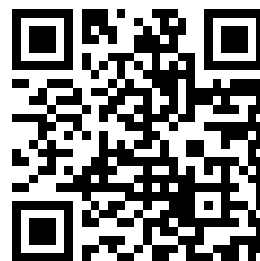

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Journal of The American Asiatic Association

VOL. VIII.

February, 1908

NUMBER I

PUBLISHED MONTHLY.

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JOHN FOORD, PUBLISHER,
78 Beekman Street,
New York City.

THIS number of THE JOURNAL is chiefly devoted to the presentation of matter referring to the provision of improved accommodations for the consular establishment of the United States in China, Japan and Korea. House Joint Resolution No. 90, which has been reintroduced in the shape of a bill which is now in the hands of the Committee on Foreign affairs, appropriates the sum of \$1,373,643 for this purpose, of which \$500,000 is devoted to the use of Shanghai. It will be observed that the estimates are based on data furnished by the Secretary of State, supplemented by a communication from Consul General Denby at Shanghai. The present issue of THE JOURNAL is accompanied by a letter to each member of the Association, in the following terms:

"In the February number of THE JOURNAL of the Association sent herewith you will find a copy of House Joint Resolution No. 90, now in the hands of the Committee on Foreign Affairs. The resolution provides appropriations for new consular buildings in China, Japan and Korea more nearly worthy of the dignity of this republic than the mean and shabby structures in which our consuls in the Far East are now compelled to do business.

"I need hardly remind you how desirable it is for the promotion of our trade among Asiatic peoples to have the representatives of the nation lodged in a style which does not suffer by comparison with that maintained by other great Powers.

"The proposed appropriations will constitute, therefore, a very excellent commercial investment, in addition to being a necessary tribute to our national sense of self respect. Will you please commend the bill, on these or other grounds, to the Representative from your district in Congress and to the Senators from your State."

It is hoped that the request thus conveyed will receive due attention. It is needless to enlarge on the importance to American trade in the Far East of providing buildings for the accommodation of our consuls less calculated than those now existing to make Americans ashamed of their country, and better fitted to inspire the native population with respect for it. The Department of State, however fully it may be impressed with the necessity for such legislation as is here proposed, is obviously debarred from exercising any direct pressure on Congress to insure its adoption. The Secretary may, if called upon by the committee, repeat or enlarge upon the arguments contained in House Document No. 375. But it is the especial duty, as it is the plain interest of all engaged in commerce with the Far East, and of all who desire to see an extension of Amer-

ican influence in that part of the world, to impress on their Representatives in Congress the vital importance of using this money for the purpose indicated. In the long run, it is to the expression of popular opinion, and to that alone, which Congress turns for guidance in legislating about a subject with which the majority of its members are necessarily unfamiliar. In this connection, any impression made on the mind of the Speaker of the House or of the members of the Committee on Rules would be likely to have much greater effect than the advocacy, however earnest, of less prominent members of the House. But if our friends here are half as strongly impressed as are Americans resident in the Far East with the necessity of housing our consuls and their staff in a way commensurate with the dignity and wealth of this republic, they will leave no stone unturned to help the passage of the bill introduced by the Hon. James B. Perkins, of Rochester, and to whose support he may be trusted to bring all the resources of his well trained and luminous intelligence.

It will be observed that Senate Resolution No. 23, providing for a remission of a portion of the Chinese indemnity, has already passed the upper house of Congress. It is not likely to encounter any serious opposition in the lower branch. In explaining the purport of this resolution Senator Lodge pointed out that the allotment made to the United States of the lump sum of the indemnity imposed on China of 450,000,000 taels was \$24,440,778. At the time our claim was put in it was not possible to make more than a very rough guess at the expenditures of the War and Navy Departments in the expedition sent to Peking. It has been found since that these estimates were much too large, and that \$11,655,492.69 will be quite sufficient to meet all the indemnity which we can in justice demand. That is to say, the expenses of the War Department, as ascertained under the revised estimates, are \$7,186,310.75; of the Navy Department \$2,469,181.94; and claims of citizens, of corporations, societies and others to the amount of \$2,000,000 have been allowed. According to Mr. Lodge, these private claims have all been adjusted and paid by our Government out of this indemnity, under a commission which took evidence in China and also here. Mr. Lodge omitted to explain that the rules enforced by this commission to test the validity of a claim were much more exacting than those adopted by other nations, and that a good deal of the saving effected in the distribution of the indemnity has been at the expense of our own citizens.

