstruction: Wang Ching-ju, 王景儒
Concurrently Secretary General: Wei Shu-hsiang, 魏書香

Li Hsin, 李炘
Ku Chung-shu, 谷鍾秀

SHANTUNG PROVINCIAL GOVERNMENT

Concurrently Chairman: Han Fu-chiu, 韓復榘
Concurrently Commissioner of Civil Affairs: Li Shu-chun, 李樹春
Concurrently Commissioner of Finance: Wang Hsiang-yung, 王向榮
Concurrently Commissioner of Education: Ho Ssu-yuan, 何思源
Concurrently Commissioner of Reconstruction: Chang Hung-lieh, 張鴻烈
Concurrently Secretary-General: Chang Shao-tang, 張紹堂

Wang Fang-ting, 王芳亭
Chang Yueh, 張鉞
Lin Chi-ching, 林濟青

HONAN PROVINCIAL GOVERNMENT

Concurrently Chairman: Shang Cheng, 商震
Concurrently Commissioner of Civil Affairs: Li Pei-chi, 李培基
Concurrently Commissioner of Finance: Ho Hao-jo, 何浩若
Concurrently Commissioner of Reconstruction: Chang Chin-yu, 張靜愚
Concurrently Commissioner of Education: Lu Tang-ping, 魯蕩平

Chi Chen-ju, 齊眞如
Chang Chih-chen, 張志箴
Fang Tse, 方策
Kuo Chung-wei, 郭仲隗

Secretary-General: Liu Shui-chang, 劉燧昌

SHANSI PROVINCIAL GOVERNMENT

Concurrently Chairman: Chao Tai-wen, 趙戴文
Concurrently Commissioner of Civil Affairs: Chiu Yang-chun, 邱仰濬
Concurrently Commissioner of Finance: Wang Ping, 王平
Concurrently Commissioner of Education: Chi Kung-chuan, 嵇貢泉
Concurrently Commissioner of Reconstruction: Fan Hsiang-li, 樊象離
Concurrently Secretary-General: Wang Chien, 王謙

Sun Huan-lun, 孫奐崙
Li Shang-jen, 李尙仁
Ma Chun, 馬駿

SHENSI PROVINCIAL GOVERNMENT

Concurrently Chairman: Sun Wei-ju, 孫蔚如
Concurrently Commissioner of Civil Affairs: Peng Chao-hsien, 彭昭賢
Concurrently Commissioner of Finance: Hsu Shih-pu, 續式甫
Concurrently Commissioner of Education: Chou Pai-min, 周伯敏
Concurrently Commissioner of Reconstruction: Lei Pao-hua, 雷寶華

Wang Tsung-shan, 王宗山
Yang Yu-chen, 楊毓楨
Wang Tien-chan, 王典章
Li Chih-kang, 李志剛

Secretary-General: Tu Pin-cheng, 杜斌丞

KANSU PROVINCIAL GOVERNMENT

Concurrently Chairman: Ho Yao-tsu, 賀耀祖
Concurrently Commissioner of Civil Affairs: Liu Kuang-pei, 劉廣沛
Concurrently Commissioner of Finance: Liang Chin-chun, 梁敬錞
Concurrently Acting Commissioner of Education: Tien Chiung-ching, 田炯錦
Concurrently Commissioner of Reconstruction: Hsu Hsien-shih, 許顯時
Concurrently Secretary-General: Chou Tsung-cheng, 周從政

Teng Pao-san, 鄧寶珊
La Shih-chun, 喇世俊
Chang Wei, 張維

HEILUNGKIANG PROVINCIAL GOVERNMENT

(*Under Foreign Occupation*)

KIRIN PROVINCIAL GOVERNMENT

(*Under Foreign Occupation*)

LIAONING PROVINCIAL GOVERNMENT

(*Under Foreign Occupation*)

JEHOL PROVINCIAL GOVERNMENT

(*Under Foreign Occupation*)

CHAHAR PROVINCIAL GOVERNMENT

Concurrently Chairman: Liu Ju-ming, 劉汝明
Commissioner of Civil Affairs: Kao Tzu-ming, 高自明
Concurrently Commissioner of Finance: Yang Mu-shih, 楊慕時
Concurrently Commissioner of Education: Ko Chang-szu, 柯昌泗
Concurrently Commissioner of Reconstruction: Chang Li-sheng, 張礪生

