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CHINA.

HANKOW.

By Consul General Edwin S. Cunningham.

A glance at the map of China will convince any observer of the natural trade advantages of Hankow, situated in the heart of China, in about the same latitude as New Orleans, and 600 miles from Shanghai. It is at the confluence of the great Yangtze Kiang and Han Rivers, which, with their tributaries, drain the entire western area of China south of Mongolia. These natural carriers are being supplemented by artificial ones in the shape of railways, intended to radiate in every direction from this common hub, for it is the hope of every proposed line in Central China to make the Wuhan cities (Hankow, Wuchang, and Hanyang) one terminus. Hankow is situated midway between the ocean and the rich Province of Szechwan, and being at the head of navigation for ocean-going steamers must always maintain its standing as a place of transshipment for various raw products. From Szechwan, Kweichow, Hunan, South Honan, Shensi, Kansu, Hupeh, and western Kiangsi are collected raw products at the Wuhan cities to be consigned to foreign ports. Hankow is about equally distant from Tientsin in the north and Canton in the south, and collects and distributes goods for the extensive central district.

This consular district comprises the Provinces of Hupeh, Kiangsi, Shensi, Kansu, four-fifths of Honan, Chinese Turkestan, Kokonor in Tibet, and a part of Mongolia. Omitting the unproductive region of Kokonor and the poorly defined limits of Mongolia, it aggregates 950,278 square miles. The population of 77,691,000 equals that of the continental United States at the beginning of this century.

Trade Features of the Year.

With the exception of tea, the field crops for 1916 were above the average. The price received for all locally manufactured products continued high, bringing satisfactory results to the makers of steel, iron, antimony, egg products, flour, and oil-mill products. Wages increased in many instances. On the other hand, the increased cost of living amounted to 15 to 20 per cent for those who depend only upon Chinese products and even more for those demanding imported articles.

The features of the year affecting the people and trade were as follows:

1. The high rate of exchange, due largely to the increase in the price of silver from 54 to 75 cents per ounce.
2. An attempt to change the form of the Chinese Government.
3. A moratorium issued by the central Government.
4. The shortage of river junk facilities.
5. The scarcity of ocean bottoms and the high freight rates.

Rise in Exchange and Its Effects.

The rate of exchange for Chinese currency, which was on the rise before the close of 1915, continued to go up during the early part of 1916. It reached the highest for over 20 years in May, when the Hankow tael was nominally 81½ cents gold. This was considered high at that time, and though there was a decline during the months of July and August that high-water mark would have been considered low toward the close of the year, because during November and December demand drafts were selling nominally at 86 cents gold, though 86½ could often have been obtained. Closely allied to exchange rates was a great scarcity of cash during November, when the foreign banks were hard pressed for ready money to meet the requirements of their clients, and some could not respond to these requests. The notes of the Chinese banks were at a discount for some days after the decree by the central Government of the moratorium in May, 1916, but the decision of the local officials to disregard this moratorium did much to maintain the currency and to restore money to circulation. This high exchange was extremely favorable to imports, which were bought in increased quantities, but toward the latter half of the year, when the exchange continued so high that exports were maintained with the greatest difficulty, imports tended to decline. When silver is high in the international market the Chinese people suffer because of their inability to dispose profitably of the domestic raw products. Owing to the abnormal world conditions, however, there was a demand at considerably higher value for many of China's raw products. Consequently the economic conditions in this consular district are not so bad as could reasonably be expected considering the unprecedentedly high rate of exchange.

Interruption of River Trade—New Enterprises.

During the first part of the year the marketing of the country's products was interrupted by the commandeering for military purposes of the junks and junk men. The return of troops to headquarters during the third quarter of the year again interfered with mercantile transport. Foreign firms and local dealers encountered great difficulty in delivering their products from the upper Yangtze River and Shensi Province.

The year saw great activities in many lines, but did not include the establishment of large industries. The Bureau of Mines for Hupeh was organized and did some good preliminary prospecting work, which it is hoped will in time add to the wealth of the Province. A new telephone system for the Wuhan cities was contracted for. Many new buildings have been erected in the foreign concessions. A number of new American firms have opened branches in Hankow, but the business of the belligerent nations, except the Japanese, continued to be contracted.

Progress on Canton-Hankow Railway.

Considerable work was done by the Canton-Hankow Railway in the construction of the line to Changsha. The cars, bridges, and locomotives were supplied by American firms and were delivered in Wuchang before the end of the year. Most of the bridge work was completed and 140 miles of track of the 226 had been laid. Workshops are well under way, supplementing various extensive buildings previously erected by the railway in Wuchang. A mixed freight and passenger train was put on in February, 1917, from Wuchang to Pu-chi, and it was expected to extend passenger service to Changsha by August, 1917. On the so-called German section only grading and masonry work has been performed, and it has been pushed on about 90 miles. The so-called American section of this Hukuang Railway made no advancement during 1916, except in the completion by the engineer in chief of a report covering the traffic of the district, which was submitted to the Chinese Government in April, 1916. All these railways are being constructed from the Hukuang loan agreement made with China by financiers of the United States, United Kingdom, France, and Germany.

Gross Trade of Four Ports in Hankow District.

The statistics in this report are from the Chinese Maritime Customs returns. No attempt is made to include the native customs. The rates of exchange used in the conversion from haikwan taels are \$0.612 for 1915 and \$0.8283 for 1916. The former is the rate used in the reductions for the 1915 annual report.

The treaty ports in the Hankow consular district and the gross trade, exclusive of treasure and coin, of each port during 1915 and 1916 are indicated in the following table:

Years.	Hankow.	Kiukiang.	Ichang.	Shasi.
1915.....	\$113,940,933	\$24,329,799	\$5,661,664	\$2,851,237
1916.....	166,959,027	35,708,111	10,664,166	3,644,324

Gross and Net Trade of Hankow and Kiukiang.

The following table furnishes a comparative statement for Hankow and Kiukiang (the most important ports in the district) of the gross and net values of merchandise passing through the Chinese Maritime Customs in 1915 and 1916:

Imports and exports.	Hankow.		Kiukiang.	
	1915	1916	1915	1916
Imports of foreign goods:				
From foreign countries and Hongkong.....	\$17,088,093	\$29,764,473	\$1,110,316	\$2,017,418
From Chinese ports.....	15,757,526	19,319,764	6,002,573	8,999,692
Total foreign imports.....	32,845,619	49,084,237	7,112,889	11,017,110
Reexports of foreign goods:				
To foreign countries and Hongkong.....	6,925	5,874		
To Chinese ports.....	6,335,099	8,359,654	269,347	568,589
Total foreign reexports.....	6,342,024	8,365,528	269,347	568,589
Net total foreign imports.....	26,503,595	40,718,709	6,843,542	10,448,521
Imports of Chinese products.....	18,693,538	29,984,878	4,294,982	5,282,744

Imports and exports.	Hankow.		Kiukiang.	
	1915	1916	1915	1916
Reexports of Chinese products:				
To foreign countries.....	\$1,804,532	\$2,012,670		
To Chinese ports.....	7,320,357	11,777,848	\$22,242	\$13,808
Total Chinese reexports.....	9,125,219	13,790,518	22,242	13,808
Net total Chinese imports.....	9,568,319	16,194,360	4,272,740	5,268,936
Exports of Chinese products of local origin:				
To foreign countries.....	8,166,404	8,282,097	740	1,127
To Chinese ports.....	54,253,372	79,607,815	12,921,188	19,407,130
Total exports of local origin.....	62,401,776	87,889,912	12,921,928	19,408,257
Gross value of the trade of the port.....	113,940,933	166,930,027	24,329,799	35,708,111
Net value of the trade of the port.....	98,473,690	144,802,981	24,038,210	35,125,714

Imports and Exports by Countries.

The following table shows the gross imports of foreign goods and the exports plus reexports of Chinese goods at Hankow in 1915 and 1916, by countries of origin and destination:

Countries.	Gross imports of foreign goods.		Exports plus reexports of Chinese goods.	
	1915	1916	1915	1916
Australia, New Zealand, etc.....	\$14,231	\$1,330		
British India.....	1,980,275	3,874,766		
Canada.....		118,221	\$9,561	\$36,286
Denmark.....	17,997	4,831		61,289
Dutch East Indies.....	1,331,106	1,288,410		
France.....	141,521	293,353	211,357	156,602
Hongkong.....	1,778,793	3,316,210	5,983	7,251
Italy.....	1,671	70,934	668,178	
Japan (including Taiwan).....	7,297,795	13,731,645	1,670,401	3,107,019
Netherlands.....	2,674	83	10,867	
Norway.....	10,545	6,684		
Philippine Islands.....	36,038			
Russia:				
European.....			1,610,788	1,035,744
Asiatic.....	72,521	192,758	4,321,927	3,575,020
Singapore, Straits Settlements, etc.....	40,971	117,499		
Sweden.....	17,579	73,296		
United Kingdom.....	1,706,239	1,994,710	941,233	1,501,245
United States (including Hawaii).....	2,637,262	4,768,856	517,923	811,397
All other countries.....	932	877	15	
Total.....	17,688,093	29,764,473	9,971,236	10,294,766

Owing to the world war many countries formerly prominent in the commerce of Central China have disappeared from the list of direct dealers. As was expected, Japan holds the premier position. Its proximity places it in the most favorable position, but its advantage is due even more to its steamers, which deliver the sales to Hankow and return with purchases, thus insuring a larger percentage of both being included as direct shipments. The increasing number of Japanese firms acting as representatives of various lines of commerce materially facilitates the interchange of articles on the most advantageous conditions. In 1915 Japan sold to Hankow 43 per cent of the total direct imports, which was increased to 46 per cent in 1916. The value of imports from Japan was 88 per cent greater

in 1916 than in 1915. In 1916 Japan held 42 per cent of the total direct trade of Hankow, including imports and exports.