It appears that we have already received from China the sum of \$6,518,034.75, out of which the private claims have been settled, and there is now in the Treasury a balance of \$4,523,105.57 to the credit of the State Department, with which balance Congress can deal either by simply covering it into the Treasury, or by having it credited to the War and Navy Departments in due proportion, or by devoting it to some special purpose. It is this latter consideration which explains the language of the House Joint Resolution to the following effect: "That the President is hereby authorized to apply, of the moneys in the Treasury received from China in pursuance of the protocol of September 7, 1901, for indemnity against losses and expenses incurred by reason of the so-called Boxer disturbances during the year 1900." That is to say, it is expedient to deal with this fund as a special deposit which may properly be applied for the

benefit of American trade and influence in the Far East, and an appropriation from which carries with it no additional burden to the American taxpayer.

THE apparently indefatigable promoters of trouble between Japan and the United States have at last grown tired of their mischievous propaganda. Some lingering doubt still seems to exist among a certain class of Paris journals as to the continuance of good relations between the two countries, but elsewhere it is recognized to be an equally vain and ridiculous enterprise to discuss the possibility of a war for which neither side is prepared to yield the faintest pretext. That the Japanese Government will do its best to regulate emigration to the United States without accepting the principle of the exclusion of its subjects on the score of race is as certain as that the Government of the United States will find reason to be satisfied with any reasonable concessions to a sentiment which, while not admitting of defense, is too powerful to be ignored. The early resumption of his duties here by Baron Takahira is a good omen for strengthening the bonds of concord between the two nations. The new Minister is thoroughly well acquainted with the kind of allowances that have to be made when considerations of domestic politics enter into the sphere of our diplomacy, and he has in the past shown unflinching tact in reconciling necessarily divergent points of view in regard to the relations between Japan and the United States. He is also likely to be more fortunate than his predecessor in having a judicious official adviser and in coming into much closer personal touch with representatives of both the commercial and political interests of the American people.

It is gratifying to record that an enthusiastic welcome was extended at Canton on December 5 to Sir Chengtung Liang-cheng, recently Minister from China to the United States, upon the occasion of his taking over the active duties of the president of the Canton-Hankow Railway. A score of stockholders went to the president and escorted him to the place of meeting, where over 300 stockholders were assembled, and where he was the recipient of a laudatory address. Sir Liang is thoroughly familiar with the genesis of the scheme which was originally committed to the hands of the American-China Development Company, and it is safe to hazard the assertion that if native Chinese conduct of a railroad enterprise cannot succeed under his direction there is no man in China, of native birth, competent for such an undertaking. It is encouraging to note that native Chinese opposition to foreign enterprise has not prevented the signing of the agreement made with an Anglo-German syndicate to construct the road which parallels the Grand Canal between Tientsin and the Yangtze. The contract provides that construction shall begin within six months after signature, and that the line shall be complete, including the bridging of the Yellow River, within four years. Taken in connection with the Shanghai-Nanking line, which is now being constructed with British capital, the road from Tientsin will form a very important link in the great railroad system of China, and its completion is likely to bring into stronger relief the necessity of some nearer approach to uniformity of plan and unity of method in the working of what promises to be in the near future a vast network of connecting lines having only a nominal unity of ownership.

Exports of Domestic Cotton Cloths, Mineral Oils, and Wheat Flour from the United States to China and Hongkong, during the eleven months ending Nov. 30, 1906 and 1907.

EXPORTS TO CHINA.

Months. 1906.	Cotton Cloths.		Mineral Oils.		Wheat Flour.	
	Yards.		Gallons.		Barrels.	
January.....	45,178,409	\$2,532,515	3,307,162	\$247,699	28,774	\$96,746
February.....	40,068,662	2,299,574	795,586	84,404	2,504	9,535
March.....	30,065,930	1,730,955	3,928,492	231,514	7,757	27,526
April.....	38,398,916	2,460,385	2,756,782	155,325	3,818	12,784
May.....	30,702,112	1,993,654	3,494,600	359,493	32,633	108,426
June.....	23,499,621	1,549,772	8,984,714	718,286	10,515	38,272
July.....	16,895,213	1,070,858	6,554,814	514,067	40,024	155,473
August.....	11,542,141	762,060	2,856,549	118,952	14,582	50,534
September....	15,389,513	1,016,379	3,836,010	181,004	67,581	243,288
October.....	8,796,507	555,740	2,929,800	128,200	218,590	750,955
November.....	7,767,251	531,273	3,928,820	392,822	45,975	165,757
Total.....	268,304,275	\$16,503,165	43,009,224	\$3,078,919	454,996	\$1,574,524