Lu Chen, 呂震
Cho-teh-pa-cha-pu, 卓特巴札普
Teh-mu-chu-keh-tung-lu-pu, 德穆楚克棟魯布

Secretary-General: 郭天民

SUIYUAN PROVINCIAL GOVERNMENT

Concurrently Chairman: Fu Tso-yi, 傅作義
Concurrently Commissioner of Civil Affairs: Yuan Ching-tseng, 袁慶曾
Concurrently Commissioner of Finance: Li Chu-yi, 李居義
Concurrently Commissioner of Education: Yen Wei, 閻偉
Concurrently Commissioner of Reconstruction: Feng Hsi, 馮曦

Sha-keh-tu-erch-cha-pu, 沙克都爾札布
Wen-tung-wang-chu-keh, 蘊棟旺楚克

Secretary-General: Tseng Hou-tsai, 曾厚載

NINGHSIA PROVINCIAL GOVERNMENT

Concurrently Chairman: Ma Hung-kuei, 馬鴻逵
Concurrently Commissioner of Civil Affairs: Li Han-yuan, 李翰園
Concurrently Commissioner of Finance: Yang Hung-shou, 楊鴻壽
Concurrently Commissioner of Education: Tung Yao-hua, 童耀華
Concurrently Commissioner of Reconstruction: Ma Ju-lung, 馬如龍

Ma Fu-shou, 馬福壽
Hai Tao, 海濤
Ta-li-cha-ya, 達禮札雅
Ma Chi-teh, 馬繼德

Secretary-General: Yeh Shen, 葉森

SINKIANG PROVINCIAL GOVERNMENT

Concurrently Chairman: Li Yung, 李溶
Concurrently Commissioner of Civil Affairs: Ma Shao-wu, 馬紹武
Concurrently Commissioner of Finance: Hu Shou-kang, 胡壽康
Concurrently Commissioner of Education: Chang Shing, 張馨
Concurrently Commissioner of Reconstruction: Shih Shih-chang, 師世昌
Concurrently Commissioner of Agriculture and Mining: Yu Wen-ping, 鄒文彬
Concurrently Secretary-General: Huang Han-chang, 黃翰章

Hu Yen-wei, 胡廷偉
Sheng Shih-tsai, 盛世才
Sha-li-fu-han, 沙里福汗
Man-chu-keh-cha-pu, 滿楚克札布
Ho-chia-ni-ya-tzu, 和加尼牙子
Chen Teh-li, 陳德立

CHINGHAI PROVINCIAL GOVERNMENT

Concurrently Chairman: Ma Lin, 馬麟
Acting Chairman: Ma Pu-fang, 馬步芳
Concurrently Commissioner of Civil Affairs: Yao Chun, 姚鈞
Concurrently Commissioner of Finance: Wei Fu-tzu, 魏敷滋
Concurrently Acting Commissioner of Finance: Wei Fu-tseh, 魏敷澤
Concurrently Commissioner of Education: Yang Hsi-yao, 楊希堯
Concurrently Commissioner of Reconstruction: Li Nai-fen, 李迺棻
Concurrently Secretary-General: Tan Ke-min, 譚克敏

Ma Pu-ching, 馬步青 Panchen, 班禪額爾德尼

C. CITY GOVERNMENTS

NANKING

Mayor: Ma Chao-chun, 馬超俊
Secretary-General: Wang Shu-fang, 王漱芳
Commissioner of Finance: Lu Chao-chian, 陸肇強
Commissioner of Social Affairs: Chen Chien-ju, 陳劍如
Commissioner of Public Works: Sung Hsi-shang, 宋希尚
Commissioner of Land Administration: Chow Siang, 周湘

SHANGHAI

Mayor: O. K. Yui, 俞鴻鈞
Secretary-General: Chou Yung-neng, 周雍能
Commissioner of Social Affairs: Pan Kung-chan, 潘公展
Commissioner of Public Safety: Tsai Ching-chun, 蔡勁軍
Commissioner of Finance: Hsu Fu, 徐桴
Commissioner of Public Works: Shen Yi, 沈怡
Commissioner of Public Health: Li Ting-an, 李廷安
Commissioner of Land Administration: Hsu Fu, 徐桴
Commissioner of Public Utilities: Hsu Pei-huang, 徐佩璜
D rector of Peace Preservation Corps: Yang Hu, 楊虎

PEIPING, TSINGTAO, CANTON AND HANKOW

Peiping	*Mayor:*	Chin Teh-shun, 秦德純
Tsingtao	*Mayor:*	Shen Hung-lieh, 沈鴻烈
Canton	*Mayor:*	Tseng Yang-fu, 曾養甫
Hankow	*Mayor:*	Wu Kuo-cheng, 吳國楨