The United States was second in furnishing Hankow imports. Though few of America's direct sales arrived in American bottoms, its sales of merchandise increased to \$4,768,856, or 80 per cent more than in 1915; but the United States supplied only 16 per cent of the total direct imports.

The British Indian imports amounted to \$3,874,766, which represents a substantial increase over the preceding year. The \$3,316,240 furnished by Hongkong indicates that this port is regaining the trade lost during the first two years of the war and is resuming its position as the entrepôt between foreign countries and China. The United Kingdom, however, which prior to the European war figured prominently in the trade, does not now appear so important in the direct trade, its sales amounting in 1916 to only \$1,994,710.

Increased Demand for Various Articles—Figures for American Trade.

The total direct imports for 1916 were greater by \$12,676,380 than those of 1915, which, however, declined by \$7,576,837 when compared with 1914. The high exchange accounts in part for the 1916 increase, but there were actually greater buyings, for the exhaustion of Germany's stock accumulated before the war made the purchase of many foreign goods imperative. Heavy buyings occurred in the early part of the year in copper, iron and mild steel bars, nails, tin plates, gunny bags, and machinery of all kinds. The piece-goods imports were extremely satisfactory from the dealers' standpoint. The quantity of Japanese yarn was greater than in any previous year, and the imports of other yarn were inconsiderable in comparison with the Japanese.

The declared exports to the United States, as compiled from the invoices in this office during 1916, were valued at \$14,123,883, and in 1915 at \$7,732,077, while in the foregoing table they were only \$811,307 and \$517,923. There are likely to be discrepancies between the two sets of figures for any port, but an inland port affords the greatest opportunity for this discrepancy. While the declared exports as prepared in this consulate general can be accepted as correct for the export trade, there is no way to procure more reliable import figures than are furnished in the table, but it can be stated confidently that the import statistics represent each nation's trade with greater accuracy than does the export table.

Imports by Articles.

When statistics of imports throughout this report cover specific articles they show the total foreign imports received at Hankow direct from foreign countries and as reshipments from other Chinese treaty ports, less reexports to treaty ports and foreign countries. This fails to bring out the importance of the port as the distributing center to other parts of China. On the other hand, the export statistics of specific articles include reexports.

The table of imports by articles will indicate the diversity of the demands of this market, though the volume can not be regarded as large, considering the immense population. The following table

shows the quantity and value of the principal articles imported at Hankow in 1915 and 1916 from foreign countries and Chinese ports:

Articles.	1915		1916	
	Quantity.	Value.	Quantity.	Value.
Acids: Boric, nitric, and other.....pounds..	823,732	\$32,679	739,000	\$37,610
Asbestos: Boiler composition, sheets, packing, etc.do....	70,800	9,714	107,200	12,511
Automobiles and parts.....		5,625		35,212
Bags:				
Cotton, canvas.....number..	82,934	25,946	20,958	13,470
Gunny, new and old.....do....	3,708,580	314,982	4,438,131	351,021
Bedsteads.....do....	1,629	13,883	1,153	14,161
Beer and porter, bottled.....doz. quarts..	25,549	35,505	27,269	40,890
Belting.....		30,047		77,413
Bicycles.....		1,635		3,782
Boots and shoes, leather and canvas.....pairs..	2,791	2,997	973	2,976
Bottles, empty.....		3,919		6,402
Brass and yellow metal.....pounds..	111,100	15,351	88,933	20,436
Bridge-construction materials.....		25,501		
Buttons.....gross..	155,302	37,396	81,754	28,950
Candle-making materials, stearin and candles.....pounds..	1,153,733	78,824	283,267	30,212
Caps and hats, foreign.....number..	121,305	24,088	74,736	16,668
Carbon, black.....pounds..	132,800	8,868	36,933	10,160
Cardamoms.....do....	126,400	15,532	154,000	29,074
Carriages, cars, wagons, and parts.....		117,419		283,307
Casks, empty.....number..	9,532	15,081	10,325	21,838
Cigarettes.....thousands..	490,827	735,277	520,641	1,790,979
Cigars.....do....	19,935	18,936	1,621	26,853
Chests and fittings for tea.....		52,514		117,161
Clocks.....number..	31,259	29,122	20,318	25,430
Coal.....tons..	102,459	376,555	93,354	463,832
Copper: Ingots, bars, sheets, wire, etc.....pounds..	1,540,133	189,526	1,124,133	213,256
Cotton goods:				
Blankets.....number..	41,038	24,932	49,251	31,223
Drills:				
American.....pieces..	14,225	36,987	16,875	56,704
British.....do....	3,412	11,105	1,010	3,843
Japanese.....do....	221,309	499,581	154,717	419,524
Other.....do....	1,422	1,169		
Dyed cottons, n. c. s.....do....	330,961	1,065,505	272,067	1,430,686
Fannels, cotton, plain, dyed:				
American.....do....	30,723	62,988	14,501	42,047
British.....do....	1,850	3,884	901	2,291
Japanese.....do....	6,244	12,878	16,280	49,758
Other.....do....			45	119
Handkerchiefs.....dozens..	81,979	15,000	108,578	27,172
Italians, plain, fast black.....pieces..	21,328	640,161	147,072	615,190
Jeans:				
Dutch.....do....	2,655	4,472	1,600	3,645
English.....do....	120,434	232,156	61,191	158,804
Japanese.....do....	98,560	176,371	183,388	440,495
Lawns.....do....	18,689	40,569	23,007	63,050
Sheetings, gray, plain—				
American.....do....	14,530	28,297	5,730	15,994
English.....do....	41,851	117,047	37,233	126,860
Japanese.....do....	8,760	15,655	11,260	31,151
Shirtings, plain—				
Gray—				
American.....do....	2,590	8,179	520	1,292
English.....do....	464,578	880,493	351,419	918,247
Japanese.....do....	75,910	151,954	211,033	585,736
Dutch.....do....			350	1,024
White—				
American.....do....	200	803		
Dutch.....do....	25,510	67,288	5,670	20,851
English.....do....	511,632	1,321,361	463,897	1,494,716
Japanese.....do....	7,450	18,331	17,560	58,434
T cloth—				
English.....do....	70,035	139,327	42,444	106,775
Other.....do....	22,753	31,171	6,505	10,421
Thread, cotton—				
Balls.....pounds..	30,800	10,999	43,200	20,847
Spools.....gross..	12,116	17,844	8,683	27,441
Towels.....dozens..	175,304	58,813	192,595	92,354
Velvets, velveteens, cords, corduroys, etc.....yards..	313,604	58,743	174,860	85,754
Yarn, cotton.....pounds..	43,327,200	5,102,667	37,882,933	6,024,007
Miscellaneous cotton goods.....		98,062		260,491
Miscellaneous piece goods.....		90,833		289,027
Covers, bed, including cotton quilts.....number..	38,924	12,708	52,243	22,332
Crucibles.....		1,827		7,795
Drapery.....		14,655		21,022

