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CHINA.

HANKOW.¹

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In 1914 the gross value of the trade of Hankow was \$115,459,961, a loss of \$14,311,890 as compared with the year 1913. Net trade values (foreign and native imports less reexports and native exports of local origin) fell off from \$113,982,154 in 1913 to \$98,788,741 in 1914, a loss of \$15,193,413. This is accounted for principally by a decline (1) in exports to Chinese ports, (2) in imports from Chinese ports, and (3) in direct imports from foreign countries.

The early part of 1914 was a period of unrest in certain Provinces of this consular district, namely, Hupeh, Honan, Kansu, and Kiangsi. At the beginning of the summer normal conditions were restored, but not before the spring harvest had been affected by reason of the uncertain conditions prevailing everywhere in the interior. This, with unfavorable climatic conditions, brought crops below standard.

The Chinese seem to have withstood the commercial shock of the European war better than was expected. The immediate result was a cessation of both import and export trade, a lack of banking and shipping facilities making business with foreign countries impossible. Later, war risk insurance allowed trade to be resumed, but not to the fullest possible extent, as there were not sufficient steamers to handle all export cargo.

Generally speaking, hides and antimony and all such exports as might be used for war purposes commanded very high prices about a month or six weeks after the outbreak of hostilities. On the other hand, sesamum seed and other products usually imported by Germany and Austria fell in price, and great effort had to be made to find a market for them elsewhere. Imports were almost all dearer on the local market, to meet the low value of silver.

Statistics of Imports and Exports.

The table below shows the imports of foreign goods and the exports of native goods at the port of Hankow during 1913 and 1914. [Conversions into United States currency have been made in this report at the rate of \$0.74=haikwan tael for 1913 and \$0.699 for 1914. The rates as fixed by the United States Treasury Department, however, are \$0.729 and \$0.667, respectively.]

¹ A brief annual report from Hankow, by Consul General Julian H. Arnold, now commercial attaché at Peking, was published in supplement 52c, appearing June 10, 1915.

Articles.	1913		1914	
	Quantity.	Value.	Quantity.	Value.
IMPORTS.				
Automobiles and parts.....		\$17,480		\$7,556
Bags:				
Cotton and canvas..... No.	258,528	41,640	172,912	17,087
Gunny, new and old..... do.	2,651,963	231,535	2,374,819	206,027
Beer and porter, bottled..... dozen.	52,774	67,001	47,564	61,525
Belting.....		42,834		21,782
Bicycles..... No.	121	2,721		2,429
Boots and shoes, leather and canvas..... pairs.	8,356	6,941	10,272	11,446
Brass and yellow metal..... pounds.	187,866	30,617	275,200	25,137
Caps and hats, foreign..... No.	477,403	145,396	11,820	2,363
Carriages, cars, and wagons, and parts.....		310,489		713,829
Casks, empty.....		52,100		58,506
Cigarettes..... mille.	552,399	825,970	552,018	855,893
Cigars..... do.	6,805	58,918	1,568	14,939
Clocks..... No.	36,584	38,129	37,915	35,864
Copper, ingots, bars, sheets, wire, etc..... pounds.	14,129,467	2,399,041	13,566,000	1,812,390
Cotton goods:				
Drills—				
American..... pieces.	48,994	137,258	15,500	43,118
British..... do.	880	2,538	1,045	3,807
Japanese..... do.	278,748	779,874	331,484	824,349
Other..... do.			110	334
Flannel, plain, dyed, and printed—				
American..... do.	30,732	75,730	25,877	81,396
Other..... do.	5,498	13,664	9,831	27,685
Italians, plain, fast black..... do.	247,089	648,576	189,109	674,155
Jeans—				
Dutch..... do.	7,600	15,412	7,080	13,406
English..... do.	219,142	468,680	204,381	444,083
Japanese..... do.	1,330	4,093	24,541	59,519
Sheetings—				
Gray, plain—				
American..... do.	12,630	40,406	7,020	16,734
English..... do.	50,408	152,601	30,132	93,209
Japanese..... do.	9,130	23,592	8,155	20,288
White, plain—				
American..... do.	30	93		
Dutch..... do.	41,017	127,481		
English..... do.	593,834	1,843,034		
Japanese..... do.	850	3,007		
Shirtings—				
Gray, plain—				
American..... do.	2,140	5,218	600	1,636
English..... do.	572,521	1,321,639	462,207	1,102,641
Other..... do.	870	1,959	15,539	35,550
White, plain—				
American..... do.			250	664
Dutch..... do.			27,901	87,850
English..... do.			567,472	1,781,016
Japanese..... do.			4,950	15,221
T-cloth—				
English..... do.	84,130	154,021	57,138	128,294
Other..... do.		2,800,798		18,233
Yarn..... pounds.	38,032,400	5,328,939	30,860,133	4,057,541
Crucibles.....		48,631		63,085
Dyes:				
Aniline.....		502,967		274,590
Indigo, all kinds..... do.	7,336,400	1,165,492	6,046,400	1,080,474
Electrical materials and fittings.....		141,001		145,070
Enameled ironware.....		85,445		63,708
Engine and boiler fittings.....		139,382		102,929
Files..... dozen.	6,375	9,223	5,687	8,546
Flour..... pounds.	524,533	14,400	684,933	17,167
Fruits and vegetables, canned..... dozen.	13,864	14,552		10,087
Ginseng:				
American..... pounds.	7,638	80,993	6,429	77,646
Japanese..... do.	9,673	16,256	9,399	10,530
Graphophones and accessories.....		7,181		12,087
Haberdashery and millinery.....		53,803		21,096
Hair clippers.....				916
Hardware.....		64,169		39,130
Hats, summer and straw..... No.	389,289	54,781	297,522	67,478
Hosiery, including cotton socks..... dozen.	31,550	8,464	231,171	123,112
Instruments, musical, pianos and organs.....		6,385		4,568
Iron and mild steel, new:				
Bars..... pounds.	5,213,333	87,294	6,083,067	89,293
Cobbles and wire shorts..... do.	6,872,267	93,445	7,972,533	105,696
Hoops..... do.	3,647,333	79,554	1,814,267	38,901

Articles.	1913		1914	
	Quantity.	Value.	Quantity.	Value.
IMPORTS—continued.				
Iron and mild steel, new—Continued.				
Nails, all kinds.....pounds..	8,403,200	\$190,209	3,898,133	\$85,389
Pipes and tubes, wrought.....do..	247,067	9,444	331,067	10,248
Plate cuttings.....do.....do..	4,050,400	49,681	5,485,200	64,126
Rails.....do.....do.....do..	16,688,800	281,697	6,734,400	108,208
Screws.....do.....do.....do..	918,800	37,915	294,533	25,145
Sheets and plates.....do.....do..	2,693,467	51,574	3,749,200	58,966
Wire.....do.....do.....do..	1,152,533	29,168	695,733	15,414
Others.....do.....do.....do..	4,430,400	117,198	5,934,667	139,902
Iron, galvanized:				
Corrugated sheets.....do.....do..	2,064,533	65,312	1,291,867	37,656
Flat sheets.....do.....do.....do..	2,213,067	82,170	1,234,667	41,491
Wire.....do.....do.....do..	591,467	17,366	923,600	21,789
Wire shorts.....do.....do.....do..	3,802,800	52,342	2,881,467	36,587
Lamps and lampware.....do.....do..		124,686		92,541
Lead, all kinds.....pounds.....	751,167	30,353	1,190,533	53,922
Leather and leather articles.....do..		57,547		67,728
Locomotives.....do.....do.....do..		59,194		354,764
Lumber:				
Hardwood.....cubic feet.....	182,648	44,197	165,444	46,253
Softwood.....superficial feet.....	29,789,124	367,518	14,571,766	234,270
Sleepers.....No.....do.....do..	399,450	250,512	1,298,760	1,035,781
Machine tools.....do.....do.....do..		10,125		3,062
Machinery, all kinds.....do.....do..		348,751		618,756
Match-making materials.....do.....do..		72,433		91,232
Matches, Japanese.....gross.....	1,317,255	254,848	1,143,695	161,012
Medicines, foreign and Hong'ong.....do..		180,373		215,898
Milk, condensed, in tins.....dozen..	21,720	26,038	20,439	25,288
Munitions of war.....do.....do.....do..		221,395		87,244
Needles.....do.....do.....do.....do..	1,113,850	167,742	411,980	59,312
Nicel.....pounds.....do.....do..	83,200	29,775	43,600	16,353
Oil:				
American.....gallons.....do.....do..	14,482,124	1,230,270	13,145,441	1,150,486
Borneo and Sumatra.....do.....do..	10,721,403	1,199,539	11,829,793	1,210,355
Lubricating.....do.....do.....do..	285,969	66,105	325,315	63,940
Opium.....pounds.....do.....do..	215	2,812		
Paints.....do.....do.....do.....do..	502,000	32,128		18,637
Paper, all kinds.....do.....do.....do..		210,869		236,929
Pepper, black.....pounds.....do.....do..	1,360,533	133,728	1,260,667	120,615
Photographic materials.....do.....do..		20,693		16,459
Printing and lithographic materials.....do..		10,301		11,522
Printing ink.....pounds.....do.....do..	46,000	5,192	52,800	6,628
Provisions and household stores, not otherwise classified.....do.....do.....do..		189,098		142,888
Pumps.....No.....do.....do.....do..	252	20,147		13,870
Railway plant and materials.....do.....do..		54,660		89,754
Rope, manilla.....pounds.....do.....do..	74,934	6,798	86,267	8,503
Rubber and rubber goods.....do.....do..		16,079		7,913
Safes.....No.....do.....do.....do..	143	13,860		8,934
Scales.....do.....do.....do.....do..	551	5,072	272	2,593
Sewing and knitting machines.....do..	1,399	24,709	788	10,753
Shooks, staves, etc.....do.....do.....do..		382,922		250,947
Soap:				
Bar.....pounds.....do.....do.....do..	2,394,400	117,607	2,304,133	117,431
Toilet and fancy.....dozen.....do..	402,941	66,542		45,215
Spirits, not including alcohol.....do.....do..		3,178		42,047
Stationery.....do.....do.....do.....do..		67,215		46,350
Steel, bamboo.....pounds.....do.....do..	1,270,933	34,986	1,366,533	37,325
Stoves and grates.....do.....do.....do..		19,989		14,829
Sugar, all kinds.....pounds.....do.....do..	104,530,133	2,910,638	118,022,000	2,893,790
Tea, dust.....do.....do.....do.....do..	20,761,000	3,029,707	17,123,743	2,578,290
Telegraphic materials.....do.....do.....do..		29,404		10,011
Tin.....do.....do.....do.....do.....do..		43,824		19,345
Tinned plates, plain and decorated.....pounds..	11,923,600	414,615	8,582,800	299,590
Tobacco, leaf and prepared.....do.....do..	405,267	69,838	290,267	44,440
Tobaccoists' sun dries.....do.....do.....do..		3,494		4,630
Toilet requisites.....do.....do.....do.....do..		42,790		18,437
Typewriters and accessories.....do.....do..		7,925		6,109
Umbrellas, cotton, Japanese.....No.....do.....do.....do..	500,924	143,402	471,663	134,844
Underwear.....dozen.....do.....do.....do..	3,668	16,680	14,711	35,373
Watches.....do.....do.....do.....do.....do..	3,357	4,398	3,106	4,223
Wines, all kinds, not including sake.....do.....do..		181,513		55,248
Woolen goods.....do.....do.....do.....do.....do..		309,841		224,090

¹ The heading "Provisions and household stores, not otherwise classified" includes the following items of the Chinese 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, pepper (white), preserves, provisions, raisins and currants, household stores.