III. CHINESE DIPLOMATIC AND CONSULAR SERVICE ABROAD

(*October, 1937*)

DELEGATION TO THE LEAGUE OF NATIONS (GENEVA)

DELEGATES PLENIPOTENTIARY:
V. K. Wellington Koo, *Ambassador to France.*
Quo Tai-chi, *Ambassador to Great Britain.*
Tsien Tai, *Ambassador to Belgium.*

BELGIUM

Embassy		
Brussels	Ambassador Plenipotentiary	Tsien Tai, 錢泰
Vice-Consulate		
Antwerp	Vice-Consul	Tsai Fang-chu, 蔡方翥

FRANCE

Embassy		
Paris	Ambassador Plenipotentiary	V. K. Wellington Koo, 顧維鈞
Consulates-General		
Paris	Consul-General	Hwang Cheng, 黃正
Bordeaux Office	Detailed from Paris	Tsou Che-hwa, 鄒秩華
Lyon Office	Detailed from Paris	Fang Hsien-shu, 方賢俶
Hanoi, Indo-China	Consul-General	Hsu Nien-tseng, 許念曾
Haiphong Office	Detailed from Hanoi	Liu Chia-chu, 劉家駒
Consulates		
Marseilles	Vice-Consul, in charge	Liao Te-tchen, 廖德珍
Saigon	Consul	Tcheng Tchouong-kium, 陳忠鈞

GERMANY

Embassy		
Berlin	Ambassador Plenipotentiary	Cheng Tien-fang, 程天放
Consulate		
Hamburg	Consul, with brevet rank of Consul-General	Chang Ken-nien, 張賡年

GREAT BRITAIN AND BRITISH DOMINIONS

Embassy		
London	Ambassador Plenipotentiary	Quo Tai-chi, 郭泰祺
Consulates-General		
London	Consul-General	Tan Pao-shen, 譚葆慎
Ottawa	Consul-General	Chen Chang-lok, 陳長樂
Singapore	Consul-General	Kao Ling-pai, 高凌百
Sydney, Australia	Consul-General	Pao Chun-chien, 保君健
Johannesburg, Transvaal	Consul-General	Show-mo Chang, 章守默
Calcutta	Consul, in charge, with brevet rank of Consul-General	Liang Chang Pei, 梁長培
Consulates		
Sandakan	Consul	Wu Chin-hsun, 吳勤訓
Rangoon	Consul	Tsai Hsien-chang, 蔡咸章
Vancouver	Consul, with brevet rank of Consul-General	Pao Chun-kao, 保君皐
Wellington, New Zealand	Consul	Wang Feng, 汪豐
Penang	Consul	Huang Yen-kai, 黃延凱
Kuala Lumpur	Consul	Sze Zau-tsung, 施紹曾
Liverpool	Vice-Consul, in charge, with brevet rank of consul	Tao Ying, 陶寅

Vice-Consulates		
Manchester	Vice-Consul	Yang Mien-huang, 楊冕煌
Apia, Samoa	Vice-Consul	Pan Cheng-fu, 潘承福
Bombay	Vice-Consul	Ting Chen-wu, 丁振武
Suva, Fiji	Vice-Consul	Chiang Chia-tung, 蔣家棟
Consular Invoice Officer		
Hongkong	Invoice Officer	Tai Teh-fu, 戴德撫

ITALY

Embassy		
Rome	Ambassador Plenipotentiary	Liu Wen-tao, 劉文島
Consulate		
Trieste	Consul	Chang Chia-ying, 張嘉瑩

JAPAN

Embassy		
Tokyo	Ambassador Plenipotentiary	Hsu Shih-ying, 許世英
Consulates-General		
Yokohama	Consul-General	Shao Yu-ling, 邵毓麟
Hakodate Office	Detailed from Yokohama	Sidney Lo, 羅集誼
Kobe	Consul-General	Wang Shou-shan, 王守善
Osaka Office	Detailed from Kobe	Yang Hsueh-lun, 楊雪倫
Nagoya Office	Detailed from Kobe	Keng Shan-ying, 耿善颖
Seoul, Korea	Consul-General	Fan Han-sheng, 范漢生
Taihoku, Formosa	Consul-General	Kuo Yi-min, 郭彝民
Consulates		
Nagasaki	Consul	Jen Chia-feng, 任家豐
Moji Office	Detailed from Nagasaki	Chou Chung-min, 周仲敏
Fusan, Korea	Consul	Chen Tsu-kan, 陳祖侃
Shingishu, Korea	Consul	Chin Tsu-hui, 金祖惠
Seishin, Korea	Consul	Ma Yung-fah, 馬永發
Vice-Consulate		
Gensan, Korea	Concurrently Vice-Consul	Ma Yung fah, 馬永發