Articles.	1915		1916	
	Quantity.	Value.	Quantity.	Value.
Dyes:				
Indigo.....pounds..	141,733	\$97,492	57,067	\$59,505
Other dyes, colors, etc.....do..	1,460,000	31,429	1,573,400	111,471
Dynamite.....do..	5,067	1,057		
Electrical materials and fittings.....		67,702		177,630
Emery cloth, sandpaper, powder, wheels, etc.....		24,407		5,202
Enameled ironware.....		26,249		36,846
Engine and boiler fittings.....		39,446		
Files.....dozens..	5,024	7,255	3,746	5,584
Flour.....pounds..	320,000	8,202	183,733	7,260
Fruits and vegetables, canned.....		11,975		19,868
Garters, braces, suspenders, etc.....		56,457		143,027
Ginseng:				
American.....pounds..	8,977	65,380	9,887	110,393
Japanese.....do..	10,363	9,277	12,268	25,209
Other.....do..	2,226	14,050	2,107	60,001
Glass, window, stained, colored, common, etc..boxes..	13,627	70,855	22,744	169,999
Gloves.....dozen pairs..	24,617	11,253	19,581	7,451
Graphophones and accessories.....		6,585		7,851
Haberdashery and millinery.....		29,058		58,745
Hardware, and parts of.....		48,662		28,697
Hats, summer and straw.....number..	23,678	10,857	42,384	17,312
Hosiery, including cotton socks.....dozen pairs..	249,160	86,591	298,023	166,206
Instruments:				
Musical—Pianos and organs.....		4,558		7,388
Medical and surgical.....		13,260		13,151
Other.....		3,452		10,997
Iron and mild steel, new:				
Bars.....pounds..	5,320,667	97,932	5,708,533	203,558
Cobbles.....do..	1,737,867	20,261	673,333	14,495
Hoops.....do..	2,449,267	32,279	5,524,800	278,455
Nails.....do..	5,728,000	147,394	2,903,200	399,450
Pipes and tubes, wrought.....do..	316,314	9,606	1,241,733	40,966
Plate.....do..	4,633,200	49,338	1,694,133	20,799
Rails.....do..			1,408,000	24,798
Screws.....do..	34,800	2,228	121,333	17,818
Sheets and plates.....do..	1,461,067	30,781	2,793,467	106,031
Wire.....do..	317,067	8,965	330,667	18,677
Other.....do..	1,981,867	44,668	2,765,467	98,034
Iron and mild steel, old.....do..	3,577,066	32,771	6,229,867	127,395
Iron, galvanized:				
Bolts, nuts, rivets, washers, screws, tubes, ropes, etc.....pounds..	150,500	3,014	210,600	15,064
Corrugated sheets.....do..	542,800	19,783	726,800	54,581
Flat sheets.....do..	961,333	35,830	1,267,733	96,475
Wire.....do..	596,667	17,993	430,800	25,666
Wire shorts.....do..	2,721,733	35,729	492,267	13,119
Lamps and lampware.....		55,837		77,450
Lead.....pounds..	1,334,131	20,077	566,867	57,725
Leather.....		58,709		120,168
Locomotives.....		78,125		712,705
Lumber:				
Hardwood.....cubic feet..	10,042	2,520	206,978	69,779
Softwood.....square feet..	2,899,557	51,461	130,327,608	3,454,412
Sleepers.....number..	557,522	333,360	202,202	150,413
Machines.....		3,124		1,990
Machinery.....		148,380		681,631
Match-making materials.....pounds..	9,460,667	198,327	4,488,800	91,155
Matches, Japanese.....gross..	94,116	163,236		42,588
Medicines, foreign and Hongkong.....	763,548	80,198		20,927
Metals, antifriction, including babbitts and magnolia metals.....pounds..	142,100	22,830	15,733	5,999
Metal, white.....do..	13,067	3,596	4,287	3,190
Milk, condensed, in tins.....dozens..	29,418	31,950	20,702	30,888
Mining requisites.....		12,802		17,961
Munitions.....		11,222		41,104
Needles.....thousands..	135,760	17,697	33,450	16,735
Nickel.....pounds..	53,467	25,920	60,766	53,764
Oil:				
Kerosene—				
American.....gallons..	12,583,690	1,026,963	8,005,684	802,365
Borneo and Sumatra.....do..	11,722,225	1,080,556	4,828,612	600,936
Lubricating.....do..	281,191	61,253	375,989	99,016
Paints.....pounds..	69,200	29,325	168,733	29,221
Paper.....		144,637		343,125
Paper-making materials.....pounds..	1,352,800	25,287	970,333	30,922
Pepper:				
Black.....do..	1,404,533	125,713	1,166,800	159,466
White.....do..	31,467	4,747	19,733	4,475
Photographic materials.....		10,676		12,534

Articles.	1915		1916	
	Quantity.	Value.	Quantity.	Value.
Printing and lithographic materials.....				\$3,418
Printing ink.....pounds..	43,467	86,106	50,000	13,732
Provisions and household stores, n. e. s. ^a		165,291		191,958
Pumps and fittings.....		554		10,427
Railway-plant materials.....		247,012		160,842
Recreation requisites.....		3,558		4,469
Rope, Manila.....pounds..	65,600	4,101	200,667	25,048
Rubber and rubber goods.....		19,243		11,277
Safes and vaults.....		3,248		12,777
Scales.....number..	188	2,698	334	8,865
Seaweed, cut, long, red, etc.....pounds..	17,461,067	228,394	14,791,333	291,439
Sewing and knitting machines.....number..	265	5,203	327	6,792
Shooks, staves, etc.....		99,486		365,659
Soap:				
Bar.....pounds..	2,050,933	14,938	1,952,800	121,313
Toilet and fancy.....		34,799		45,310
Spirits (not including alcohol).....		31,201		53,851
Stationery.....		31,569		33,564
Steel:				
Bamboo.....pounds..	1,013,067	28,598	429,067	25,839
Bars.....do.....	861,867	27,217	15,333	738
Tool and cast.....do.....	242,400	16,867	476,133	85,778
Wire, netting and gauze.....do.....	11,867	1,126	17,200	5,182
Other.....do.....	592,135	19,007	310,267	37,516
Stoves and grates.....		4,821		6,586
Sugar.....pounds..	81,475,866	1,801,525	73,917,467	3,153,614
Tar.....gallons..	99,954	7,795	107,774	12,868
Tea:				
Dust.....pounds..	17,813,467	2,372,533	62,067,200	5,006,832
Other.....do.....	6,933	1,200	5,967	737
Telegraphic materials.....		10,607		19,839
Tin.....pounds..	66,087	14,478	31,533	10,278
Tin plates, plain and decorated.....do.....	10,346,133	363,550	7,790,900	441,314
Tobacco, leaf and prepared.....do.....	10,667	3,589	225,067	34,735
Tobacconists' sundries.....		14,359		15,244
Toilet requisites.....		35,356		29,151
Toothpowder and paste.....		6,408		15,231
Typewriters and accessories.....		5,741		6,440
Umbrellas, cotton, Japanese.....number..	515,927	131,528	452,263	154,714
Underwear.....dozens..	8,543	22,986	10,657	39,226
Varnish.....gallons..	10,454	8,193	11,190	14,773
Watches.....number..	3,429	3,279	5,986	10,239
Water, table, bottled.....dozen quarts..	36,340	44,012	23,048	30,545
Wines, not including sake.....do.....	99,863	34,617	65,929	40,871
Woolen goods.....		90,825		114,494
Woolen and cotton mixtures.....		106,755		101,123
Zinc.....pounds..	68,798	5,557	228,400	67,133
All other.....		2,034,403		2,139,282
Total.....		26,563,595		40,718,700

^a The heading "provisions and household stores, n. e. s.," includes the following items of the Chinese Maritime Customs returns: Biscuits, butter, cheese, chocolate (sweetened), cinnamon, cloves, coffee (raw), confectionery, ham and bacon, macaroni and vermicelli, meats preserved in tins, milk (sterilized), nutmegs, preserves, and raisins and currants.

Increase in Value of Yarn and Thread Imports.

Cotton yarn and cloth are necessities for all classes of Chinese and must be had regardless of the economic conditions existing in the country. No substitutes can be found. The cotton yarn of all sorts and from all sources imported in 1914 amounted to 57,326,400 pounds, in 1915 to 67,794,400 pounds, and in 1916 to 72,182,133 pounds; these are the gross imports, while the foregoing table indicates the net imports only. During 1916 Japan supplied practically all of this trade. Formerly British India and other parts of the world supplied a limited amount, but these have entirely disappeared from the list of countries supplying Hankow. Japanese yarn was imported into Hankow in 1916 in excess of the preceding year by 90,000 bales. Even the mercerized yarn, which was not imported into Hankow from Japan until after the Chinese revolution, is gaining ground each year. This trade both in the old established brands

and in the new articles is controlled by Japanese firms, which keep large stocks in Hankow, from which they sell daily to the local trade.

The following table gives a more complete analysis of the net imports of yarn and thread in 1915 and 1916 than is given in the preceding table:

Yarn and thread.	1915		1916	
	Quantity.	Value.	Quantity.	Value.
Cotton yarn..... pounds..	43,327,200	\$5,102,667	37,882,933	\$6,024,007
Gray and bleached—				
English..... do....	6,400	1,235		
Indian..... do....	891,467	100,413	458,267	68,097
Japanese..... do....	41,538,933	4,755,152	36,946,933	5,772,518
Dyed, mercerized, and gassed—				
Japanese..... do....	590,400	245,867	477,600	183,317
Other..... do....			133	75
Cotton thread.....		28,783		48,288
In balls, mercerized, etc.....	30,800	10,939	43,200	20,847
On spools—				
50 yards..... gross..	4,039	2,941	3,835	1,479
100 yards..... do....	6,423	10,220		
200 yards..... do....	752	2,573	2,384	13,862
300 yards..... do....		1,135	715	4,904
1,000 yards..... do....	10	77	40	608
Other..... do....	617	898	1,664	3,588
Total, yarn and thread.....		5,131,450		6,072,295

The United States does not supply any of the cotton yarn. China is increasing its output of yarn of the coarser grades to No. 16, but does not nearly supply the demand. Though the raw product is plentiful in China, labor is cheap, and other cotton mills are being erected, yet Japan has a monopoly of the import market, which is growing rather than diminishing in importance.

Sources of Cotton-textile Imports.