Articles.	1913		1914	
	Quantity.	Value.	Quantity.	Value.
IMPORTS—continued.				
Wool and cotton mixture.....		\$86,635		\$209,151
Zinc, all kinds..... pounds..	2,524,600	194,631	1,302,800	64,798
All other.....		3,529,040		5,806,891
Total.....		39,109,309		35,664,984
EXPORTS.				
Albumen:				
Dried..... pounds..	1,433,733	421,891	1,365,067	381,362
Liquid..... do....	196,133	15,620	459,867	39,597
Antimony, crude and regulus..... do....	18,137,200	395,061	25,661,867	575,790
Bean cake..... do....	308,667,067	3,117,846	254,213,933	2,172,336
Beans, all kinds..... do....	235,181,007	2,846,064	298,813,600	3,453,045
Bristles..... do....	1,855,600	741,781	2,338,133	944,509
Cigarettes..... do....	4,206,133	971,920	1,754,133	361,989
Cotton, raw..... do....	29,916,800	3,884,834	22,293,867	2,445,716
Eggs, frozen..... do....	10,226,000	448,924	12,292,133	509,731
Egg yolk:				
Dried..... do....	436,267	39,757	697,333	60,320
Liquid..... do....	8,112,667	307,073	6,345,333	224,851
Flour..... do....	42,478,267	912,370	14,313,867	276,149
Galnuts..... do....	5,938,800	648,608	7,022,000	733,691
Hair, human..... do....	300,000	75,898	75,867	15,411
Hides:				
Buffalo..... do....	5,587,333	630,038	4,336,933	497,328
Cow..... do....	28,946,667	6,070,355	26,359,733	5,401,518
Iron and mild steel:				
Rail..... long tons..	10,299	411,558	17,306	647,976
Other..... do....	3,464	172,678	1,875	114,026
Iron:				
Ore..... do....	269,567	451,056	294,700	465,589
Pig..... do....	71,959	1,100,450	71,516	1,097,557
Oil:				
Bean..... pounds..	989,600	59,936	10,178,400	444,209
Nut and wood..... do....	99,899,733	4,678,424	93,375,200	4,094,702
Ramié..... do....	25,103,333	2,040,790	23,798,400	1,733,887
Seed, sesamum..... do....	185,392,400	6,079,561	139,315,867	3,462,801
Silk, cocoons, refuse, and waste..... do....	656,533	118,729	1,464,000	194,402
Silk:				
Honan, pongee..... do....	543,867	1,037,872	371,067	621,354
Raw, yellow..... do....	915,833	998,536	543,467	729,064
Skins:				
Goat..... pieces..	2,057,925	1,039,292	1,730,560	853,993
Sheep..... do....	100,139	55,926	25,029	9,871
Tallow, vegetable..... pounds..	33,216,267	1,914,653	31,388,000	1,813,086
Tea..... do....	117,762,267	11,977,349	133,108,667	13,344,540
Tobacco:				
Leaf..... do....	11,210,400	526,947	8,512,400	328,897
Prepared..... do....	11,837,467	2,370,557	7,144,533	1,385,967
Wheat..... do....	28,228,000	419,007	5,869,200	19,141
All other..... do....		11,914,327		13,077,476
Total.....		68,886,688		62,531,971

Value of Trade With Foreign Countries.

According to the figures of the Chinese Maritime Customs, the value of Hankow's direct trade with foreign countries in 1913 and 1914 was as shown in the following table. It should be noted in this connection, however, that precise conclusions can not be drawn from these statistics. With respect to direct exports, for example, it may be regarded as certain that the amounts given form but a small portion of what is actually shipped. This condition arises because goods are usually sent to Shanghai for transshipment. As the ultimate destination is not considered in such cases by the Maritime Customs, the merchandise is said in the official returns to be exported to "Chinese ports."

Countries.	1913		1914	
	Gross imports of foreign goods.	Exports plus reexports of native goods.	Gross imports of foreign goods.	Exports plus reexports of native goods
Australia, New Zealand, etc.	\$14,950	.....	\$2,600	.....
Austria-Hungary	98,508	83,077	63,683	85,465
Belgium	986,598	494,242	1,624,151	567,425
British India	2,034,165	.....	1,868,497	.....
Canada	49,829	.....	26,211	.....
Denmark	31,111	123,151	181,023	33,873
France	285,655	1,032,903	218,105	3,724
French Indo-China	.....	.....	489	.....
Germany	1,725,285	1,160,946	1,150,046	1,136,932
Great Britain	2,541,415	1,863,286	3,138,921	2,219,205
Hongkong	2,266,306	49,058	2,329,116	5,117
Italy	27,702	108,494	15,844	439,626
Japan and Formosa	9,758,001	1,455,432	9,403,170	1,628,958
Netherlands	8,773	1,434,801	52,939	773,093
Netherlands Indies	1,389,774	.....	1,416,507	.....
Norway	1,528	619	22,980	.....
Philippine Islands	571	.....	32,260	.....
Portugal	.....	.....	.....	3,153
Russia:	.....	.....	.....	.....
European	12,135	933,531	2,184	1,132,799
Asiatic	29,339	2,881,765	14,597	3,156,641
Singapore, Straits Settlements, etc.	51,987	275	129,363	.....
Spain and Gibraltar	1,323	6,968	752	4,778
Sweden	36,337	6,607	26,596	8,323
Switzerland	199	.....	1,067	62
Turkey, Persia, Egypt, Adeu, Algeria, etc.	1,520	412,107	999	21,351
United States (including Hawaii)	3,028,307	423,304	2,936,039	638,560
Total	25,281,321	12,429,571	24,664,930	12,517,711

Gross and Net Values of Trade.

The table below gives the values of the several classes of the Maritime Customs trade at the port of Hankow for the past two years:

Imports and exports.	1913	1914
Imports of foreign goods:		
From foreign countries and Hongkong	\$25,281,421	\$24,664,930
From Chinese ports	21,904,895	18,684,146
Total foreign imports	47,186,316	43,349,076
Reexported to foreign countries and Hongkong	18,508	12,857
Reexported to Chinese ports	8,058,500	7,671,235
Total foreign reexports	8,077,008	7,684,092
Total net foreign imports	39,109,308	35,664,984
Imports of Chinese produce	21,411,535	18,566,042
Reexported to foreign countries	2,402,082	2,875,799
Reexported to Chinese ports	5,243,607	6,111,329
Total Chinese reexports	7,712,689	8,987,128
Total net Chinese imports	13,698,846	9,578,914
Exports of Chinese produce of local origin:		
To foreign countries and Hongkong	9,967,994	9,641,912
To Chinese ports	51,296,006	43,902,931
Total exports of local origin	61,174,000	53,544,843
Gross value of the trade of the port	129,771,851	115,459,961
Net value of the trade of the port	113,982,154	98,788,741

The Course of the Export Trade.

The export conditions of the first six months of 1914 were characterized by a slight improvement over those prevailing at the close of the previous year, in spite of the fact that a serious drought impaired the sowing of certain crops. Crops have not moved with perfect freedom for several years. The native banks have been willing to extend only a limited credit, resulting in the elimination of many small Chinese dealers. Consequently, large native commercial houses have insisted on better terms, and foreign exporting firms have been compelled to buy at a high figure or send their own buyers into the interior. This was the condition prevailing from January to June, 1914.

The opening of the European war momentarily paralyzed trade, even with neutrals. Immediate exportation was necessarily unsafe and speculative. The result was the cancellation of many contracts, as buyers could not finance orders booked in advance. Foreign dealers here consequently found themselves with huge quantities of native goods in their godowns. For a time no exchange was quoted, and local banks in Hankow were extremely "cramped" in their ability to do business.

August and September witnessed very little exportation to Europe, even to Great Britain. However, considerable shipments were demanded by the United States. At the close of September Great Britain began to import from China once more, while orders were received from Italy, Holland, and Denmark. In October exports increased, at generally higher prices, the United States being a very large buyer. There were prospects of a demand in the future for hides, ramie, sesamum seed, tallow, etc. November marked the return of trade to practically a normal condition. December saw a phenomenal increase in prices, as, for example, in cowhides and antimony. Neither the European nor the American demands could be satisfied, on account of the scarcity of ocean tonnage.

Antimony, Crude and Regulus—Production Unusually Great.

In 1914, 11,456 tons of antimony, valued at \$575,790, were exported from Hankow, a gain of 3,363 tons (41 per cent) in quantity and \$180,729 (46 per cent) in value over 1913. Direct exports to the United States in 1914 amounted to 2,707 tons, valued at \$319,966, a gain of 1,032 tons over 1913.

The first seven months of the year saw rock-bottom prices in Chinese antimony, the weekly average New York quotations ranging from 5.65 cents to 5.90 cents per pound.¹ This is in sharp contrast with 1912 and 1913, which brought average prices of 7.8 cents and 8.22 cents, respectively. The first weeks in August saw a sharp rise in Chinese antimony on account of the probable demand for war purposes. On August 12 prices in New York ranged from 16 cents to 18 cents per pound. These prices were not sustained, however, and this commodity gradually declined in value until the end of September, when it sold at 8½ cents to 9½ cents per pound. Beginning with October, an increased demand sent prices up again, and at the end of December the New York market closed at average prices from

¹ All antimony prices quoted are New York market prices on Chinese antimony and are taken from The Mineral Industry and from The Engineering and Mining Journal.

13½ to 14 cents per pound. It appears that the ruling prices in the local market showed corresponding increases during this period.

Antimony comes mainly from Hunan Province, in the vicinity of Changsha. Before the European war there was lively competition on the part of the Germans and English for control of this output. Four German firms were active in trying to secure a monopoly of this metal, their method being to advance money to operate the mines and buy the output at a stipulated figure. A British firm, the New Chinese Antimony Co. (Ltd.), of London, had a contract with important Chinese interests (the Wah Chong Smelting & Refining Co.) to buy their output at the ruling London prices. When the war broke out the contract was dissolved, as the Chinese claimed that the prices quoted them by the British concern were below the market quotations called for. As the war has made it difficult for the Germans to push their business vigorously and as the Wah Chong Smelting & Refining Co. has canceled its British contract, the antimony field is open once more to active competition. The Japanese and Russians are also interested in this product.

The production of antimony was unusually great in 1914, as a result of the great demand in both Europe and America, and it is likely to be even greater in 1915. The Chinese mining companies have put extra laborers to work and are using every method to increase their output, realizing that the present higher prices will last only as long as the present war. Previously antimony has been required mainly for industrial purposes. With the advent of the conflict in Europe this demand ceased and was supplanted by a greater one, namely, that created by the manufacture of military supplies.

Bean Cake and Beans.

In 1914, 254,213,933 pounds of bean cake, valued at \$2,172,336, were exported, 44,453,134 pounds less in quantity and \$945,510 less in value than in 1913. There were no shipments to the United States. This article is mainly for domestic consumption in southern China, the major portion being exported to Amoy and Swatow. Some shipments were exported to Japan.

In 1914 the export of beans from Hankow amounted to 4,980,227 bushels, valued at \$3,453,045, an increase of 1,060,543 bushels and \$606,981 over 1913, or a gain of 27 per cent in quantity and 21 per cent in value. Beans were not exported directly to the United States.