UNITED STATES OF AMERICA

	Embassy	
Washington, D. C.	Ambassador Plenipotentiary	Chengting T. Wang, 王正廷
	Consulates-General	
San Francisco	Consul-General	Huang Chao-chin, 黃朝琴
Manila, P. I.	Consul-General	Yuen-tan Tu, 涂允檀
New York	Consul-General	Yu Chun-chi, 于焌吉
Chicago	Consul-General	Tzechin Lu, 呂子勤
Honolulu	Consul-General	Mei King-chou, 梅景周
	Consulates	
Seattle	Consul, with brevet rank of Consul-General	Loh Shih-yin, 陸士寅
Portland	Vice-Consul, in charge	Su Shang-chi, 蘇尙驥
Los Angeles	Consul	Tse-chang K. Chang, 張紫常
	Vice-Consulates	
New Orleans	Vice-Consul	Li Tzu-hsiu, 李自修
Houston	Vice-Consul	Wang Ching-lun, 汪清淪

U. S, S. R.

	Embassy	
Moscow	Ambassador Plenipotentiary	Ting-fu F. Tsiang, 蔣廷黻
	Consulates-General	
Vladivostok	Consul-General	Pai Yu, 白瑜
Blagovestchensk	Consul-General	Wu Ai-chen, 吳藹宸
Kharbarovsk	Consul-General	Yen Pao-hang, 閻寶航
Tashkent	Consul-General	Kuang Lu, 廣祿
Novo-Sibirsk	Consul-General	Chien Chia-tung, 錢家棟
	Consulates	
Chita	Consul	Chiao Chi-hua, 焦績華
Nikolsk	Consul	Ku Wen-tsui, 顧文萃
Troizkosavrsk	Consul	Kou Tseng-shu, 勾增澍
Nikolaievsk	Consul	Sun Ping-ching, 孫炳清
Alamatu	Consul	Kuo Ta-ming, 郭大鳴
Andijan	Consul	Sah La-chun, 薩拉春
Zaizan	Consul	Pao Er Han, 鮑爾漢
Semipalatinsk	Consul	Liu Teh-en, 劉德恩

AUSTRIA

Legation		
Vienna	Second Secretary, in charge	Ho Feng-shan 何鳳山

BRAZIL

Legation		
Rio de Janeiro	Envoy Extraordinary and Minister Plenipotentiary	Hsiung Chung-chih (S. S. Young), 熊崇志

CHILE

Legation		
Santiago	Envoy Extraordinary and Minister Plenipotentiary	Chang Chien (Henry K. Chang), 張謙

CUBA

Legation		
Havana	Charge d'Affaires	Tchou Che-tsien, 朱世全
Consulate-General		
Havana	Consul in charge	Tsung Wei-hsien, 宗惟賢

CZECHOSLOVAKIA

Legation		
Prague	Envoy Extraordinary and Minister Plenipotentiary	Liang Lung, 梁龍

DENMARK

Legation		
Copenhagen	Envoy Extraordinary and Minister Plenipotentiary	Wu Nan Yu, 吳南如

FINLAND

Legation		
Helsingfors	(Under temporary charge of Legation in Stockholm)	

MEXICO

Legation		
Mexico City	Envoy Extraordinary and Minister Plenipotentiary	Tang Shao-hua, 譚紹華

Consulate		
Tampico	Consul	Chen Cheng-mo, 陳承謨
Vice-Consulates		
Mexicali	Vice-Consul with brevet rank of Consul	Chen Ying-yung, 陳應榮
Tapachula	Vice-Consul	Huang Tseh-kuang, 黃澤光
Mazatlan	Vice-Consul with brevet rank of Consul	Shen Ming, 沈銘

NETHERLANDS

Legation		
The Hague	Envoy Extraordinary and Minister Plenipotentiary	King Wunsz, 金問泗
Consulate-General		
Batavia, Java	Consul-General	Tschou-kwong Kah, 葛祖爌
Consulates		
Amsterdam, Holland	Consul	Yuan Ti, 袁惕
Sourabaya, Java	Consul	Tsao Ju-chuan, 曹汝銓
Palembang, Sumatra	Consul	H. M. Show, 壽羲民
Medan, Sumatra	Vice-Consul in charge, with brevet rank of Consul	Dalton T. Djang, 張德同
Macassar, Celebes	Consul	Wang Teh-fen, 王德棻