Cotton textiles constitute 18.3 per cent of the net total direct import trade of Hankow. The following table shows the sources of net imports of certain grades of textiles in 1915 and 1916:

Articles.	Total.		American.		British.		Japanese.	
	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.
1915.								
Drills.....	238,946	\$546,671	14,225	\$36,985	3,412	\$11,105	221,309	\$498,581
Flannels, plain, dyed, and printed.....	38,817	79,550	30,723	62,988	1,850	3,884	6,244	12,878
Jeans.....	221,649	412,999			120,434	232,156	98,560	176,371
Sheetings, gray, plain..	65,141	160,999	14,530	28,297	41,851	117,047	8,760	15,655
Shirtings, plain:								
Gray.....	545,368	1,040,626	3,630	8,179	464,578	880,493	77,160	151,951
White.....	544,792	1,407,783	209	803	511,632	1,321,361	7,450	18,331
T cloth.....	77,495	148,238			70,035	139,327	6,060	7,051
Total.....	1,732,208	3,797,066	63,308	137,252	1,213,792	2,705,373	426,143	880,821
1916.								
Drills.....	172,602	480,071	16,875	56,704	1,010	3,843	154,717	419,524
Flannels, plain, dyed, and printed.....	31,730	94,215	14,501	42,047	901	2,291	16,280	49,758
Jeans.....	248,179	602,944			61,191	158,804	185,388	440,495
Sheetings, gray, plain..	54,228	174,005	5,730	15,991	37,238	126,860	11,260	31,151
Shirtings, plain:								
Gray.....	563,322	1,506,299	520	1,292	351,419	918,247	211,033	585,736
White.....	487,427	1,574,001			403,897	1,494,716	17,869	58,434
T cloth.....	48,952	117,196			42,444	106,775		
Total.....	1,606,440	4,548,731	37,629	116,037	958,100	2,811,536	596,538	1,585,098

Gross Imports of Various Kinds of Piece Goods.

Considering the importance of this group, the following statistics compiled by the British Chamber of Commerce, Hankow, from the daily customs returns will be interesting as showing the gross imports of piece goods in contrast to the foregoing table, which gave the net imports:

Cotton goods.	1914	1915	1916
	<i>Pieccs.</i>	<i>Pieccs.</i>	<i>Pieccs.</i>
Cottons, printed.....	162,182	99,505	64,309
Cottons, Turkey red.....	58,597	55,782	82,044
Drills, gray.....	377,416	281,831	234,445
Flannel.....	42,951	1,303	40,413
Italians, black and colored.....	313,127	314,042	229,952
Jeans, gray.....	255,839	249,276	283,565
Lastings.....	35,706	37,736	31,999
Sheetings, gray.....	76,205	102,485	107,487
Shirtings:			
Gray.....	577,868	633,321	651,740
White.....	712,416	695,079	620,655
T cloth, gray and bleached.....	59,461	85,232	51,122
Velvets and velveteens.....	^a 498,807	^a 417,493	^a 263,742
Venetians, black and colored.....	112,523	120,823	106,843

^a Yards.

Review of the Year in Piece-Goods Trade.

The following comment on the piece-goods trade is taken from the report of the British Chamber of Commerce in Hankow:

The year 1916, from the piece-goods dealers' point of view, must be considered a good one. With a steadily rising market and supplies in reasonable quantity good profits were realized in nearly all descriptions of piece goods.

In grays the imports were only about 1 per cent below those of 1915 and about 3 per cent below the 1914 figures. Here the competition of the Japanese mills was most keenly felt, and in jeans especially it may be said that the trade, if not actually gone from Manchester, bids fair to finish in the near future. In shirtings and sheetings Manchester has still a fair portion of the trade, but the proximity of Japan, and her ability to lay down goods not only promptly but comparatively cheaply, is telling in these lines also. In whites the import for 1916 was about 13 per cent less than 1915. Here Manchester goods still hold the market. A fair business has been done in blacks, although Italians have fallen off by 28 per cent and Venetians by about 15 per cent as compared with 1915. In poplins not much direct business has been done, dealers drawing their supplies mostly from Shanghai.

Deliveries have been fairly good. Stocks are now down to a very safe level and much old cargo must have been cleared from godowns. The high values ruling at home tended to greatly decrease the firm-offer business and the tendency seems to be in the direction of a return to the old merchant trading. Exchange fluctuations were evidently somewhat beyond the desire of even Chinese traders, and there was a great wish on their part to buy in taels, the sterling price being converted at the rate of the day. The heavy bank penalties for forward delivery made this impossible and many contracts consequently fell through.

In passing, it may be reported that there has not been much complaint about the outturn of dyed goods, and the British manufacturers must be congratulated on solving the dye question so satisfactorily in a limited time.

American Piece Goods Giving Place to Those from Japan.

It is greatly to be regretted that American participation in the cotton piece-goods trade is diminishing. Last year offered the greatest opportunity for the United States to participate in this important branch of trade that it had ever had, but imports from that country diminished instead of increasing. The Manchester mills have found great difficulty in supplying this market, and the United States

could easily have taken advantage of this opening, because no other country enters into competition in the same grades. A careful study of the imports of piece goods confirms the capture of this market by Japan. Japanese merchants have established agencies with their own nationals in Hankow and sell the piece goods that are manufactured in Japan from warehouses without the delay of ordering from mills on the other side of the world.

Kerosene Imports and Their Sources.

The following statement gives the imports of kerosene at Hankow in 1915 and 1916 from various foreign countries and Hongkong and from Chinese ports, the reexports to Chinese ports, and the net total imports:

Kinds of oil.	Imports from foreign countries and Hongkong.		Imports from Chinese ports.		Reexports to Chinese ports.		Net total imports.	
	1915	1916	1915	1916	1915	1916	1915	1916
American:	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>
In case	6,504,153	.....	.....	46,658	3,613,550	1,115,000	2,830,603	.....
In bulk	15,574,007	10,945,905	.....	2,130	5,880,920	2,942,351	9,633,087	8,065,684
Borneo, in bulk ..	9,687,711	2,242,897	241,331	143,032	2,092,600	639,600	7,836,442	1,716,389
Sumatra:	.....	.....	.....	.....	.....	.....	.....	.....
In case .....	.....	.....	260,000	142,620	.....	8,000	260,000	134,620
In bulk	1,490,270	.....	3,545,113	4,084,013	1,409,600	1,136,410	3,625,783	2,947,603
Total.....	33,256,141	13,188,802	4,046,444	4,418,513	12,996,670	5,841,361	24,305,915	12,834,296

Consumption of Oil Reduced by High Prices.

It is apparent that at the beginning of 1916 the stock of American case oil amounted to 1,068,342 gallons. The foregoing table shows the contraction in the consumption of oil, even after due allowances are made for the stock on hand at the close of the year. The price of oil increased more than 60 per cent during 1916, owing largely to the very high freight rates, which in the case of oil coming from the United States amounted to more than eight times the former rates. As a result of the high price that the two companies (one American and one European) found it necessary to charge the consumers, there was no extension of the trade into new territory during the year, and even in the old territory the consumption was considerably reduced. Many of the Chinese, because of the high price of kerosene, returned to the use of vegetable oils for lighting purposes. This was particularly noticeable in the western districts.

Review of Metal Trade—Increased Machinery Imports.

According to the report of the British Chamber of Commerce the import trade in metals and sundries was fairly active in 1916, most of the trade being in metals. The report states:

In spite of the high prices ruling in all countries of production and the great difficulties in deliveries and shipments, dealers came away with good orders in the early part of the year for wire nails, galvanized sheets, wire, bars, and tin plates, but more especially for nails. By the summer it was clearly seen that the high prices ruling at the end of 1915 and the consequent big profits earned by dealers had brought about considerable overbuying in 1916, and this not only in Hankow, but also in Shanghai and Hongkong. The market became glutted, and weak holders brought values down much below replacing cost, these conditions continuing practically to the end of the year.

While importers may have done fairly well, most dealers are somewhat to the bad on the total of the year's working.

The sundries market was not at all brisk, but a certain amount of business has gone through, mostly, however, in the shape of purchases from the Shanghai market instead of direct trading to Hankow.

The machinery imports were very much greater in 1916 than they had been since the outbreak of the European war. This was due, to a considerable extent, to the demands of the Canton-Hankow Railway and to new machinery installed in one of the local cold-storage plants and in other development work.

Lumber and Automobile Imports Show Big Increases—Hardware Trade.

In 1916 the imports of softwood lumber increased to 130,327,608 square feet, as against 2,899,557 square feet during the preceding year. Much of this lumber was imported for the erection of buildings within this consular district and for the improvement of other public works. The timber is imported in the form of beams and logs as well as planks. When in the former state it is sawn locally.

The American automobile has almost the entire market, and the customs returns state that the value of imported automobiles and parts aggregated \$35,212, as against \$5,625 during the preceding year. This seems to be very low in valuation, as a number of new cars were received during the year. In January, 1915, 28 automobiles were registered, while in January, 1916, 58 were registered, of which 35 were American makes, 11 French, 9 British, and 3 German.

The imports of general hardware are not of considerable importance, but various other hardware items are of great importance. Nails were contracted for in large quantities at the beginning of the year; but, owing to the fall in price and the large stocks imported, the market was not so brisk at the conclusion as it was during the first half of the year.