The bean crop of 1914 was highly satisfactory. In the first seven months of 1914 the competition between the Conference and Rickmers lines brought down freights to such a low level that, in spite of the low prices paid in Europe, comparatively high tael prices were obtainable in the local market. After the outbreak of the European war, freights became so high that it was impossible to do any more business in this article, and a demand from England and Holland had to remain unsatisfied.

Exports of Bristles—War Creates Added Demand.

The export of bristles from Hankow to foreign and Chinese ports shows a gain for 1914 over the preceding year. In 1913, 1,855,600 pounds, valued at \$741,781, were exported, as against 2,338,133 pounds, valued at \$944,599, in 1914. To the United States bristles

were shipped to the amount of \$222,201, or about 23 per cent of the entire export of this commodity. This is \$65,264 more than in 1913.

In the first six or seven months of 1914 the market was not considered good by local shippers, as it was steadily declining, and the margin between the Chinese cost and c. i. f. selling prices was exceedingly small. But with the European war Russia, the chief producer, was greatly hampered in looking after its trade. This created an added demand for Chinese bristles. The last months of 1914 witnessed a desire to buy on the part of London and New York, 4 inches and upward being very much appreciated in the United States, while in Europe the shorter lengths were required for the manufacture of brushes for military purposes.

Much trouble is experienced on account of false packing by native dealers. This, together with poor sorting and dressing, have made it impossible for Hankow bristles to command the prices that they merit by reason of their stiffness.

Marked Rise Expected in Value of Gallnuts.

Gallnuts were exported in 1914 to the amount of 7,022,000 pounds, valued at \$733,691, an increase of 1,083,200 pounds (17 per cent) in quantity and of \$85,083 in value over 1913. The exports to the United States almost doubled in value and quantity, shipments amounting to 1,616,900 pounds, valued at \$185,338, or 25 per cent of the entire export to foreign and Chinese ports.

Prior to the European war shipments were normal as regards quantity and commanded high prices. This condition continued in the third quarter of 1914 on account of a good demand from the United States, fresh supplies not having arrived in Hankow in any large quantity. The last months of the year saw a falling off in prices, especially in the lower grades, which were much more abundant. The gallnuts crop is reported to have suffered exceedingly from unfavorable weather during 1914. The year 1915 is expected to witness a marked rise in the value of this article on account of the dearth of synthetic colors, together with a desire on the part of the Japanese to manufacture their own coloring matter. The adulteration of stock by Chinese dealers with broken vellonea, which was so prevalent in 1913 and resulted in many recovery claims, has not recurred to any extent in 1914.

Human Hair—Buffalo and Cow Hides.

In 1914, 73,867 pounds of human hair, valued at \$15,411, were shipped from Hankow to foreign and Chinese ports. This is less than one-fourth of the amount and one-fifth of the value of this commodity exported in 1913. No direct shipments were made to the United States.

The loss of the European market on account of the war was partly responsible for this loss of trade, but a more potent reason seems to be the fact that 1912 and 1913 were the years when the Chinese were cutting away their cues after the revolution.

In 1914, 4,336,933 buffalo hides, valued at \$497,328, were exported, representing a loss of 1,250,400 hides and \$132,710 in value from the shipments of 1913. The United States imported from Hankow 153,746 hides, valued at \$21,188, a decrease of 102,312 hides from 1913.

The shortage in the world's supply of leather helped to keep up prices in the first six months of 1914. After the outbreak of war

“light weights” continued in good demand, but “heavy weights” fell off, as they were mainly shipped to the Levant ports, which were closed to trade.

In 1914, 26,355,733 pounds of cowhides, valued at \$5,401,518, were exported. This is 2,590,934 pounds less in quantity and \$668,837 less in value than in 1913 and represents a decline of 9 per cent and 11 per cent, respectively, from the preceding year. Direct shipments to the United States amounted to 7,246,632 pounds, valued at \$2,081,168, which places this commodity first on the list of exports to the United States, a position occupied in recent years by wood oil. The increase over 1913 was 2,256,644 pounds (45 per cent) in quantity and \$655,851 (46 per cent) in value.

The season in the lower grades began later than usual, on account of the European war. The better qualities appeared at the usual time and were eagerly taken up by the United States, as they were 25 per cent lower than in 1913. This caused a sharp rise in prices soon after the opening of the campaign in Europe, but it did not last long, prices falling to the same level as in 1913. At the end of the year prices registered a phenomenal rise of 50 per cent. The Chinese dealers have all along realized the upward tendency of prices and have withheld stock in the interior, even instructing the producers to cease slaughtering. This is possible because cattle are raised more for the hides than for the beef, and when fodder is cheap it often is more profitable to postpone killing.

There is no doubt that there was a huge demand all over Europe for boots and shoes for military purposes, which has been largely supplied by the United States. American buyers have been greatly assisted because (1) shipping facilities to Europe have been limited on account of the small cargo space available in direct lines from Shanghai, and (2) the war-risk insurance has been higher than via Pacific ports. Italy in particular has suffered, having no direct line plying to and from her ports, in the face of an urgent demand for large stocks.

Soya-Bean Oil and its Uses—Market for Wood Oil.

In 1914, 10,178,400 pounds of bean oil, valued at \$444,209, were exported from Hankow to foreign and Chinese ports, or more than ten times as much in quantity and almost nine times as much in value as was shipped in 1913. The United States imported directly 106,348 gallons, valued at \$46,748 gold. There was no direct shipment to the United States in 1913.

There are six mills in Hankow and Hanyang engaged in extracting oil from soya beans, the capacity of these mills being about 8,000,000 pounds per annum. This business is mainly in Japanese hands. This oil is used in China principally for cooking purposes, while in Europe and America it is used in the mixture of paints, as it has a semidrying quality. Hence its exportation depends largely on the price of linseed oil, its chief competitor.

In 1914, 93,375,200 pounds of wood oil, valued at \$4,094,702, were exported. This is 6,434,533 pounds (6½ per cent) in quantity and \$583,722 (12½ per cent) in value less than in 1913. The declared-export return shows that in 1914, 4,388,986 gallons were exported to the United States, valued at \$1,950,102. This is 414,278 gallons in

quantity ($8\frac{1}{2}$ per cent) and \$857,922 in value ($30\frac{1}{2}$ per cent) less than in 1913.

The Hankow market for wood oil opened in 1914 at the market price of 9.30 Hankow taels per picul¹ (\$4.67 per hundredweight at the exchange rate of \$0.67) and gradually rose until the middle of February, when 9.70 Hankow taels \$4.83 per hundredweight at \$0.665) was quoted. It then reacted rather abruptly, and by the middle of March had dropped to 8.60 Hankow taels (\$4.32 per hundredweight at \$0.67). It fluctuated between this price and 9 Hankow taels until the middle of June, when it took a decidedly upward turn, culminating at 9.90 Hankow taels on July 31 (\$4.55 per hundredweight at \$0.6125, the bank rate for the day), on which day the declaration of the European war was announced. The war temporarily paralyzed all business in Hankow, and a money crisis, occurring shortly after the middle of August, forced the price down to 8 taels. (No rate was quoted by the foreign banks during this period, but, at the approximate exchange of \$0.63, this was equivalent to \$3.78 per hundredweight.)

On August 22 a small lot was sold for 7.80 Hankow taels (\$3.68 per hundredweight at the exchange rate of \$0.63), which was the lowest price touched. As soon as the money crisis had passed the market advanced as quickly as it had dropped, and without transactions having been recorded since August 22, the nominal price on September 2 was 8.70 Hankow taels (\$3.88 per hundredweight at \$0.61) and on September 5, 9 Hankow taels (\$4.12 per hundredweight at \$0.61). During September and October a fair business was done at prices ranging between 8.80 and 9 Hankow taels (\$3.90 to \$3.98 per hundredweight at \$0.59). The market during November and December fluctuated between 8.60 and 8.30 Hankow taels, closing at 8.50 (\$3.80, \$3.67, and \$3.76, respectively, per hundredweight at \$0.59).

As a result of the European war the exportation to Europe, except to England, was almost totally suspended, and from August 1 to December 31, 1914, amounted to only 8,746 piculs, as compared with 62,686 piculs for the same period in 1913 (1,167,218 pounds and 8,337,238 pounds, respectively). The large stocks carried by exporters at the end of September were practically all shipped to the United States during the month of October.

Since 1912 wood oil had been remarkably free from adulteration, but this evil practice made its appearance again in the autumn of 1914 on a large scale, rapeseed oil, tallow-seed oil, and peanut oil being the ingredients used for this purpose.

Ramie (China Grass)—Japan and United States Take Large Quantities.

In 1914, 23,798,400 pounds of ramie, valued at \$1,733,887, were exported to foreign and Chinese ports from Hankow. This was a decrease of 1,304,933 pounds in quantity, representing \$306,903, from 1913, a loss of 5 per cent in quantity and 15 per cent in value.

Local shippers state that prices were maintained throughout the year, as Chinese dealers were able to hold back their stocks in the interior in anticipation of still higher prices. Japan and the United

¹ Hankow taels on wood oil are for market value Hankow per picul (133 pounds). Taels are converted at the bank rate for the day. In cases where this is impossible, the average rate over a certain period is taken. No bank rate was given for some time after the outbreak of war.

States are said to have taken large parcels in the fall. This was doubtless from Shanghai, in the case of the United States, as the declared exports point to no direct business. France and Germany, formerly large buyers, naturally showed a much lessened demand on account of the European war.

Exports of Sesamum Seed—Serious Losses Through Speculation.

In 1913 sesamum seed was second on the list of exports of native goods from Hankow. But in 1914 this commodity fell off from \$6,079,561 to \$3,462,801 in value, a loss of 43 per cent, while in quantity there was a decline from 185,392,400 pounds to 139,315,867 pounds, a loss of 25 per cent. The reasons for this decline are: (1) A fair amount of cargo that was formerly shipped via Hankow is now finding an outlet to Shanghai via the Tientsin-Pukow Railway, the Yellow River district being the chief center of production. (2) The European war has made it impossible to make the usual shipments to Germany, which was in the habit of receiving the bulk of the sesamum-seed crop to manufacture into oil for cooking purposes. Before the close of the year a market had been developed in Holland, which imported 47,874,670 pounds, against Germany's 21,179,200 pounds, for the calendar year 1914. Shipments were also made to Italy and Great Britain. (3) There was a lessened demand on the part of the European market, the sale of sesamum seed being largely dependent on the price of other cooking oils abroad. (4) There was a decline in prices, which began even before the European war and was continued during the fall months of 1914, doubtless largely on account of the increase of freight rates and the difficulty of booking space for cargo with the shipping companies. The average price of sesamum seed exported in 1914 was \$0.025 per pound—\$0.008 less than in 1913.

One of the most encouraging features of this trade in 1914 was the total absence of the adulteration with stones, leaves, etc., experienced in previous years. As for the total crop, it is considered to have been of a good quality, but about 20,000 tons short of 1913. It is worthy of note that sesamum seed has been the subject of wild speculation, which has caused serious losses to both Chinese and foreign firms during recent years. No sesamum seed was exported directly to the United States during 1914.

The Trade in Goatskins.

In 1914, 1,730,560 goatskins, valued at \$853,993, were exported from Hankow to Chinese and foreign ports, a loss of 304,365 skins, valued at \$185,299, from 1913. This represents a loss of 15 per cent in quantity and of almost 17 per cent in value. The direct export to the United States amounted to 1,253,270 skins, valued at \$49,351, in 1914, or 927,157 skins and \$16,121 less than the previous year.