NORWAY

Legation		
Oslo	Concurrently Envoy Extraordinary and Minister Plenipotentiary	Wang King-ky, 王景岐

PANAMA

Legation		
Panama City	Envoy Extraordinary and Minister Plenipotentiary	Shen Chin-ting (D. D. Shen), 沈覲鼎

PERU

Legation		
Lima	Envoy Extraordinary and Minister Plenipotentiary	Li Chun, 李駿

POLAND

Legation		
Warsaw	Envoy Extraordinary and Minister Plenipotentiary	Wei Sheng-tsu, 魏宸組

PORTUGAL

Legation		
Lisbon	Envoy Extraordinary and Minister Plenipotentiary	Ching-lun Frank W. Lee, 李錦綸

SPAIN

Legation		
Madrid	Second Secretary in charge	Wang Teh-yen, 王德炎

SWEDEN

Legation		
Stockholm	Envoy Extraordinary and Minister Plenipotentiary	Wang King-ky, 王景岐

SWITZERLAND

Legation		
Bern	Envoy Extraordinary and Minister Plenipotentiary	Hu Shih-tseh, 胡世澤 (Victor C. Hoo)

TURKEY

Legation		
Angora	Charge d'Affaires	Tung Te-chien, 童德乾

GUATEMALA

Consulate-General		
Guatemala City	Consul-General	Lu Chun-fang, 盧春芳

NICARAGUA

Consulate-General		
Managua	Consul-General	Lin Jen-chou, 林任洲

EGYPT

Consulate		
Cairo	Consul	Chiu Tzu-ming, 邱祖銘

SIAM

Commercial Delegate		
Bangkok	Commercial Delegate	Chen Shou-ming, 陳守明

IV. FOREIGN DIPLOMATIC AND CONSULAR SERVICE IN CHINA

(*October, 1937*)

A. Foreign Diplomatic Service

AMBASSADORS

Country	*Name*	*Date of Assumption of Office*
Union of Soviet Socialist Republics	His Excellency Mr. Dimitri Bogomoloff	May 2, 1933
Germany	His Excellency Dr. Oscar P. Trautmann	September 14, 1935
United States of America	His Excellency Mr. Nelson Trusler Johnson	September 17, 1935
Japan	His Excellency Mr. Shigeru Kawagoe	July 3, 1936
France	His Excellency Mr. Paul Emile Naggiar	July 9, 1936
Great Britain	His Excellency Sir Hughe M. Knatchbull-Hugessen	September 23, 1936
Italy	His Excellency Mr. Giuliano Cora	April 28, 1937
Belgium	His Excellency Baron Jules Guillaume	September 6, 1937

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY

Country	*Name*	*Date of Assumption of Office*
Cuba	His Excellency General Manuel Piedra Martel	December 16, 1929
Portugal	His Excellency Mr. Armando Navarro	December 30, 1930
Denmark	His Excellency Mr. Oscar de Oxholm	March 7, 1933
Poland	His Excellency Mr. Georges Barthel de Weydenthal	January 16, 1934
Netherlands	His Excellency Baron G. W. de Vos van Steenwyk	September 19, 1935
Brazil	His Excellency Mr. Renato de Lacerda Lago	February 21, 1936
Norway	His Excellency Mr. Finn Koren	May 8, 1936
Mexico	His Excellency General Francisco J. Aguilar	April 30, 1937
Finland	His Excellency Mr. Hugo Valvanne	May 1, 1937
Sweden	His Excellency Baron Johan Beck-Friis	August 14, 1937
Czechoslovakia	His Excellency Mr. J. Seba	October 4, 1937

CHARGE D'AFFAIRES

Country	*Name*	*Date of Assumption of Office*
Switzerland	Mr. Etienne Lardy	January 9, 1933
Austria	Mr. Adrian Rotter	

CHARGES D'AFFAIRES AD INTERIM

Country	*Name*	*Date of Assumption of Office*
Chile	Mr. Eleazar Vega	October 18, 1935
Norway	Mr. N. Aall	February 22, 1937
Mexico	Mr. A. C. Amador	May 1, 1937
Finland	Mr. Ville Niskanen	May 2, 1937
Peru	Mr. H. Fernandez Davila	May 21, 1937
Cuba	Mr. Francisco Bonachea y Romero	