Large Purchases of Provisions and Glassware.

The United States supplied more provisions than during previous years owing to the popularity of American products once introduced and to the partial embargo placed upon the exportation of some articles of food from the European belligerent countries and colonies. American butter is not so well known as American cream and milk, which are extremely popular.

Glassware remains very expensive notwithstanding the increased imports from \$70,855 in 1915 to \$169,999 in 1916. American window glass continues to be found on the local market, but the Japanese are supplying this article in increased quantities. Of the 22,741 boxes it is impossible to ascertain what proportion was supplied by the United States, but it is safe to say that the amount supplied by Japan is greater than that by the American manufacturers. Before the war this item was supplied largely from Belgium, and if American prices had permitted competition with the cheap grades imported from Japan the United States should have taken the place of Belgium in supplying this market, because in each country it was a more or less new export industry.

Scarcity of Dyestuffs—Growing Demand for Small Articles of Clothing.

The local market has not been supplied satisfactorily with dyes, which formerly came from Germany. Aniline dyes have not re-

turned as an item of import. Indigoes of various kinds have been imported in larger quantities, but not yet in sufficient quantities to meet the requirements. Dyestuffs remain high.

The United States is not exporting to Hankow any quantity of ready-made clothing except such staple articles as boots, shoes, socks, garters, and braces. These were imported from the United States in larger quantities than in previous years, and it is confidently expected that many similar articles formerly obtained from Europe will be imported from the United States in the current year and during the continuance of the war. This is a limited market, but it is well worth the consideration of American exporters, who should handle their lines through their own representatives visiting periodically the various treaty ports or through their agents in Shanghai.

Export Trade, by Articles.

As the world conditions were such as to cause a shrinkage in the usual output of raw products the high rate of exchange did not deleteriously affect the export trade of Hankow during 1916. Since the world's markets were short of many raw products, the high prices obtained counteracted the high rate of exchange in China, which, under normal conditions, would have made it difficult to maintain the export trade in competition with similar articles from other sources. As it was the exports of Hankow increased from \$71,326,994 in 1915 to \$101,680,431 in 1916. Hankow is primarily a port of exports. Many firms have recognized this by establishing branches here and others will do so to be near the source of raw products.

The direct exports to foreign countries are given in the Chinese Maritime Customs returns at \$10,294,766. The following table furnishes a statement of the quantity and value of the principal exports (including reexports) from Hankow to foreign countries and Chinese ports in 1915 and 1916:

Articles.	1915		1916	
	Quantity.	Value.	Quantity.	Value.
Albumen:				
Dried.....pounds..	2,207,867	\$737,358	2,245,067	\$963,731
Liquid.....do.....	48,933	5,073	807,600	149,745
Antimony, crude and regulus.....do.....	29,528,400	1,346,619	25,849,700	4,628,802
Bean cake.....do.....	297,652,133	2,172,295	300,067,867	2,786,145
Beans.....do.....	190,038,533	1,940,326	211,136,266	2,298,308
Bones.....do.....	11,452,409	69,778	9,351,067	75,030
Bran.....do.....	19,998,267	103,725	21,054,333	147,815
Bristles.....do.....	3,108,133	1,013,281	2,716,267	1,212,557
Chestnuts.....do.....	1,918,667	27,124	914,400	19,313
Chickens, frozen.....number..	785,434	65,680	752,234	69,628
Cigarettes.....pounds..	2,839,700	585,833	3,983,200	1,122,559
Coke.....tons.....	2,550	14,436	1,187	10,304
Cotton, raw.....pounds..	62,568,800	5,592,034	105,885,200	13,214,375
Eggs and egg products:				
Eggs, fresh.....number..	16,197,997	53,531	30,721,250	142,500
Eggs, frozen.....pounds..	12,347,867	462,716	18,954,400	1,074,669
Egg-yolk, dry.....do.....	2,752,267	320,592	3,780,533	850,194
Egg-yolk, liquid.....do.....	7,692,800	417,363	4,887,467	340,056
Flour.....do.....	29,924,400	636,201	20,271,200	534,210
Gallnuts.....do.....	7,907,333	657,689	5,400,133	710,443
Hair, human.....do.....	56,800	6,573	109,200	16,519
Hemp.....do.....	2,857,467	105,211	1,287,200	71,094
Hides:				
Ass.....do.....	154,133	27,564	113,467	27,702
Buffalo.....do.....	3,063,467	295,192	3,006,000	395,466
Cow.....do.....	30,934,400	6,416,256	26,635,200	7,284,796
Intestines, pig, dried.....do.....	125,200	24,826	105,467	32,214

Articles.	1915		1916	
	Quantity.	Value.	Quantity.	Value.
Iron and mild steel ^a :				
Rails.....long tons..	4,201	\$116,754	8,883	\$333,794
Other.....do.....	4,031	142,535	11,176	456,402
Iron ore.....do.....	300,620	416,133	287,503	780,142
Iron, pig.....do.....	81,246	1,400,863	103,713	2,320,294
Lily flower, dried.....pounds..	1,533,733	93,470	1,089,600	92,396
Oils:				
Bean.....do.....	13,761,667	482,691	20,152,133	976,483
Nut and wood.....do.....	80,604,800	3,693,327	94,832,800	6,547,680
Rapeseed.....do.....	5,769,333	207,427	2,238,933	101,453
Sesame-seed.....do.....	1,442,400	48,132	3,071,867	145,032
Tea.....do.....	1,917,600	68,907	1,372,800	63,961
Peanuts (groundnuts):				
In shells.....do.....	3,286,933	38,774	351,067	5,016
Kernels.....do.....	108,216,800	2,241,785	39,730,400	1,115,604
Quicksilver.....do.....	324,800	262,945	358,533	462,699
Rumic.....do.....	22,914,333	1,316,511	23,025,200	1,838,775
Seeds:				
Rape.....do.....	47,157,600	488,538	4,178,400	59,209
Sesame.....do.....	236,606,267	4,358,538	124,154,933	3,239,309
Seed cake, cotton, rape, and sesame.....do.....	36,442,138	173,192	18,550,400	118,469
Silk cocoons, refuse and waste.....do.....	2,512,000	305,268	3,086,800	536,114
Silk, Honan pongee.....do.....	510,500	573,474	481,733	708,064
Silk, raw, yellow.....do.....	47,733	106,533	734,400	1,297,275
Silk products, n. e. s.....do.....	945,867	1,136,399	58,134	119,824
Skins:				
Kid and goat.....do.....	1,850,089	761,360	3,132,132	1,741,699
Lamb and sheep.....number..	189,475	253,604	160,627	244,215
Tallow:				
Animal.....pounds..	11,285,333	338,827	15,314,133	1,314,653
Vegetable.....do.....	28,618,933	1,463,312	41,684,400	3,315,887
Tea.....do.....	150,545,836	17,917,065	133,132,407	17,333,568
Tin.....do.....	261,467	33,913	177,200	51,715
Tobacco:				
Leaf.....do.....	12,168,267	365,877	15,895,600	643,606
Prepared.....do.....	8,432,800	1,128,439	6,801,067	1,042,179
Walnuts:				
In shells.....do.....	294,000	5,695	189,867	4,675
Kernels.....do.....	1,917,600	83,172	2,702,533	138,835
Wheat.....do.....	35,233,800	408,435	203,631,600	2,724,260
Wool, sheep's.....do.....	1,104,267	51,142	1,948,933	137,617
All other articles.....do.....		7,920,998		13,478,353
Total.....do.....		71,526,991		101,680,431

^a Manufactured by the Hupeh Iron & Steel Works.

Exports of Principal Articles and Their Destinations.

The following table shows the 1916 exports from Hankow of 11 articles of considerable importance, together with the countries and ports of destination, and the totals compared with total exports of the same articles in 1915 and 1914:

Destination.	Cow hides.	Buffalo hides.	Goatskins.	Bristles.	Wood oil.	Sesame seed.
	Tons.	Tons.	Number.	Tons.	Tons.	Tons.
United States.....	5,212	680	1,167,226	212	23,532	.....
United Kingdom.....	147	178	.....	591	624	14,791
France.....	427	53	110,350	141	214	3,157
Italy.....	1,275	18	.....	61	72	15,401
Syria.....	.....	.....	.....	.....	44	.....
Japan.....	1,775	.....	141	97	852	1,450
Shanghai.....	2,116	434	1,768,426	105	8,138	8,157
Other.....	.....	.....	.....	.....	.....	7,581
Total, 1916.....	10,952	1,363	3,046,143	1,207	33,476	50,537
Total, 1915.....	13,708	1,366	1,805,028	1,306	26,109	100,457
Total, 1914.....	10,872	1,841	1,606,797	1,037	32,192	55,821

Destination.	Gallnuts.	Beans.	China grass.	Cotton.	Tallow.	
					Vegetable.	Animal.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
United States.....	826		38	520	1,488	
United Kingdom.....	551	29,438	301	156	5,105	287
France.....	51		571	107	1,068	79
Italy.....			1	154	4,344	515
Japan.....	26	1,552	4,812	15,947	160	1,193
Shanghai.....	618	56,229	1,097	29,740	3,042	1,634
Hongkong.....		18	147			
Other.....					198	215
Total, 1916.....	2,072	87,237	6,967	46,624	15,405	3,923
Total, 1915.....	3,221	71,393	6,094	17,147	11,422	2,433
Total, 1914.....	2,903	117,159	5,924	9,322	12,061	2,817

Decline in Tea Trade.