In the spring seasons ruling prices for goatskins were very high, except in February, when American and European buyers temporarily withdrew from the market. When the fall season arrived, the demand in both Europe and America was almost entirely for hides for the manufacture of heavy boots for military purposes. Germany, formerly a large buyer, was not in a position to import, and consequently the end of 1914 saw Chinese dealers withholding their stocks in the interior in anticipation of better prices.

Vegetable-Tallow Market—United States Shows Active Interest.

In 1914, 31,388,000 pounds of tallow (vegetable) were exported, valued at \$1,813,086, a slight decline from 1913, when 33,216,267 pounds were exported, valued at \$1,914,653. This loss of 1,828,267 pounds represents \$101,567, or 5 per cent in quantity and $5\frac{1}{2}$ per cent in value. The imports to the United States direct were 5,104,979 pounds, valued at \$333,867, or approximately double the quantity and value of what was shipped in 1913, and over 16 per cent of the entire amount shipped to Chinese and foreign ports.

The spring market opened with favorable prices, which gradually declined. This decline was only compensated by the lower exchange. In the autumn season the United States showed an active interest, while European firms found themselves in the position of not being able to ship to their continental buyers. America continued buying until the end of 1914, when large orders were demanded by England, France, and Italy at more favorable prices. The supply was about 20 per cent less than in the preceding year, owing to a bad crop of green vegetable tallow.

War Has Slight Effect on Tea Exports.

Tea is the leading export from Hankow. In 1914, 133,123,867 pounds, valued at \$13,344,540, were shipped from Hankow to foreign and Chinese ports, a gain of 15,361,600 pounds (13 per cent) in quantity and \$1,367,191 (11 per cent) in value over 1913. Russia took by far the greater portion of direct shipments to foreign countries, most of the tea going via her Pacific ports. In 1914 the United States imported 3,005,904 pounds, valued at \$391,536, a gain of 782,809 pounds (35 per cent) in quantity and \$102,762 ($35\frac{1}{2}$ per cent) in value over the preceding year.

The European war affected only slightly the exportation of tea, as the season was more than half over when it broke out. For a time high insurance rates, lack of shipping facilities, and cancellation of steamer sailings brought trade to a standstill. But from the middle of August conditions quickly improved, and the tea trade was soon normal.

The season opened early, on May 9. Prices paid for black and green teas were good and generally higher than last season, especially in the lower grades. Consequently foreign dealers made liberal profits. Chinese merchants probably lost a great deal on some of the finer stocks, of which they were unable to dispose.

In spite of the fact that weather conditions were unfavorable for preparing the first crop, tea was more abundant and of better quality than in 1913. The first crop was $78\frac{1}{2}$ per cent of the year's supply, the second $18\frac{4}{5}$ per cent, and the third $2\frac{7}{10}$ per cent. Russia still continues to take almost all of the brick and tablet teas.

The 1915 season promises to be the most successful known in many years. Reports show the teas to be excellent in quality and abundant in supply. This, with the discontinuance of the use of vodka in the Russian Army and the increased demand for tea for consumption by the Russian soldiers, should cause enormous prices to be paid.

Factors Affecting Import Trade.

In 1914 imports from foreign and Chinese ports amounted to \$35,664,984, as against \$39,109,308 in 1913, a loss of \$3,443,324. As the trade with foreign countries was interrupted for a time after the

outbreak of the European war, it is presumed that this difference represents largely a loss in the importation of foreign articles.

Imports suffered some on account of the lawlessness prevailing in this consular district in the spring of 1914, which hampered the delivery of goods. Confidence was slow in returning, with the result that merchants kept aloof. With the opening of hostilities in Europe it became difficult to fill orders and the demand had to remain unfilled for a long time. The low value of silver also affected the import trade, causing a general increase in prices of all articles on the Chinese market to meet the new unfavorable exchange rate for the importer. Inability to export certain kinds of produce lowered the general prosperity and with it the purchasing power of the Chinese population. Chinese importers were unable to obtain satisfactory credits from their foreign agents and were consequently not in a position to enter upon new contracts.

Import Trade by Countries.

Direct imports from foreign countries amounted to \$24,664,930, \$616,491 less than in 1913. Japan was first with almost \$9,500,000, the British Empire second with almost \$7,500,000, and the United States third with almost \$3,000,000. Belgium, the Netherlands, Indies, and Germany were the other countries exporting in excess of \$1,000,000 directly to Hankow.

Automobiles and Parts—Poor Roads Limit Use.

Automobiles and parts were imported in 1914 to the value of \$7,556. On account of the limited extent of good roads, which do not run more than 2½ miles in any one direction, the use of motor cars is restricted. It is believed that there is an extensive plan for building roads through and around the Chinese native city, which should give a good 30-mile drive for automobilists. Should this plan materialize, there should be a fair market for an inexpensive machine with a light chassis.

Clothing Imports and Their Source.

The total imports of clothing and wearing apparel are about the same for 1914 as for 1913, but certain articles have increased at the expense of others. Hosiery increased from 31,550 dozen to 231,171 dozen, because of a greater demand on the part of the Chinese population. This has been filled mainly by low grades from China and Japan. Foreign underwear is another article that is being adopted by the Chinese, and the result is noticeable in the increased importation—from 3,668 dozen in 1913 to 14,711 dozen in 1914. Cotton and woolen mixtures were imported to the amount of \$209,151, as compared with \$86,635 in 1913. These came largely from Great Britain. In 1914, 10,272 pairs of boots and shoes were taken, a slight increase over the preceding year. There will eventually be a fair market for this article in Hankow, but at present this district is flooded with Japanese and Chinese workmen who make boots and shoes much more cheaply than they can be obtained from abroad. The best class of foreigners are supplied with the British or American article at one of the two large foreign stores.

Caps and hats fell off from 477,403 pieces in 1913 to 2,363 in 1914. This is probably due to an overstocked market at the close of 1913. At that time there was a huge demand (a result of the new foreign

spirit following the revolution of 1911). This, however, was followed by a reaction when the initial orders had been filled. The best quality of caps and hats are manufactured in Great Britain, the inferior qualities in China and Japan. Haberdashery declined from \$53,803 in 1913 to \$21,096 in 1914. This loss is partly explained by the impossibility of obtaining cargo from Europe, which ordinarily fills this want.

Cotton Goods Trade—Share of United States.

In 1914 cotton goods of all descriptions, including drills, flannels, Italians, jeans, sheetings, shirtings, T cloths, and cotton yarn were imported to the value of \$9,518,294, as against \$11,190,092 in 1913.

By far the largest single item is cotton yarn, which was imported to the amount of \$4,057,541 in 1914, a loss of \$1,271,398, as compared with the preceding year. This trade is almost entirely in the hands of the Japanese.

American cotton piece goods were imported to the value of \$143,548. This is \$115,157 less than the preceding year, the decrease being due largely to activity on the part of Japanese and British competitors, who are gradually crowding out American cotton products. The United States still holds a preeminent place in the sale of flannel goods, 25,877 pieces being imported in 1914, which is more than two and one-half times the number imported into Hankow by British and Japanese manufacturers. American drills to the amount of 15,500 pieces are recorded as passing through the Maritime Customs—a very small part of the amount actually imported, which was 348,149 pieces in 1914. The other item of interest to American manufacturers is sheetings. In 1914, 7,020 pieces came into Hankow from the United States, this being less than one-sixth of the total import, which was 45,307 pieces.

Great Britain has about held its own during the past year. In 1914 its cotton piece goods trade amounted to \$3,564,782, a loss of only \$389,460. The principal items which go to make up these figures are shirtings, gray and white. In 1914 1,079,009 pieces were imported, of which 1,029,679 were British, valued at \$2,883,657. In 1914 Hankow received 204,384 pieces of British jeans, valued at \$444,083, these constituting nearly the whole amount imported, which was 236,005 pieces. British manufacturers are interested in one other item—T cloths—57,138 pieces of which, valued at \$128,294, were supplied by them. The total T-cloth import is only 61,518 pieces.

Japan has made an actual increase in a bad year in its cotton piece goods trade. In 1914 Hankow imported from Japan in this line to the value of \$976,147, an increase of \$123,395 over 1913. The Japanese manufacturers hold the bulk of the local trade in drills, supplying 331,494 pieces, out of 348,149 pieces imported in 1914. Their trade in other cotton piece goods is relatively small, but the significant fact to be noticed is that it is growing in practically every department of the business. In time to come, present indications make it seem likely that they will capture much of the trade now carried on by their competitors. At present they are handicapped by lack of manufacturing experience, but against this they have the advantage of cheap labor, easy communications, and a low price for raw cotton, which they obtain from the Chinese growers.

Iron and Steel.

The following statistics give the importation of iron and steel goods for 1913 and 1914: Iron and mild steel—\$1,027,179 in 1913, \$741,288 in 1914; galvanized iron—\$217,190 in 1913, \$137,523 in 1914; combined—\$1,244,369 in 1913, \$878,811 in 1914. These figures show a marked decline in the importation of both iron and mild steel and galvanized iron, doubtless due largely to the European war, which not only made it impossible to convey such bulky cargo on account of limited shipping facilities but, in addition, exerted a pressure of work on European manufacturers in filling war-material contracts that required immediate attention. The work on the Canton-Hankow Railway has also suffered from a shortage of funds, and this has resulted in a temporary general policy of retrenchment.

Steel bars, cables, and wire shorts, wrought pipes and tubes, steel sheets and plates, steel-plate cuttings, and galvanized iron wire all show increases. On the other hand, steel hoops, rails, screws, steel wire, galvanized corrugated and flat sheets, and corrugated wire shorts fell off in import.

Great Britain, Germany, and the United States are the chief competitors in iron and steel products. China believes that she can supply rails for the Hukuang Railway from the Hanyang Iron & Steel Works, but the poor quality of the goods manufactured and the heavy Japanese contracts for future delivery, which hamper the Han Yeh Ping Co., would make this appear doubtful. The United States is a fair supplier of rails and galvanized iron sheets to Hankow, and it is to be regretted that the demand for these products has decreased in 1914. The decrease in iron and steel products is more apparent than real, however, for 1913 was an abnormal year, and 1915 and 1916 should witness large orders for railway materials.

Lumber Imports—Kinds Used and Sources of Supply.

In 1914 lumber was imported to the value of \$1,316,309, which is \$654,082 more than in 1913. The amount recorded for 1914 was in reality abnormal—the result of the importation of 1,298,760 railway sleepers required by the railway lines under construction at this point. Most of these sleepers were furnished by the Japanese, who, it is estimated, can sell fully 30 per cent cheaper than their American competitors. In 1914, 165,444 cubic feet of hardwood and 14,571,766 superficial feet of softwood were imported into Hankow, as against 182,648 cubic feet of hardwood and 20,780,124 superficial feet of softwood during the preceding year.

Many different kinds of lumber were imported, the chief of which were Oregon pine, redwood, and cedar from the United States; apitong, yacal, and gingo from the Philippine Islands; tamo, Japanese oak, ash, and pine from Japan; camphor wood, redwood, and yacal from Singapore; and teak from French Indo-China and India. Teak, camphor wood, and oak are extensively used for furniture. The Chinese generally employ a certain amount of either local or Manchurian pine in the construction of their own houses, while foreign dwellings usually are made almost entirely of foreign woods. The latter are usually desirable on account of their long lengths. Even lengths from 8 to 90 feet were imported.