B. Foreign Consular Service

AMOY

BELGIUM:	J. M. Morhaus, *Honorary Consul.*
FRANCE:	Roy Fernand, *Consul.*
GREAT BRITAIN:	A. J. Martin, *Consul.*
JAPAN:	Takahashi, *Vice-Consul, in charge of the Consulate-General.*
NETHERLANDS:	J. M. Morhaus, *Consul.*
PORTUGAL:	Roy Fernand, *Honorary Vice-Consul.*
SPAIN:	Roy Fernand, *Honorary Vice-Consul.*
U. S. A.:	H. H. Dick, *Consul.*

CANTON

BELGIUM:	Henry Vanderstraeten, *Consul-General.*
DENMARK:	Kay Neckelman, *Honorary Consul.*
FINLAND:	A. Schubert, *Honorary Consul.*
FRANCE:	L. Eynard, *Consul.*
GERMANY:	Felex Altenburg, *Consul-General.*
GREAT BRITAIN:	A. P. Blunt, *Consul-General.*
ITALY:	G. Ros, *Consul.*
JAPAN:	Toyaichi Nakamura, *Consul-General.*
NETHERLANDS:	F. A. Van Woerden, *Consul, in charge of the Consulate-General.*
NICARAGUA:	Trinedad E. Lacayo, *Honorary Consul.*
NORWAY:	H. S. Smith, *Honorary Consul.*
PORTUGAL:	Mario Horacio Gracias, *Vice-Consul, in charge of the Consulate.*
SWEDEN:	B. R. Rasmussen, *Acting Vice-Consul.*
SWITZERLAND:	Vinck Spalinger, *Consul.*
U. S. A.:	I. N. Linnell, *Consul-General.*

CHANGSHA

GREAT BRITAIN:	G. S. Moss, *Consul-General.*
JAPAN:	Suehiko Takai, *Vice-Consul.*

CHEFOO

BELGIUM:	V. R. Eckford, *Honorary Consul.*
FINLAND:	C. Krueper, *Honorary Consul.*
GREAT BRITAIN:	G. V. Kitson, *Consul.*
JAPAN:	Saku Tanaka, *Vice-Consul.*
NETHERLANDS:	Warter Buss, *Honorary Consul.*
NORWAY:	C. Krueper, *Honorary Consul.*
U. S. A.:	Stuart Allen, *Consul.*

CHENGHWA

U. S. S. R.:	Korchagin, *Consul.*

CHUNGKING

FRANCE:	T. Mederd, *Consul.*
GERMANY:	G. Scheffler, *Consul.*
GREAT BRITAIN:	E. W. P. Mills, *Acting Consul-General.*
JAPAN:	Y. Kasuga, *Consul.*

FOOCHOW

FRANCE:	M. Chapron, *Acting Consul.*
GREAT BRITAIN:	G. E. Stockly, *Consul.*
JAPAN:	Uchida, *Consul-General.*
NETHERLANDS:	L. A. R. Duncan, *Acting Honorary Consul.*
PORTUGAL:	M. Chapron, *Acting Honorary Vice-Consul.*
U. S. A.:	Robert S. Ward, *Consul.*

HANGCHOW

JAPAN:	Ozo Matsumura, *Vice-Consul.*

HANKOW

BELGIUM:	Ferruceio Stefenelli, *Acting Honorary Consul-General.*
DENMARK:	A. E. Bosselman, *Honorary Consul.*
FINLAND:	S. T. F. Jensen, *Honorary Consul.*
FRANCE:	Raoul Blondeau, *Consul.*
GERMANY:	Herrn Timann, *Consul-General.*
GREAT BRITAIN:	G. S. Moss, *Consul-General.*
ITALY:	Ferruceio Stefenelli, *Consul.*
JAPAN:	Yoshiyuki Miura, *Consul-General.*
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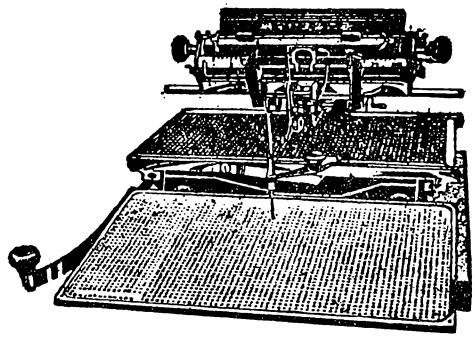

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