By far the most important item of export from Hankow is tea. Last year saw a general increase in the difficulties of shipping, and the buyers had great trouble in obtaining space for their requirements, especially to Europe. The London tea buyers were greatly disappointed owing to the high exchange price, which practically shut off the exports of fine teas to the United Kingdom. Regardless of the high exchange and freight rates, the Russian buyers bought almost the whole crop of fine teas. It is stated that the quality of the 1916 crop was distinctly inferior to that of the preceding year, which, however, was exceptionally fine. The market opened at Hankow on May 17, 1916, a little late because wet weather and the cold spring prevented earlier arrivals. The weather had an unfavorable effect on the quality, and with the single exception of Lingchow all districts were much below the average, especially in style and infusions. From the opening the demand, except for Keemun, which sold readily, was sluggish, and the price fell more or less gradually until October, from which time the small remaining stock was disposed of at hardening rates. The native dealers lost heavily, but the foreign shippers had in general a good season. The Chinese lost so heavily from the first crop that they agreed not to make second crops, and in theory they also agreed to put a fine of 6 taels^a per picul of 133½ pounds in case any dealer disregarded this agreement.

The following table shows the teas of all kinds exported direct to the principal foreign countries from Hankow in 1916 and the total exports of each kind of tea in 1915:

Destination.	Black.	Brick.	Tablet and dust.	Total.
	Pounds.	Pounds.	Pounds.	Pounds.
Continent of Europe (except Russia): North Sea ports.....	482,667			482,667
Russia:				
European ports.....	7,833,867			7,833,867
Pacific ports.....	10,053,333	8,480,533	249,200	18,783,066
Russia and Siberia, by land frontier ports.....	831,000			831,000
Canada.....	88,000			88,000
United States.....	192,800			192,800
Total, 1916.....	19,482,267	8,480,533	249,200	28,212,000
Total, 1915.....	29,560,000	11,145,733	1,540,667	42,246,400

^a The values of the Hankow tael for the four quarters of 1916 are given as follows in the quarterly statement of the Director of the Mint: \$0.6459, \$0.7713, \$0.7622, and \$0.8343.

Tea Exports to the United States—Brick and Cube Tea.

Although the Maritime Customs report states that tea valued at \$32,847 was shipped direct to the United States, the declared-export return of this consulate general shows that 3,170,005 pounds, valued at \$577,570, were shipped to the United States in 1916. The foregoing table taken from the customs indicates the destination of the tea sold on the Hankow market and the relative importance of the consuming countries. This table does not correspond to that appearing in the general table of exports of principal articles, because it indicates the direct trade, while the general table indicates the total exports.

All the brick tea manufactured in Hankow is shipped to Russia. It is not likely that it would be acceptable to the American market, though some believe that the cube tea, which is in compressed form, would not only be acceptable to the American market, but would be a convenient form for many tea users. This tea is compressed without being steamed and without the addition of any foreign matter and is usually of a higher grade than brick tea. Black tea is the chief item of importance of Hankow and is shipped to all parts of the world. Very little green tea is sold on this market.

High Price of Cotton—Cow and Buffalo Hides.

Raw cotton was greatly sought after in 1916, and consequently it assumed the second place. The price was high, responding to the high American quotations. The arrivals at the beginning of September were quoted at 20 taels per picul for Liho to 23 taels for Shansi. The price fluctuated between the limits of 18.50 and 24 taels per picul to the end of the year. The exports abroad were chiefly to Japan, whence the cotton would be returned in the form of yarn and piece goods. The total exports aggregated 47,270 long tons. Only \$154,537 worth was shipped to the United States.

Cowhides arrived in smaller quantities than in 1915, though prices were higher. During the first part of the year prices were firm and the quotations rose 20 per cent for autumn, with infrequent arrivals. Buffalo hides maintained about the same quantities as in 1915, but greatly increased in value. The United States purchased both these items in larger quantities than formerly, though the demand for buffalo hides came rather late. The United States received \$4,688,532 worth of cow and buffalo hides.

Wood-oil Trade Unsettled—American Market Substituted for European.

The market for wood-oil opened in January at 10.20 taels per picul and remained steady until the beginning of February. The Provinces in which wood oil is produced are Szechwan, Kweichow, and Hunan. In February no wood oil could be marketed because all available junks and their crews were commandeered by the military authorities for the transportation of troops. The market was finally opened on February 24 at 13.20 taels but immediately advanced to 14 taels, which was the highest price paid. During March the oil that had been started from Szechwan while junks were still available, began to arrive and the price receded very rapidly. From March to December the limits of the price fluctuation were 9.20 and 11.60 taels. The end of December found the Hankow market bare of stock and very little wood oil afloat from the interior.

The exports from Hankow to the United States increased 75 per cent over 1915, while the exports to Europe were 60 per cent smaller

than in 1915 and the shipments to Chinese ports, etc., 16 per cent smaller than in 1915.

Some shippers complain that American buyers are too exacting in testing the quality of the oil, often making claims against cargo that has been found of high quality by eastern analysts. It can be stated, however, that while the tests for this article are considered simple, there was last year no independent local analyst prepared to undertake this work. The United States purchased \$4,323,854 worth of wood oil in 1916, against \$1,622,434 worth in 1915.

Steady Market for Antimony—Heavy Demand for Vegetable Tallow.

The larger part of the antimony shipped from this port originates in Hunan Province and arrives here for sale or after being purchased by a local firm for export; a very small part of it is smelted in local furnaces. The trade is largely in the hands of Japanese firms. There was not the fluctuation in price during 1916 that the previous year witnessed. It would seem that the demands have become reasonably well established, so that no abnormally high prices have been seen. The demand has been more or less constant at lower values per picul, ranging for regulus from 276 taels up including packing and export duty. The United States purchased \$259,232 worth in 1916 and \$110,694 worth in 1915.

Vegetable tallow is one of three articles for which there was an unusually heavy demand at very high prices, the other two being cotton and goatskins. All through the year the price was high; in the autumn of 1916 white vegetable tallow sold at 18 taels per picul, or over 50 per cent higher than in the preceding year. When the higher exchange is considered, the 1916 price represents a huge rise in foreign money. The output was increased about one-fourth. The demand seemed to come from Russia, and local firms state that the quality was not maintained for this market. The United States took \$252,716 worth.

Activity in Goat-skin Trade—Sesame Seed, Gallnuts, Beans, Etc.

There was an unusually active market in goatskins, which reached its height in November. Quotations per picul of mostly white skins averaging 2 pounds, 50 per cent short, 30 per cent medium, and 20 per cent long hair, were 155 taels. One buyer stated, regarding this period, that "the market was at fever heat, and a rise of 50 taels or more between the opening and closing quotations on the same day was not uncommon." The quantity shipped, 3,132,132 pieces, reached the highest point since 1907 and was two-thirds greater than in 1915. To the United States were shipped goatskins valued at \$1,044,712.

Sesame seeds were exported in smaller quantities, owing chiefly to poor crops and scarcity of tonnage. Gallnuts were much higher in price, though the shipments were smaller. Beans commanded as good prices as in the former year, but, as in 1915, were exported in smaller quantities than usual. The exports went largely to Liverpool. Animal tallow was exported in quantities 50 per cent greater than during any of the last 15 years. Bristle supplies have been scarce in the short lengths, and for the longer bristles demands have been made principally from the United States.

Trade in Egg Products Increasing.

The exportation of eggs and their products is increasingly important for Hankow. The transportation facilities are particularly

suitable for the collection of eggs here, and many plants have been established for their desiccation. The following table furnishes a comparative statement of exports of eggs and egg products in 1915 and 1916:

Articles.	1915		1916	
	Quantity.	Value.	Quantity.	Value.
Albumen, dried..... pounds..	2,207,807	\$737,358	2,245,067	\$963,731
Egg, melange..... do.....	48,933	5,073	807,600	149,745
Eggs, fresh..... number..	16,197,997	53,531	30,721,250	142,500
Eggs, frozen..... pounds..	12,347,867	462,716	18,954,400	1,074,669
Egg yolk:				
Dried..... do.....	2,752,267	320,592	3,780,533	\$50,194
Liquid..... do.....	7,692,800	417,363	4,887,467	340,056
Total.....		1,906,633		3,520,895

Only the desiccated egg was shipped to the United States.

Remarkable Growth of American Purchases from Hankow.