There is a possibility of a good market for lumber in Hankow, especially if the Chinese proceed to reconstruct the native city,

as planned. China can supply some but not all of the woods needed for this purpose.

Principal Kinds of Machinery Sold—Americans at Disadvantage.

In 1914 machinery of all kinds was imported to the amount of \$618,756, \$270,005 more than in 1913. This increase is due to unusual purchases for iron and steel working, electric power station, and railway-workshop machinery. There were also small demands for the following kinds of goods: Brewing and distilling, candle-making, cement-working, cotton-milling, flour-milling, printing, propelling, rice-milling, and waterworks machinery. The British, Germans, and Japanese are believed to have done the bulk of this business, with a small share going to the United States. American firms in this line are at the disadvantage of usually having foreign agents to represent them instead of direct branch offices to push their products, and they are competing with European wares long established in the local market. Contracts for large orders are usually given to German or British manufacturers, who have experts in the field to deal with the Chinese.

Customs Statistics on Kerosene—Borneo Product Shows Big Decline.

The gross imports of kerosene in 1914, according to the Maritime Customs statistics, show a decrease, as compared with 1913, of 2,001,938 gallons, or about 5 per cent. Russian oil, the appearance of which has been of a spasmodic nature in recent years, disappeared entirely in 1914, thus accounting for 300,409 gallons of the decrease. A relatively small decrease of 617,599 gallons in American oil imports was also recorded. It is in the Borneo product that the heaviest decline will be found, and here a diminution of 1,845,475 gallons is to be noted, equivalent to almost 19 per cent. This loss is partially retrieved by a gain of 761,545 gallons in Sumatra oil, which is handled by the same company (Asiatic Petroleum Co.—British) that sells the Borneo product. The diminished imports of 1914 need not necessarily be accepted as a conclusive indication of a smaller business, for stocks carried over from 1913 were heavy.

It is certain that the European war seriously affected the kerosene trade in the latter half of 1914. The almost complete cessation of the local export trade at one time was reflected in the oil business, since native export dealers were unable to convert their merchandise into silver to purchase kerosene, as is their custom in normal years.

Another factor militating against the sale of kerosene was the reversion of many Chinese to native vegetable oils for illuminating purposes. As was pointed out in the export summary, there was in the autumn of 1914 very little market abroad for sesamum seed, of which large quantities were available in this district. This sent down the price of sesamum-seed oil so that it attracted every buyer from a class that in ordinary years would have purchased the foreign illuminant.

Importers' prices were on a higher level in 1914 than in 1913. This was particularly so after the outbreak of war in August, 1914, when the falling value of silver necessitated higher tael prices. Concurrent with the higher silver prices there was a marked depreciation in the cash (paper and copper) exchange, resulting in the consumers being forced to pay considerably more in this currency for oil than formerly.

At certain centers of this district, such as Hankow, Wuchang, Changsha, Chungking, and Kaifeng, which look to Hankow for their kerosene supplies, electric lighting has become a competitor to be reckoned with. During the past year the Standard Oil Co. has secured permission to erect tanks at Ichang. This means that it will soon have another distributing center, in addition to the three already existing in this consular district at Hankow, Kiukiang, and Shasi.

Importation of Sewing Machines.

The importation of sewing machines, which declined in 1913, fell off still more in 1914. During the past year 788 machines, valued at \$10,753, passed the Maritime Customs, as against 1,399, valued at \$24,709, for the preceding year. About half of the import comes from Great Britain and the other half from the United States.

This business is in the hands of the Singer Sewing Machine Co., an American concern, which works mainly through native agents at points away from the treaty ports. Goods are consigned to these native agents, who dispose of them to the Chinese on the installment plan at easy payments. As much of the company's business is carried on in the interior, it is naturally to be assumed that the White Wolf raids affected the sale of sewing machines by making shipments risky and reducing the purchasing power of entire districts. Brigandage was followed by the European war, which lowered the value of silver, caused serious fluctuations in the currency, and hampered the free circulation of money from one Province to another—all these conditions constituting serious drawbacks in this line of business. In the interior the Chinese reckon values in cash, and in the central Provinces it took 100,000 cash more to make \$100 than it did in the same localities a year and a half ago.

Still, the prospect for the sale of sewing machines is encouraging. During 1914 the Singer Sewing Machine Co. pushed its business to Kansu on the borders of Tibet and continued an active commercial campaign begun in the other Provinces of this district. A sewing machine is fast being regarded as a necessity in both the Chinese family and in industrial trade. The family trade is stimulated by free Singer schools for Chinese women in machine work and for the men in the shops.

Tobacco and Cigarettes.

In 1914 the high cigarette import figures of the preceding year were maintained, 552,018 mille passing the Maritime Customs—almost the same amount as 1913 (552,399 mille). They represent mainly second and third qualities, the best grades being smoked almost exclusively by the few thousand foreigners in the district. The British-American Tobacco Co.'s tobacco-farm experiments for instructing the Chinese in the interior concerning the best means of growing tobacco, mentioned in the annual report for 1913, have been carried on with success, especially in the vicinity of Laohokow in North Hupeh. This naturally lessens the importation of low-grade cigarettes and cheap tobaccos, which can be supplied locally, the British-American Tobacco Co. buying up the output at current prices. The most severe competition is from the Japanese, who make cigarettes retailing at a low price.

In 1914, 1,568 mille cigars, valued at \$14,939, were imported, a considerable amount less than in 1913, when 6,805 mille, valued at \$58,918, passed the Maritime Customs. Notable gains have been made in Philippine brands at the expense of Dutch cigars.

Tobacco, leaf and prepared, fell off in importation from 405,267 pounds, valued at \$69,858, in 1913 to 290,267 pounds, valued at \$44,140, in 1914. Tobacconists' sundries amounted to \$4,630 and consisted mainly of articles for sale to foreign residents.

British and Japanese Lead in Shipping.

With respect to shipping, statistics show that 2,641 steam vessels, of 2,746,495 tons, entered the port of Hankow in 1914. This represents a gain of 283 vessels and 123,474 tons over 1913. The British are first both in number of ships and tonnage, followed by the Japanese, who were a fair second. The other countries rank as follows: China, Germany, the United States, Russia, and France. The Chinese, with 799 vessels, have a tonnage of only 434,517 tons, while the British, with 893 ships, register 1,240,114 tons. This is due to the number of small steam launches owned by local Chinese firms and used up and down the Yangtze. The gain in the United States shipping is more apparent than real and is the result of increases in the fleet of motor launches and motor barges belonging to local American firms. No large American ships called at this port in 1914. Nearly all the sailing vessels that entered Hankow were under the Chinese flag. These ships are used to convey local products from the interior, such as wood oil, bean cakes, etc.

Lack of Shipping Facilities—River Traffic.

This port has been greatly handicapped by the lack of shipping facilities by Pacific steamship companies. This has made it impossible to export a great deal of native produce from Hankow. Before the war there was little demand for Pacific steamers, as the rates were high and only valuable cargo, such as silk and bristles, could afford to pay the tariff demanded. The outbreak of hostilities, followed as it was by the uncertainty of the Suez route and a great rise in war-risk insurance, gave the Pacific trade a great impetus. Trans-Pacific rates advanced 10 per cent over schedule rates, and it appears that the 10 per cent rebate agreement was suspended—this, in reality, making the increase one of 20 per cent. The lack of shipping facilities has been somewhat relieved by the opening of the Panama route.

As regards river traffic, the British-Chinese-Japanese "pooling companies" are doing a large business at high prices. Competition was removed with the war, as the Rickmers steamers, which had been forcing rates down, were unable to continue. The bulk of the river freight business appears to be in the hands of the Japanese, who are busily loading night and day.

An effort was made by British steamship companies in Hankow at the end of 1914 to have American consular officers, in the case of contraband or conditional contraband, certify that the cargo was not intended ultimately for any belligerent fighting against Great Britain. The American consul general refused to do anything more than administer an oath to the shipper as to facts.

Banking and Exchange—Retrenching and Curtailing Credits.

The first seven months of 1914 were much the same as any corresponding months of preceding calendar years. Exchange was nor-

mal, and signs were indicative of good business for the future. The advent of Great Britain into the war was followed by a meeting of the local chamber of commerce, which resulted in foreign merchants refusing to take delivery of cargo for export on the ground that they could not finance any more large business dealings. The foreign banks for several weeks issued no exchange quotations, refused to advance credits, and revoked confirmed bankers' credits. After shipping facilities had been somewhat restored, war-risk facilities were introduced and credits were reconfirmed, which relieved the tight financial conditions prevailing. Exchange, since August, has gone badly against silver, but at the end of the year was slightly improving. The low-water mark was about \$0.39 gold for \$1 Mexican.

The native banks followed the example of the foreign banks in retrenching and curtailing credits. At the same time, some slight assistance was rendered the Hupeh Government Bank and the Bank of Communications by the central Government, which enabled them to tide over the unusual conditions resulting from the war. The actual effects were very slight, this fact being evidenced by the very few failures among the petty native banking concerns. In the interior notes and cash were very low, the Chinese farmers and shopkeepers demanding silver, which they had a tendency to hoard.

The International Banking Corporation, an American concern, profited by the war for a time, because a certain amount of German business, formerly done through British banks, went through its hands. This has been in part offset, however, by a loss of British, French, and Russian orders, which are naturally handled by banks representing the interests of the Allies during the present crisis.

Movements of Treasure.

In 1914, \$7,564,922 gold was imported into Hankow, mainly in the form of bars, sycee, and coin, this being over \$1,000,000 more than in 1913. This was received mainly from Changsha, Ichang, and Shanghai. Exports of treasure in 1914 were valued at \$8,587,971, of which \$5,921,324 went to Shanghai alone. This was also in the form of bars, sycee, and coins (practically no gold being exported) and was \$6,000,000 more than in 1913. Hankow is a shipping center for Changsha and Ichang, and the large amounts listed as imported to this port were doubtless immediately transshipped to Shanghai.

There were no large shipments of silver on the part of foreign banks. At the opening of the war silver was consigned by the Deutsche Asiatische Bank of Shanghai to their local branch.

Insurance—Customs Revenue.

Marine insurance has gone up materially since the beginning of the war. Prior to the opening of hostilities one-third of 1 per cent was charged, but in August, September, and October an additional 2 per cent was charged for war risk. This additional insurance subsequently fell to one-third of 1 per cent, making in all two-thirds of 1 per cent. This, with higher freight rates, which went up by leaps and bounds after the summer, has made shipping more expensive than in the preceding year and has been keenly felt in certain lines of business where the margin of profit is exceedingly small.

The amount of revenue collected in 1914 was \$2,579,595, a decrease of \$90,784 from 1913. This is not strange in view of the war. In many instances merchandise ordered by China could not be imported. It is worthy of note that there is a decided loss of revenue from opium as compared with 1912.

Population of Consular District.

This consular district comprises the five Provinces of Hupeh, Honan, Kiangsi, Shensi, and Kansu, and certain outlying districts such as Sinkiang, etc. The Province of Hunan was recently made into a separate district under a consul at Changsha. According to the census taken by the Board of Interior at Peking in 1910, the population is distributed as follows: Honan (less one-seventh not in this district), 22,000,000; Hupeh, 24,900,000; Kansu, 5,000,000; Kiangsi, 14,000,000; Shensi, 8,800,000; Sinkiang, 2,491,000; total, 77,691,000. The population of the three Wuhai cities (Hankow, Hanyang, and Wuchang) is estimated at 1,500,000. Too much reliance is not to be placed on a Chinese census, which is based on families, a certain average number being taken for each family.

The foreign population of Hankow in 1914 was 3,345, which is 565 more than in 1913. About one-half of these inhabitants are Japanese, leaving almost 1,700 foreign whites. After the Japanese in number of residents come the British (625), Germans (364), Americans (186), and Russians (146), in the order named. The Japanese have 71 commercial houses doing business in Hankow, but this includes small stores and all other forms of commercial undertakings. The British follow with 38 firms, the Germans with 32, and the Americans and Russians with 8 each.

The following table taken from the Register of American Citizens shows the number of Americans in the consular district:

Province.	Men.	Women.	Children.	Total.
Honan.....	44	67	60	171
Hupeh.....	112	87	85	284
Kansu.....	4	5	4	13
Kiangsi.....	16	22	18	56
Shensi.....	21	7	3	31
Total.....	200	188	170	558

Building and Construction—Unsatisfied Demand for Houses.

Building and construction fell off in 1914, the value of this work in the five concessions amounting to only \$782,000, as compared with \$1,845,000 in 1913.

The war had little effect on the building trades, as it was not until well toward the end of the year that materials went up in price. In the French and Japanese concessions small houses were erected of a semiforeign style for the housing of Chinese. There was still an unsatisfied demand for houses, due (1) to the effects of the revolutions of 1911 and 1913, which caused the Chinese to seek refuge in large numbers within the concessions, and (2) to the many new foreign interests seeking to establish themselves in Hankow. Rents were about the same as in 1913 and were considered exceedingly high.

In 1914 there was little building in the Chinese city. Although a loan for the reconstruction of Hankow was negotiated with Samuel

& Co. (Ltd.), of London, it is not to be operative until the end of the European war. At present there is a collection of heterogeneous buildings of brick and matting, for the most part squalid and unattractive, on the ruins of that part of the old city that was destroyed in 1911.

Progress of Work on Hukuang Railways.

British section.—Rapid strides have been made in the construction of the Canton-Hankow Railway during 1914, of which the following is a summary:

Practically all bridge work on the first 25 miles has been completed, except the steel superstructure, which is now being manufactured in Great Britain under contract. The bridge work is unusually heavy, there being 40 large and 250 small bridges from Wuchang to Changsha. The general offices, general stores, and other offices have been constructed, while residences for the managing director, engineer in chief, and foreign and Chinese staffs are rapidly approaching completion. Sleepers have been delivered for the greater part of the line, while rails are being rolled at the Hanyang Iron & Steel Works. Plate laying should commence at an early date. Telegraph stations have been erected through to Changsha. The site of the terminal station at Wuchang has been banked up from 7 to 8 feet, necessitating the employment of 1,750,000 cubic feet of filling. No construction is going on beyond Changsha, as an alternate route is being considered through Liling, An Jen, and Yung Hsien to the Kwangtung border that gives promise of being easier than the one originally planned.

German section.—With the outbreak of the European conflict it became apparent that it would be impossible to negotiate a supplementary loan for the Hukuang Railways. At a meeting of the representatives of the foreign bankers the Germans offered to guarantee the completion of their section from Hankow to Tsao-Shih, Hupeh, a distance of about 114 kilometers (70.84 miles), with the funds then at their disposal. This proposition was accepted by the Chinese authorities. The survey of this section was completed by October, 1914, and in December Mr. Linow, the German engineer in chief, was ready to begin embankment work. This is a slightly different route from that originally planned, and is calculated to tap the fertile Han Valley. The fact that this line may not be pushed to Ichang seriously affects the American section, leaving no railway connection with Hankow. At present only light-draft vessels are capable of proceeding to Ichang.

American section.—The American section (I-Kwei) is by far the most difficult to construct, on account of the hilly character of the country. The survey has been proceeding under Engineer in Chief R. W. Randolph, and was expected to be completed by June, 1915. It is believed that a new trace has been found that will insure the construction of this railway at a much lower cost and at the same time lessen the engineering difficulties.

Hanyang Iron & Steel Works.

During the past year there was installed at the Hanyang Iron & Steel Works a No. 4 blast furnace and a No. 7 steel furnace, while

extensions were made in the steel-plate factory, rail mill, and fire-brick factories. The *Far Eastern Review* (April, 1915) says:

The Government expert sent to examine the Hanyang Iron & Steel Works, with reference to Government ownership, says in his report that there are 40 foreign engineers and 8,050 Chinese laborers working in it. The plant can produce 15,000 tons of pig iron every month, steel rails to the amount of 7,000 tons, and practically unlimited steel plates and nails. The ground occupied by the works is upward of 100,000 square feet.

Yangtze Engineering Works—Government Paper Mill.

In 1914 the Yangtze Engineering Works (Ltd.), a Chinese concern established at Seven Mile Creek, had a successful year. They completed two 200-foot steel and 8 small wooden pontoons, 6 steel crossings, and numerous repairs on tugs and lighters. For the coming year they have numerous contracts, including two 300-foot steel pontoons, 3 motor boats, 4 steam lighters, 30 wooden lighters, 800 mine cars, 6 steel bridges of 100 feet, 50 sets of pontoons and crossings, 30 railway cars, 3 gunboats, and one 2,000-foot steel pontoon.

At the close of 1914 it was decided to reopen the Government paper mill at Seven Mile Creek, and, with this end in view, a number of skilled American workmen were engaged to come to China for the manufacture of paper.

Three Other Open Ports.

In addition to Hankow, there are in this district three open ports—Kiukiang (Kiangsi), Ichang (Hupeh), and Shasi (Hupeh).

Kiukiang.—The Maritime Customs statistics show an increase of more than \$2,000,000 in both gross and net values of trade over 1913. Exports were practically the same as the preceding year, the gain representing mainly a greater importation of native produce.

By far the largest single item imported from foreign countries was kerosene, which amounted to 6,999,159 gallons, valued at \$642,992. Of this, 5,310,991 gallons were the Standard Oil Co.'s kerosene, as against 1,688,178 gallons of Borneo and Sumatra oil handled by the Asiatic Petroleum Co. In 1914, 6,008,800 pounds of refined white sugar, worth \$178,476, were passed through the Kiukiang customs, and 2,254,800 pounds of tin manufactures, valued at \$74,783. These three are the only products imported that amounted to over \$60,000. The United States led in the gross imports of the direct trade with foreign countries, with \$476,740, followed by Hongkong, Japan, and Singapore (including Straits Settlements), with over \$200,000 each.

Exports to foreign countries amounted to only \$73,940 and consisted almost entirely of tea shipped to Asiatic Russia.

Ichang.—Ichang derives its importance from being the gateway to Szechuan Province. From this Province it receives wood oil, wax, sesamum, hides, and bristles for transshipment, as it is possible for light-draft steamers to go to this point. It is also the headquarters of the I-Kwei Railway.

In 1914 gross values of trade decreased to \$6,036,244 from \$6,541,053 in 1913, while the net value of trade (foreign and native exports less reexports and native exports of local origin) declined from \$4,232,471 to \$3,342,848. Of native produce imported to the amount of \$1,954,709, \$1,679,751 worth was reexported to Chinese ports, this demonstrating better than anything else the fact that Ichang is merely a transshipping point for Szechuan Province. Sugar forms

the largest article of import in the class of foreign goods from foreign countries, amounting to 3,048,000 pounds, valued at \$79,896. Mats and machinery were the other largest import items. Taken together, foreign goods from foreign countries amounted to \$170,504 in 1914. The Standard Oil Co. has just obtained the right to construct installation tanks, which should facilitate the company's business in West Hupeh and Szechuan.

Shasi.—In 1914 the gross value of the trade of Shasi was over \$3,000,000, about \$250,000 less than in 1913. Net values were about the same. Direct foreign imports from foreign countries amounted to \$135,711, of which \$119,706 worth were from Hongkong. Refined sugar is the chief foreign import, being valued in 1914 at \$114,035 and representing 4,350,400 pounds.

American Trade Prospects.

The year 1914 can not justly be regarded as furnishing a cause for present discouragement. Certain factors, such as local disturbances, mediocre crops resulting from bad weather, high marine insurance and freight rates resulting from the European war, lack of shipping facilities, and many other conditions calculated to obstruct trade, all go to make the last five months abnormal. And yet trade values are not much below 1913. It is only fair to assume that, with normal conditions, there would have been a prosperous year, with an increase in both imports and exports.

With respect to the development of American trade and industry in this field, these suggestions might well be kept in mind:

(1) The lines of merchandise that are worth pushing are those for which there is a possibility of a good Chinese demand—such as cotton piece goods, kerosene, and sewing machines. Otherwise the local market is not equivalent in importance to that of a small American town of 2,000 inhabitants, where American goods are known and appreciated.

(2) American concerns expecting to do in the future a large business with the Far East would find it profitable to establish (perhaps at a loss for some years) a large American agency at Hankow to handle American goods. At present American agencies are generally in the hands of German and British firms.

(3) In the case of large enterprises American financiers should be prepared to give financial assistance to the Chinese on good security. This is one of the keynotes to the success of European and Japanese undertakings.

There are many other points, such as the extension of long-time credits and the improvement of banking facilities, that are worthy of consideration.

Lines That Merit the Attention of American Exporters.

Bringing the question down to the immediate demands of the local market, American manufacturers should consider an active campaign to secure a commanding position in the import trade. If American goods could become favorably known at this time it would be extremely difficult to displace them in the future. It would seem that in many instances Americans would have a fair chance of competing in the following lines: Machinery of all kinds, small tools, hardware (such as galvanized, corrugated, and flat sheets, wire nails,

rods and bars of various sections, window glass, nail rods, copper and brass bars and sheets), needles, Berlin wool, braid, buttons, ribbons, trimmings, lamps, soap, wash basins and other enamel ware, aniline dyes, chemical products, electrical material and fittings, cups and saucers, and, generally speaking, small metal goods of inferior quality and price. It is hoped that American interests will not defer the making of a militant commercial campaign to some future time, when the opportunity may have passed.

HUNAN PROVINCE.

By Consul Nelson T. Johnson, Changsha.

The Province of Hunan, lying between the twenty-fifth and thirtieth parallels and the one hundred and ninth and one hundred and fourteenth meridians, covers about 83,000 square miles, and is nearly equal to the combined areas of North and South Carolina. Its boundaries are, practically speaking, the watersheds of its four great rivers, the Siang, the Tzu, the Yuan, and the Lien. To the north of it is the Province of Hupeh, to the east that of Kiangsi, to the west Szechwan and Kweichow, and to the south Kwangsi and Kwangtung. The broad, yellow stream of the Yangtze forms the boundary line between Hunan and Hupeh for a distance of some 60 miles.

Hunan is a mountainous Province. While its mountains are of no great height, averaging only 3,500 feet, they are well wooded in the western and southwestern sections, and timber is a prominent source of revenue. On the south they form a watershed between the river systems of Hunan and Kwangtung and Kwangsi, but they are so broken up laterally by watercourses that travel along their natural axes is extremely difficult. There are no plains of any size throughout the Province; highest in the west, south, and east, the rolling country slopes gradually in a northeasterly direction to Tungting Lake.