The following table gives a comparative statement of the value of the declared exports to the United States in 1915 and 1916, as invoiced through the Hankow consulate general:

Articles.	1915		1916	
	Quantity.	Value.	Quantity.	Value.
Albumen:				
Duck, dry..... pounds..			30,200	\$13,889
Hen, dry..... do.....	392,145	\$160,685	324,400	189,636
Frozen..... do.....	980,680	51,498	645,040	36,959
Antimony:				
Crude.....		61,804		60,171
Regulus.....		48,800		199,061
Bones, animal.....		3,206		986
Bristles..... pounds..	248,000	170,059	506,934	386,173
China grass..... do.....	446,000	42,684	10,176	1,091
Cotton, raw..... do.....	296,572	25,491	1,153,222	154,537
Eggs:				
Dry, mixed..... do.....	37,620	12,151	113,176	23,047
Frozen..... do.....	307,280	20,208	3,243,248	223,831
Egg yolk:				
Duck—Liquid..... do.....	130,450	12,916	127,048	10,597
Hen—				
Dry..... do.....	1,089,143	229,224	753,551	245,189
Frozen..... do.....	955,800	49,989	764,080	44,410
Liquid..... do.....	13,849	1,249	5,658	638
Mixed..... do.....			17,600	4,619
Powder..... do.....	51,050	18,804	812,400	275,046
Fiber, vegetable..... tons..				25
Gallnuts..... do.....	2,484,397	252,212	1,911,369	253,238
Hemp..... do.....	67,200	6,212	19,398	2,183
Hides:				
Buffalo..... do.....	891,441	169,842	1,597,373	250,107
Cow..... do.....	11,723,958	3,117,793	10,792,093	4,438,425
Indigo..... do.....	141,742	95,597		
Oil:				
Bean..... gallons..	302,903	107,878	318,467	173,272
Cottonseed..... pounds..	2,214,684	115,042	622,527	48,263
Rapeseed..... do.....	705,404	42,122	490,922	36,950
Soya-bean..... gallons..	189,950	63,215	979,214	562,686
Tea..... pounds..			210,647	17,156
Vegetable..... do.....	87,658	5,601		
Wood..... gallons..	4,114,116	1,622,434	6,916,870	4,323,854
Personal effects.....		5,702		4,475
Pig guts..... pounds..	3,258	1,149	3,259	1,248
Pig intestines..... do.....	24,366	10,553	1,340	245
Skins:				
Calf..... do.....		2,507	65,535	24,363
Goat..... do.....	1,063,721		1,342,015	1,044,712
Tallow, vegetable..... do.....	7,936,405	454,271	3,351,622	252,716
Tannin..... do.....			5,600	1,953
Tea..... do.....	2,548,931	503,496	3,170,005	577,570
Wool, sheep's..... do.....			72,218	17,742
All other articles.....		1,732		1,505
Total.....		7,689,815		13,908,183

Returned American goods in 1916 consisted of ammonia cylinders, valued at \$4,350. Goods in transit to Canada consisted of cotton seed, valued at \$66, and wood oil, valued at \$211,284. In the latter article there was a notable increase over the 1915 figures (\$15,760).

The declared exports from Hankow to the United States during 1916 reached the maximum in the history of this consulate general and increased over the preceding year, which was the greatest to that date, by \$6,218,268. Wood oil and goat skins showed the greatest increases in value, though the quantity of goat skins increased only about 280,000 pounds. Increases are noted in the value of every form of egg products exported to the United States. The exports of egg products alone aggregated \$1,068,419 in 1916, as against \$557,441 in 1915.

Largest Chinese Iron Works at Hankow—Iron and Steel Prices.

Among the many facilities offered in this district for the establishment of manufacturing plants are cheap labor, water transportation, and a great variety of raw products and available sites, though land can not be considered cheap. These inducements have not attracted a great number of industries nor are the existing ones, with two exceptions, of any considerable size. The Hanyang Iron and Steel Works is the largest Chinese undertaking in the country; it is rapidly becoming Japanese as the result of loans and trade connections. Under the name of the Han Yeh Ping Iron & Coal Co. (Ltd.) have been combined the three companies, originally closely allied but distinct, for the mining of iron and coal and the manufacture of iron and steel products. There were no additions to the Hanyang steel plant during the year nor to the new plant at Tayeh. The reason for delay in the anticipated development at Tayeh was the failure of American and English manufacturers to forward the needed machinery. The iron and steel plant encountered no labor troubles during the year. The salaries and wages of its staff of 276 (of whom four are foreigners), approximately 2,000 workmen, and 2,500 laborers were raised 5 per cent during the year. The output of the steel plant during 1916 was as follows: Rail steel, 9,535 tons; mild steel, 33,568 tons; total, 43,103 tons.

It is stated that the price of pig iron rose 100 per cent from the beginning of 1916 to the end of April, but later in the year dropped 30 per cent. Structural-steel material rose during the same period approximately 60 per cent but dropped 20 per cent after July.

Pinghsiang Colliery and Tayeh Mines.

The Pinghsiang Colliery, a part of the Han Yeh Ping Iron & Coal Co. (Ltd.), had a gross output of run-of-mine coal of 992,493 tons, of which, less the quantity consumed by the colliery and its railways, there was shipped out 309,718 tons of commercial coal and 253,709 tons of coke. The colliery employed on the general staff 480 to 500 persons, about one-third of whom received during the year an increase in salary of 10 per cent. There are over 7,000 laborers, who received no increase in wages.

The new installation completed in 1916 consists of one brick and concrete building for electric power plant; three (Babcock & Wilcox) water-tube boilers; two sets steam turbine, each of 2,250 horsepower; one ventilation fan, and some minor equipment. It is intended to install after the war electric hoists, two electric ventilation

fans, air compressors, and water-pipe line. The colliery keeps a private library of catalogues at its mine at Pinghsiang, Kiangsi, China, and will be interested in receiving descriptive literature of modern coal-mining equipment.

The Tayeh mines are a third part of the Dan Yeh Ping concern. Its output during 1916 was as follows: Iron ore, 603,732 tons; limestone, 47,180 tons; dolomite, 9,553 tons. The improvements to the steel works previously mentioned are to be situated near these mines and include a modern steel plant.

Cold-Storage Plant.

The other industry of great magnitude is the International Export Co. (British), having a large plant for packing cold storage and allied lines. This is a subsidiary concern to a well-known firm of English packers, and it runs its own steamers at suitable seasons to carry away in cold storage pork, beef, chickens, game, and allied and by-products. Prior to 1916 beef had not been slaughtered here. No data were available, but the Maritime Customs give the following figures for the exportation of frozen products, most of which represents the trade of this company, as it has no opposition:

Articles.	1915		1916	
	Quantity.	Value.	Quantity.	Value.
Beef.....pounds.....			2,768,533	\$118,402
Chickens.....number.....	785,434	\$65,680	752,231	69,628
Eggs, frozen.....pounds.....	12,347,867	462,716	18,954,400	1,074,669
Lard.....do.....	11,200	755	1,141,333	105,088
Pigs.....number.....			237	1,011
Porkers.....do.....	4,958	18,485	12,950	98,642
Other.....do.....				2,061
Total.....		547,636		1,469,531

Much of the desiccated egg exported is also produced by this company, as well as many by-products of the articles mentioned.

Progress of Engineering Works.

The manager of the Yangtze Engineering Works (Ltd.), a Chinese organization at Hankow, makes the following brief report of the company's activities in 1916:

The company executed in this year a large amount of work for railways and other concerns, such as steel bridges, cars, points and crossings, steel buildings, lighters, pontoons, launches, and steel tanks. In addition, some 50 vessels (river steamers, tugs, launches, steel and wooden lighters, and pontoons) have been laid up at the works for repairs. In the latter part of the year orders for several thousand tons of steel structural work were under execution, and to meet the ever increasing demand of work from all directions, the works had to enlarge some of its shops and to install additional machine tools, most of which were made in its own workshops. It was also found necessary to install a cast-steel plant and to build a floating dock; the former is nearly completed and the latter still under construction. In addition, the installation of a small rolling mill was considered necessary, and preparations were made to start the constructive work.

On the whole, the works found 1916 a pretty busy year, in spite of the difficulty of obtaining some kinds of material.

With the object of propagating Christianity amongst the workmen, we had a small chapel built last year, where services are frequently conducted. This chapel was built with money raised by contribution here.

Besides holding afternoon and evening classes for our apprentices and workmen, a public school, supported by contributions from the staff, has been established for the education of the children of the workmen.

For the convenience of those who live in the works, a certain place has been set aside as a market where they can obtain all their daily necessities at reasonable prices. In addition, we have also kept a garden for their enjoyment during nonworking hours.

Chinese Government Paper Mill—Other Industries.

The Chinese Government paper mill in its second year produced 90,000 reams of paper, being 18,000 reams short of the 1915 output; this was due to the scarcity of pulp and rags and inability to find satisfactory substitutes. Owing to disturbed conditions, the cement works at Tayeh operated only eight months in 1916, producing 147,715 casks of Portland cement, which was in excess by 20,000 casks of the production in the corresponding period in 1915.

The Wuchang Cotton Mill had a prosperous year, producing about 275,000 pieces of cotton cloth for which it used its own yarn. Oil mills found it a successful year, as did most of the other small manufacturing and smelting plants.

There are in this vicinity three aerated-water factories, four anti-mony smelters, two brick and tile works, one candle factory, one cement works, one cigarette company, one distillery, egg factories, flour mills, hydraulic pressing companies, ice works, oil mills, silk filature, six brick-tea factories, and a number of small industries using primitive methods. Most of these, too, had a satisfactory year.

Price Quotations for Principal Articles.

It is very difficult to express market values during 1916 in American currency. The exchange values were extremely high, reaching a maximum of 87 cents, the highest for over two decades, and falling as low as 69 cents. The fluctuations were so sudden that but little indication could be had of the future; a difference of 8 per cent within a week was not unusual. For this reason no attempt has been made to reduce price quotations to American currency. The following table shows the market value per picul (133½ pounds), expressed in Hankow taels, of certain raw products on March 29, June 28, September 27, and December 27, 1916. The exchange rates for four months' bills on each date were 71½ cents, 75½ cents, 79½ cents, and 92½ cents.

Articles.	Mar. 29.	June 28.	Sept. 27.	Dec. 27.
Cowhides:	<i>Taels.</i>	<i>Taels.</i>	<i>Taels.</i>	<i>Taels.</i>
Best selected.....	58.00	58.50	55.00	63.00
Seconds.....	47.00	48.50	45.00	53.00
Buffalo hides, No. 1.....	27.50	25.00	24.00	25.25
White China grass:				
Wuchang, Foochi.....	13.00	12.00	11.75	.....
Sinsiang, Chayu.....	.....	.....	10.75	.....
Jute (abutylon).....	.....	.....	3.00	.....
Tallow, vegetable:	4.00	4.00	.....	.....
White.....	12.30	12.50	17.00	12.15
Green.....	11.55	10.20	12.75	11.00
Tallow, animal.....	15.50	14.00	13.00	15.50
Gall nuts:				
Usual shape.....	25.50	24.00	18.50	21.50
Plum shape.....	30.00	29.00	22.50	25.50
Lihoo.....	19.75	19.75	19.00	18.35
Cotton, Shansi.....	23.25	22.75	22.25	23.50
Bristles, black.....	110.00	105.75	108.00	110.00
Sesame-seed:				
White.....	4.00	4.17	4.60	5.65
Yellow.....	4.00	4.17	4.60	5.65
Beans, broad.....	1.40	1.38	1.20	1.40
Oils:				
Sesame-seed.....	8.55	8.95	10.30	11.50
Wood.....	10.45	10.00	10.40	10.80
Tea.....	9.80	9.30	11.00	12.50
Bean.....	8.00	7.50	8.85	10.00

Imports and Exports of Treasure and Coin—Revenue.

The Chinese Maritime Customs statistics show that the treasure imported into Hankow during 1916 came entirely from Chinese ports. There was a marked increase in the amount of silver and copper imported during 1916. The exports of silver increased, but copper fell off greatly in 1916 as compared with 1915 and there were no shipments of gold.

The following table shows the imports and exports of gold, silver, and copper during 1915 and 1916:

Items.	Gold.	Silver.	Copper.	Total.
Imports in 1915:				
Foreign sources.....		\$408		\$408
Chinese sources.....	\$3,427	7,904,960	\$371,773	8,250,160
Foreign sources.....				
Imports in 1916: Chinese sources.....		13,980,123	1,126,254	15,106,677
Exports to all China:				
1915.....	21,561	4,774,721	137,841	4,934,123
1916.....		8,503,476	92,871	8,596,347

During 1916 the imports of coins into Hankow were valued at \$8,200,762, against \$4,197,654 in the preceding year, while the exports of coins amounted to \$6,704,305, against \$3,545,972 in 1915.

The revenue collected by the Maritime Customs at Hankow during 1916 amounted to \$3,322,325, against \$2,366,736 for the preceding year. There was an increase of about \$238,236 in the amount collected on imports. The import duty for 1916 amounted to \$847,916; export duty, \$2,208,489; coast-trade duty, \$163,326; tonnage dues, \$47,831; and transit dues, \$54,743. The total revenue collected at the other ports in the Hankow district in 1916 was as follows: Kiu-kiang, \$530,625; Shasi, \$44,705; Ichang, \$94,081.

Decrease in Shipping at Hankow—Passengers Arrived.

The following table indicates the number, nationality, and tonnage of steam and sailing vessels entering the port of Hankow in 1915 and 1916:

Nationality.	1915		1916	
	Number.	Tons.	Number.	Tons.
STEAM VESSELS.				
American.....	175	38,720	156	45,331
British.....	976	1,253,226	1,049	1,170,594
Chinese.....	927	513,805	969	507,187
Danish.....	1	2,699	1	3,325
Dutch.....	2	4,605		
German.....	60	1,133	95	2,928
Japanese.....	602	\$45,607	608	790,706
Norwegian.....	5	5,303	13	22,208
Russian.....	19	16,060	14	10,411
Total steam vessels.....	2,767	2,681,758	2,905	2,552,690
SAILING VESSELS.				
American.....			18	2,079
British.....	246	28,982	270	48,053
Chinese.....	6,808	517,894	7,316	484,798
Dutch.....	5	3,084		
German.....	121	11,700	110	11,181
Japanese.....	1	132	32	6,396
Total sailing vessels.....	7,181	561,792	7,746	552,510
Grand total.....	9,948	3,243,550	10,651	3,105,200

The steamers entered and cleared during 1916 numbered 5,783, with a tonnage of 5,106,647, while the combined entrances and clearances of steamers and sailing vessels showed 21,246 vessels, with a total tonnage of 6,208,914. This shows an increased number of steamers, though a decrease in tonnage. In vessels entered and cleared there was an increase of 1,117 vessels, but a decrease of 19,812 in tonnage.

American tonnage showed an increase owing to the expansion of American interests and the arrival of a few wood-oil vessels directly from the United States under the American flag. British and Japanese tonnage remained practically the same, the former still holding the premier position. The anticipated increase in the tonnage of Japanese steamers was not realized, though there is no question that the vessels entered and cleared carried considerably more cargo than during any preceding year. A casual observer at the various piers on the Bund must quickly realize that this nation's vessels are now carrying the bulk of the cargo.

During 1916, 4,182 foreign passengers and 202,498 Chinese arrived in Hankow by river steamers.

Foreign Population and Foreign Firms.

The customs census of foreign firms and foreign residents in the Wuhan cities at the end of 1916 is given in the following table:

Nationality.	Firms.	Persons.	Nationality.	Firms.	Persons.
American	19	197	Japanese	64	2,046
Belgian	5	13	Norwegian		70
British	64	770	Portuguese	2	27
Danish	4	21	Russian	10	184
Dutch		7	Spanish		27
French	15	100	Swedish		52
German	32	215			
Italian	6	90	Total	221	3,849

The figures given represent a substantial increase in both Japanese and American communities, but, unfortunately, these statistics do not correctly reflect the number of American residents by over 15 per cent, as they were not all registered in the consulate at the time the statistics were prepared.

How to Extend American Interests.

American interests in Hankow have considerably increased during the year 1916, but not to the extent that they should have. During the year American firms acquired property, which increases the aggregate under American ownership to at least \$7,500,000. Many firms have opened branch offices here, and as a result the import trade has increased as well as the export trade. Nevertheless, the United States has not availed itself to the full extent of the wonderful opportunities offered by the world war for the extension of American trade into the heart of China. This trade extension could be accomplished at this time with the minimum cost, and the firm could be placed on a self-sustaining basis from the very beginning, because competition would have been reduced to the minimum in all instances and entirely removed in many.

It would take years to work up an organization similar to the American or the British oil firms operating in China, but if this sys-



tem were followed in certain lines it would certainly produce satisfactory results. In collecting raw products for export to the United States, imitation of a British cold-storage company or an American wood-oil company would bring success. Some lines in imports and exports are well represented, but in many others the field is not satisfactorily covered from an American standpoint. At present American buyers and sellers must depend to a large extent upon foreign firms of competing nations to advance their interests.

Combination of Noncompeting American Firms.

It is thought that an association of American manufacturers of noncompeting articles could profitably form an organization for the division of expenses and be represented in Shanghai, Hankow, and possibly other places in China. As a suggestive list of manufactures upon which to form the basis, the following would not be out of place, though many others could be added. The leading manufacturers of the following articles could form an association without injustice to one another: Electrical supplies, flour-mill machinery, oil-mill machinery, railway locomotives, railway rolling stock, coal-mining machinery, iron-mining machinery, motor cars, motor engines, structural-steel material, heating plants, plumbing, arsenal equipment, rolling-mill machinery, cotton-mill machinery, and desiccated-egg mills.

The cost of maintaining offices in Hankow for such an association of manufacturers would be something like the following: Local manager, \$5,000; office rent, 1,800 taels; clerical and Chinese staff, 5,000 taels; other office expenditure, 500 taels. The total expense might be \$1,000 per month. An office could be run on less, but this is considered conservative for efficiency. The maintenance of an office in Shanghai would cost more. But even should the cost be double this amount, it will fall very lightly upon each individual of the association of manufacturers.

There are many ways in which money might be lent with perfect safety to assist in developing Chinese industry and extending American sales. An association of manufacturers on the spot would be able to determine which would be safe and which would best develop the American export trade. The first year would not be profitable, but this association would build up a reputation for American interests and would receive many inquiries that at present do not reach American manufacturers or exporters.