Tungting Lake—Siang River and its Tributaries.

Tungting Lake during the summer months is about 75 miles long by 60 broad; in winter, however, it is but a marsh, through which flow several streams. In summer the overflow of the Yangtze runs into it, forcing back the waters from the Siang-kiang and its tributaries; but in winter the lake pours its waters into the Yangtze, with which it is connected by the Yochow Canal. It is, however, the center of an active movement of boats, owing to a system of sluices that adapts it to navigation in all seasons. Thousands of junks carrying rice, timber, coal, and salt traverse it unceasingly. Immense rafts, sometimes 330 feet in length—in fact, floating villages—traverse its waters. A network of canals surrounds it, but the land is too low and inundations too greatly feared to encourage settlements near its banks. The few villages in the environs are all surrounded by high embankments, to protect them when the waters rise.

Hunan is well watered and drained by four rivers, averaging from 250 to 300 miles in length, that empty into Tungting Lake. The principal of these, the Siang, which rises across the southern boundary, in northern Kwangsi, is navigable for large junks as far south as the city of Hengchow. In the high-water season in the summer steam launches drawing from 3 to 5 feet can ascend it as far as the lead

mines at Sung Peh, 30 miles beyond Hengchow, whereas Hengchow itself may be reached by them nine months in the year. Beyond Hengchow smaller craft may penetrate as far south as the Kwangsi border. As a matter of fact, the entire trip from Changsha to Canton can be made by boat, as the headwaters of the Siang are connected by canal and haulovers with those of the Cassia River, near Kueilin, in Kwangsi.

The chief tributaries of the Siang are the Ch'un, which flows into it near the lead mines at Sung Peh; the Lei, about two miles from Hengchow; and the Lien, near the city of Siangtan. In the early days the Siang was one of the chief trade routes between North and South China. The Canton-Hankow Railway, now under construction, follows its course as far south as Hengchow. The area of the Siang Basin is 39,000 square miles.

Navigation on the Tzu and the Yuan.

Farther to the west is the River Tzu, called colloquially the T'an Ho, or "River of Rapids." Navigation on its waters is limited to the smallest of boats. Coal is transported from Paoking down the river to Hankow, on the Yangtze, on roughly constructed boats—it is reckoned that 20 per cent of these are lost en route—that never return, but are sold and taken to pieces for timber. The Tzu basin, which is about 10,000 square miles in area, is connected by land to the east and south with that of the Siang River, upon which it is mainly dependent for supplies and the sale of its own products; while other, longer routes, connect it with the valley of the Yuan River, to the west.

The Yuan, the third of Hunan's rivers, rises in the center of the Province of Kweichow, and is the second great trade route of Hunan. The first, the Siang, connects Central China with Canton, whereas the Yuan connects Central and North China with the southwest, *i. e.*, the Provinces of Kweichow and Yunnan. Its navigation throughout is difficult and dangerous on account of the rapids that commence 40 miles above Changteh and continue along the course of the river and its tributaries. Boats leaving Changteh can not carry more than 7,980 pounds. At Hong Kia, about 200 miles above Changteh, cargoes are transferred to smaller boats of not over 16-inch draft that do not carry more than 3,990 pounds each. These ascend the main river to Wang Ping Chan, near its source, in Kweichow. All the larger tributaries are navigable, but most of them by small boats only, that carry not more than 1,333 pounds; consequently freight is expensive, being seven times as much as on the Siang. The overland route is considerably shorter, but the expense of freight by it is double.

From the basin of the Yuan River, which has an area of 34,300 square miles, 22,500 being in Hunan, difficult passages by land lead to the Tzu River basin to the east and to the center of Kweichow to the west, while to the northwest it is connected by the important, but inconvenient and expensive, Yuyang route.

In the northern section of the Province the Li, the fourth of Hunan's rivers, taps the important tea district of Hefengchow in Hupeh, but the produce of that district is chiefly carried overland to I-Tu-Hsien, on the Yangtze just below Ichang. The Li is navigated only in its lower reaches. The area of the basin of the Li is 8,000 square miles.

Railroads in Operation and Under Construction.

Thus far there are two completed lines of railway in the Province of Hunan. Chuchow, a small town on the Siang River, not far above Siangtan, has been connected with the great coal mines at Ping Siang by a standard-gauge line which brings coal and coke down from the mines to the river, whence it is shipped in lighters to Hankow and the iron works at Hanyang. Chuchow will also be a station on the Yueh-Han Railroad that is being constructed between Hankow and Canton. The section between Chuchow and Changsha has already been finished, and the journey from Changsha to the mines can be made in about six hours. On the Hunan section of the Canton-Hankow, or Yueh-Han, Railway surveys have been completed to a point in the south of the Province, but the exact route across the boundary has not as yet been decided upon. In general, it will enter the Province in the northeast corner and follow the old courier route through Yochow and thence south by way of Changsha to Hengchow.

In December, 1913, an agreement was entered into with Pauling & Co., a British corporation, for the construction under contract of a railroad to run southwest from a point on the Yangtze opposite Shasi, through Shangteh (where it will meet a branch from Changsha), Shenchow, and Kueiyang, and join the Yanchow-Kutsingfu line at Singyifu in southwestern Kweichow. The survey of this line has been partly completed.

The great lead mines in the mountains, about 110 miles south of Hengchow, are connected with the Siang River by a narrow-gauge railroad for the purpose of conveying the ore from the mine to the lighters on the river.

Steamship Communication—Methods of Travel and Transportation.

On the Yangtze, Changsha is connected with Hankow by steamer for the greater part of the year—during the high-water period—and on most of the other waterways steam launches, drawing from 3 to 5 feet of water, transport great numbers of passengers. In 1913 the number of passengers carried between Changsha and Siangtan by this means was 489,919. It remains for some enterprising person to meet the demands of this traffic and to start comfortable passenger service on the Siang River.

Intercommunication is by the numerous water routes that communicate with the main rivers, and by footpaths, usually paved with stone flags. Freight is carried on the backs of coolies, pack animals, and by boat. Passengers travel by houseboat and by chairs carried on the back of coolies. The traveling chair may be either the usual boxlike sedan chair, covered in on all sides, or it may be a light mountain chair, which consists of a seat suspended between two long springy bamboo poles with a swinging rest for the feet. In and about the cities a great deal of freight is transported by wheelbarrows.

Siangtan is a distributing center for the whole of the southern and central parts of the Province, while Changteh serves the same purpose in the northern and western sections.

The only road of any size is a partly finished military road running from the Liu Yang Gate at Changsha in a southerly direction toward the town of Liling.

Overland Trade Routes.

Chinese maps give two ancient courier routes through the Province. One from Wuchang, in the Province of Hupeh, enters Hunan in the northeast corner, passing through Yochow it turns south to Changsha, thence following the valley of the Siang, south to Hangchow. Here it turns up the valley of the Lei River, passes through Lei Yang, Ch'en Chow, and Yi Chang and crosses the border into Kuangtung and proceeds to Canton. It is this road that connects Canton in the South with Peking in the North by way of Hankow. It is paved throughout and furnished from end to end with inns, warehouses, and cattle sheds, all bespeaking the great activity that prevailed throughout its length. With the advent of the foreign steamer from the Yangtze, however, the importance of this road diminished, trade routes since following the cheaper and quicker lines.

The second enters the Province from Shasi, in Hupeh, passes through Lichow to Changteh, and thence to Changsha by a branch through Lung Yang and Yiyang. The main road continues on from Changteh in a southwesterly direction, following the basin of the Yuan. It passes through Taoyuan, Shenchow, and Yuanchow, whence it proceeds to Kweiyang, in Kweichow. This road is the highway for traffic to and from Kweichow and Yunnan. Large numbers of Hunan peddlers travel between Hunan and Kweichow, their pack ponies laden with cotton cloth from Hupeh and foreign matches and nails. (Native cotton goods is brought to Chenyuanfu, in Kweichow, in junks and thence transported by pack animals to Kweiyangfu.) On this road porters carry white wax insects from An Shun Fu, in Kweichow, to Yuanchowfu, in Hunan, a distance of approximately 250 miles. Each man carries millions of the infinite insects destined to excrete the white wax of commerce.

The important mining center Paoking is connected with Siangtan by a road through Hsiang Hsiang. It is also connected with Yuanchow by way of Wukang and with Changteh by way of Hsin Hua, An Hua, and Taoyuan. A very important trade route runs the entire length of the eastern part of the Province from Yochow in the north, by way of P'ing Chiang, Liu Yang, Li Ling, Yu Hsien, Ch'a Ling, An Jen, Yung Hsing Chenchow, and Yichang, and another connects Yungchow, an important lumber center, with Hengchow through Ch'i Yang.

Other important routes are: (1) To Fukien, by way of Ping Siang, through Kiangsi to the tributaries of the Min River. (2) The two routes to Szechuan, the first by the Taiping Canal (Changteh to Yangtze opposite Shasi) and the Yangtze in summer, or by way of Yochow and the Yangtze in winter; and the second by way of Changtehfu over the courier route to Shenchowfu, thence to Yuyang and Fuchow in Szechuan. Another road to Szechuan, which is used by travelers and those merchants who carry valuable goods in a small compass, runs through Tzuli Hsien, Yung Ting Hsien, Lung Shan Hsien, Lai Feng Hsien, and Kien Kiang Hsien to Pangshui Hsien, where boats are taken to go down the Kien River to Fuchow.

Administrative Divisions—Courts of Justice.

For administrative purposes Hunan has been divided into four circuits, or Taos, each presided over by an intendent or taoyin. The

unit of division is the district, or Hsien, the old prefectures, departments, etc., having been abolished since the revolution of 1911.

The northern Tao, comprising the territory formerly covered by the prefectures of Yochow, Changteh, Nauchow, and Lichow, is the rice country around Tungting Lake. It is divided into 15 districts, or Hsien, that have the same boundaries as the former districts.

The western Tao, comprising the section of the Province formerly covered by the prefectures of Yungchow, Shenchow, Yuan Chow, and the departments of Ching Chow, Kwangchow Chienchow, Fenghuang, and Yungsui, is divided into 23 districts, or Hsien, and comprises nearly the whole of the basin of the upper Yuan River and its tributaries.

The central Tao covers the lower basin of the Siang north of Hengchow and the whole of the basin of the Tzu River. It is divided into 16 districts.

The southern Tao comprises all of the southern part of the Province, taking in the important cities of Hengchow, Yungchow, and Chenchow.

The capital of the Province is Changsha, where the offices of the military governor, the civil governor, and the various provincial departments are located.

From the above it will be seen that the Province is divided politically more or less in accordance with the natural geographical or trade divisions of the river basins.

For judicial purposes the county serves as the unit. So far new courts have been established only at Changsha and Changteh. At Changsha are the provincial high court and the high procurator's court, while both Changsha and Changteh have local or district courts, with their accompanying district procurator's courts. In all other places judicial matters are left in the hands of the magistrate of the district. From him appeal lies with the local or district courts, thence to the provincial high court at Changsha, from which a final appeal may be made to the high court of justice (supreme court) at Peking.

In all cases where foreign interests are involved the district or county magistrate has original jurisdiction, and the consular representative of the foreign interest involved has the right to sit with him during the trial proceedings, a right guaranteed by treaties.

Large Supply of Antimony.

It is stated that Hunan has a larger supply of antimony than any other part of the world of similar area. Since 1904, when the city of Changsha was opened to foreign trade, the amount of antimony mined and exported from Hunan has continually increased in importance. This was chiefly due to the enterprise of German firms, which invested money in the mines and erected a refining plant at Hankow. In 1908 French refining machinery for the production of regulus was introduced into the works of a Chinese concern, the Hua Ch'ang Co. The crude methods hitherto followed by Chinese producers left such a large percentage of metal in the refuse, or ash, that it was profitable to export it to foreign countries for further refining. A ton of regulus is worth twice as much as the same amount of crude antimony, the only form shipped prior to 1908.

The ore mined in Hunan is classified according to the district in which it is found. The central district comprises Changteh, Anhua,

Sinhua, Paoking, and Changsha; the southern, Hengchow, Yungchow, and Chenchow; and the western, Yungshun, Fenghuang, and Shenchow. That produced in the vicinity of Sinhua and Anhua is said to be the richest, attaining a fineness, in some cases, of over 70 per cent of stibnite (Sb_2S_3). Crude antimony is obtained by simple fusion in crucibles, an industry carried on by several firms beyond the south gate of Changsha. The process takes from two to three hours, according to the quality of the ore and the strength of the draft. The treatment, though simple, is wasteful, as the smoke and residue contain valuable metal, but the latter is shipped to Europe for further refining.

Production of Other Metals.

Lead and zinc are successfully mined in the mountains near Sung Peh, on the Siang River about 30 miles south of Hengchow. A 3-mile narrow-gauge railway is used to carry the ore down to the river. The machinery is mainly of German origin and it is understood that Carlowitz & Co. have invested about 600,000 taels in the mine and that they take most of its output. In the dressing plant 2,000 coolies are employed. Some of the mining is done in the old Chinese way; however, they are working four modern shafts, one being about 800 feet deep. The mines, employing probably 5,000 men, are entirely under the management of Chinese, two Cantonese, both trained in the coal mines at Ping Hsiang, being in charge.

Salt-peter is found in Yung Hsunfu, Lung Shan, Sang Chih Shih-men, and Tzu Li. Large quantities of firecrackers are manufactured in the neighborhoods of Siangtan, Changsha, and Changteh, thereby creating a demand for this chemical.

Coal is found in the valley of the Siang and in the western part of the Province about Shenchow and Yuanchow. That from the Tzu River, in the district about Paoking, finds its way down the river through Tungting Lake to Hankow.

Deposits of iron are worked by the natives at Chin-chou, near the southern border of the Province.

[The mineral wealth of Hunan is just being tapped, and its possibilities are almost without limit. To those wishing to investigate Hunan mining opportunities the Bureau of Foreign and Domestic Commerce will loan a comprehensive report by the United States commercial attaché at Peking.]

Industries at Siangtan, Changteh, and Changsha.

Siangtan is the center of an interesting fish industry of considerable importance. The fish spawn are collected from the river above Siangtan in the spring of the year as they float down near the shore. They are brought down to Siangtan, where they are placed in shallow, cement-lined ponds to hatch. The small fish, bream, carp, and a fish known locally as the Ts'ao Yu, or grass fish, are taken out, separated, and then peddled among the farmers of the interior, who use them to stock their ponds and the reservoirs.

Siangtan is also the center of production of a rain shoe that is very popular among the Chinese. It is made of oiled leather with a wooden sole. Oiled-paper umbrellas are made in large quantities at Changteh, Taoyuan, Changsha, and Siangtan. The oil used is the wood oil of T'ung Yu. The chief supply of wood oil comes from the basin of the Yuan River, the trade centering in Changteh. It is ex-

ported in large quantities to the United States and Germany, where it is used in the manufacture of quick-drying varnishes. Changsha is well known for its beautiful black and white embroideries, pewter ware, and ornamental bamboo ware. Paoking and the southwestern part of Hunan are important centers for the skins of wild animals, such as the coon, fox, leopard, tiger, etc.

Foreign Trade of Changsha.

The following tables show the quantity of the chief imports and exports that passed through the customhouse at Changsha during the last five calendar years:

IMPORTS.

Articles.	1910	1911	1912	1913	1914
Buttons:					
Brass.....gross..	5,950	6,010	3,995	13,165	4,709
Fancy.....do....	1,206	2,733	10,324	3,896	8,816
Clocks and watches.....No..	5,911	9,277	14,249	21,355	13,624
Copper ingots and slabs.....tons..	1	125	405	1,663	3,383
Cotton yarn (Japanese).....do....	1,350	2,065	4,645	3,976	3,870
Cotton piece goods:					
Drills (Japanese).....pieces..	24,781	31,340	31,270	45,795	28,676
Jeans (English).....do....	8,860	16,575	66,530	119,485	109,638
Italians—					
Plain.....do....	66,754	87,841	63,098	62,637	50,027
Colored.....do....	42,812	12,681	15,795	41,388	27,345
Figured.....do....	13,833	10,242	12,326	25,747	20,284
Lastings, plain and figured.....do....	9,572	7,417	9,691	8,590	6,055
Prints and printed shirtings, plain.....do....	7,097	5,850	5,128	5,096	9,557
Shirtings—					
Gray (English).....do....	112,527	173,819	165,293	203,269	183,855
White, plain.....do....	123,211	177,318	228,848	309,140	286,411
Velvets and velveteens.....yards..	186,02	195,104	330,059	322,957	335,634
Venetians—					
Plain.....pieces..	7,239	17,108	13,671	7,443	12,124
Colored.....do....	5,090	2,091	2,211	11,320	14,199
Figured.....do....	1,370	1,620	1,538	1,961	1,435
Dyes:					
Aniline.....value in haekwan taels..	33,812	43,249	91,443	148,028	169,072
In tigo, synthetic.....tons..	144	306	913	1,136	805
Electrical fittings.....value in haekwan taels..	67,462	33,110	29,092	44,468	70,844
Glass, window.....boxes..	7,318	6,215	9,188	11,057	8,667
Lamps and lamp ware.....value in haekwan taels..	26,035	39,025	55,076	68,591	37,759
Machinery.....	51,519	43,977	132,685	306,117	470,076
Needles.....millions..	64,380	32,312	149,445	187,130	79,105
Umbrellas.....No..	63,196	96,227	130,781	176,668	127,221

EXPORTS.

Article.	1910	1911	1912	1913	1914
Antimony:					
Regulus.....tons..	900	1,741	2,260	2,360	3,063
Crude.....do....	8,004	8,114	6,037	11,077	16,506
Ore.....do....	1,444	561	761	4,667	10,465
Ash.....do....	2,246	1	1	7,050	2,860
Lead ore.....do....	5,660	3,160	2,900	3,970	4,417
Zinc ore.....do....	11	561	4,326	10,927	14,109
Tin (in slabs).....do....	1	2	108	198	145
Coal.....do....	329,457	274,002	154,789	257,924	218,020
Coke.....do....	177,477	170,539	27,198	157,306	209,047
Beans:					
Green.....do....		268	1,820	904	
White and yellow.....do....		22	3,092	120	50
Broad.....do....	70	3,821	29,662	23,613	16,380
Rice.....do....	2,400	71,333	68,237	20,981	40,015
Hemp.....do....	1,337	1,772	2,035	1,891	1,408
Hides, cow and buffalo.....do....	95	391	1,041	631	353
Oil:					
Tea.....do....	77	486	486	18	467
Wood.....do....	91	929	8,137	1,096	523

The coal and coke come from the mines at Ping Siang, just over the eastern border, in the Province of Kiangsi.

Among the products of the Province that do not appear in the export table are straw hats, mats, fish, pewterware, brassware, wicker furniture, etc. Excellent hats and mats are made by the country people in the district about Chenchow. They are woven by hand from a locally grown grass called lung hsiu ta'ao, or dragon whisker grass, belonging to the family of *Juncaceae*. The hats resemble the panama or manila hat in texture and lightness. The straw is very soft and the mats made from it, and used by the Chinese as sleeping mats in the hot summer months, are very soft and light. An excellent straw hat of heavier texture is also made; it is broad brimmed and is worn for protection from the sun.

Cotton Piece Goods—American Kerosene.

Imports of cotton piece goods are steadily increasing. The Province is not a cotton-growing center, although a small quantity of poor quality is grown in the district about Changteh. A large cotton mill is in process of erection on the opposite bank of the river just below Changsha. The machinery, with the exception of the generators and dynamos that were purchased in Germany, all came from England. A conspicuous office building has been erected, but the mill buildings, which are to have 50,000 spindles, have not been started, and the machinery lies deteriorating in the inclosure.

The weaving of nankeens, or native piece goods, is a thriving industry throughout Hunan; in every street of Changsha one can hear far into the night the constant clack-clack of the hand looms. Some of these ever-busy looms are even installed in convenient vacant spaces in an oil dealer's shop.

Imports of American kerosene have grown by leaps and bounds since 1911. The Standard Oil Co. completed the erection of its oil tanks 5 miles below the port on the Changsha side in 1913. The first shipment of bulk oil arrived in April of that year. The tanks are fed by two small shallow-draft tank steamers propelled by oil engines. The installation comprises two tanks, 93 by 35 feet, each with a capacity of 170,000 units; two case-oil godowns, 200 by 80 feet, of a capacity of about 175,000 cases each; and a modern tin-can factory of a daily output of 20,000 cans. The plant is lighted throughout by electricity supplied by a generating plant on the premises, and has an up-to-date fire-fighting apparatus. The Asiatic Petroleum Co., a British firm that has an installation on the opposite bank of the river, markets Borneo and Sumatra oils.

Another item in which a steady increase of import is found is dye-stuffs. It is reported that German manufacturers of aniline dyes had an expert dyer at Changsha to demonstrate the use of these dyes to the Chinese, which resulted in the practical replacement of vegetable dyes by the newer coal-tar products.

There is a large market in Hunan for gunny bags and bags of all sorts, which are used for the packing of the large rice crop every year.

Education—The Clan School.

The provincial authorities had to cope with several difficulties when they undertook to establish modern schools in Hunan. There was



the friction between the old and the new ideas of education, which was particularly strong in this, the most conservative of all the Provinces: and then the lack of funds, ever present in China in fields other than education; but the greatest difficulty, according to Rev. Brownell Gage, of the Yale Mission at Changsha, was the lack of teachers.

The population of this Province is estimated at 18 to 20 millions. In the United States 20.47 per cent of the total population are in school, in Great Britain and France about 15 per cent, and in Japan about 10 per cent. The accommodations of the Japanese schools are inadequate to meet the demand. But if Hunan is to be as well provided with educational facilities, 2,000,000 of students, high and low, must be accommodated, and an army of 40,000 teachers must be forthcoming. When the new schools began, probably there were not a score of well-trained and qualified teachers available. It is not surprising, therefore, that poorly equipped teachers should fill important positions.

Whatever these conditions were, however, great strides have been made, with the result that one now meets with schools on every hand. Temples and public buildings have been turned into school-houses to meet the growing demand for a modern education, and we find Chinese private schools, Government schools, and foreign mission schools all working harmoniously toward the same goal.

An interesting and ancient form of school in Hunan is the clan school. For instance, a family has lived near a certain village in the Province for 18 generations and the members of this family, now numbering over a thousand, all live in this one village. The land of the forefathers has been added to and constantly divided among the heirs, but the clan still retains certain lands which are held in common. The produce from this common property is devoted to the upkeep of a clan school in which the children of the clan are educated. The school now has some 50 students. Children outside of the clan may enter the school by payment of tuition.