1907.						
January.....	1,613,462	\$112,456	7,259,261	\$500,088	80,567	\$265,564
February.....	3,556,507	250,293	5,761,237	488,363	115,062	382,467
March.....	4,447,000	295,627	11,670,174	939,393	306,946	1,042,870
April.....	6,346,106	446,784	10,097,174	741,179	253,943	849,248
May.....	4,118,488	291,791	7,751,932	587,927	261,449	880,847
June.....	3,086,840	179,272	8,841,082	763,993	310,987	1,131,203
July.....	3,863,460	272,205	11,456,360	980,855	86,448	310,426
August.....	4,807,901	392,629	2,875,430	239,930	108,862	385,554
September....	1,859,085	136,873	6,802,922	557,972	41,289	147,457
October.....	1,965,401	141,000	8,978,444	512,315	33,026	123,769
November.....	1,481,290	112,653	2,133,690	232,572	6,291	23,473
Total.....	37,145,540	\$2,581,583	83,473,479	\$6,523,964	1,598,870	\$5,542,918

EXPORTS TO HONGKONG.

1906.						
January.....	21,428	\$2,815	55,704	\$8,470	81,395	\$313,296
February.....	24,514	5,630	2,810	759	105,367	388,473
March.....	.....	.....	80	25	48,941	178,973
April.....	68,404	10,155	88,173	13,149	46,532	181,163
May.....	37,357	5,980	1,649,900	169,819	67,965	258,538
June.....	36,805	4,702	.....	.....	31,423	122,440
July.....	50,087	6,228	15,063	2,346	65,248	229,073
August.....	100,392	9,345	414,560	42,700	94,848	352,466
September....	73,674	10,041	2,279,850	198,270	93,680	359,384
October.....	63,879	8,109	1,650,910	165,100	98,187	364,904
November....	22,621	2,927	.....	.....	92,545	349,077
Total.....	499,101	\$65,932	5,995,220	\$575,889	826,131	\$3,097,787

1907.						
January.....	26,890	\$4,052	250	\$ 100	56,708	\$193,828
February.....	46,467	7,610	1,996,250	205,345	101,949	387,496
March.....	66,397	7,630	115,967	13,243	40,509	147,965
April.....	83,997	11,462	985,871	107,746	67,685	248,296
May.....	28,328	3,217	.....	.....	121,187	443,033
June.....	5,000	1,305	3,319,545	312,423	146,593	526,930
July.....	222,044	30,804	1,500,000	159,750	97,292	355,580
August.....	11,628	2,615	1,775,960	207,984	51,144	205,970
September....	76,096	10,227	.....	.....	99,184	367,031
October.....	47,261	6,708	.....	.....	56,108	215,526
November....	39,334	4,344	.....	.....	134,630	503,094
Total.....	653,442	\$89,974	9,551,505	\$987,884	972,983	\$3,594,749

DEPARTMENT OF COMMERCE AND LABOR,

Bureau of Statistics.

WASHINGTON, D. C., Dec. 30, 1907.

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Imports of Tea and Silk into the United States for the eleven months ending Nov. 30, 1905, 1906 and 1907.

TEA.

Imported from	1905		1906.		1907.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
United Kingdom.....	6,378,382	1,427,416	7,778,407	1,663,452	9,253,101	2,151,442
British North America....	1,827,266	440,695	2,121,280	507,044	2,221,079	540,586
Chinese Empire.....	31,495,521	4,196,428	28,444,067	3,734,147	27,793,608	3,780,790
East Indies.....	6,231,509	861,579	7,172,363	1,019,029	6,565,392	1,008,643
Japan.....	36,800,771	6,087,575	34,190,306	5,646,768	40,748,718	7,125,578
Other Asia and Oceania ..	281,250	37,653	627,569	114,051	463,138	74,370
Other countries	156,896	35,342	212,801	53,963	272,306	71,351
Total.....	83,171,595	13,086,688	80,546,793	12,738,454	75,824,134	14,842,760

RAW, OR AS REELED FROM THE
COCOON.

SILK.

Imported from	1905		1906.		1907.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
France.....	591,778	1,873,197	424,237	1,695,322	490,375	2,097,516
Italy.....	3,691,079	13,985,449	3,324,458	13,559,301	3,112,056	15,480,726
Chinese Empire.....	2,955,218	8,686,456	2,358,605	7,350,700	2,836,655	10,600,186
Japan.....	6,774,574	24,997,716	8,490,769	32,482,781	7,918,839	37,749,435
Other countries	155,477	516,076	92,539	333,542	121,344	533,314
Total.....	14,168,126	50,058,892	14,690,608	55,421,646	14,479,269	66,461,177
Waste .....lbs...free..	3,651,642	1,228,831	1,620,715	831,838	1,714,836	1,153,962
Total unmanufactured .....	.....	51,299,230	.....	56,256,557	.....	67,638,962

PROPOSED LEGISLATION.

The following joint resolutions, the first of which was passed by the Senate of the United States on January 15, and now only awaits the action of the House, and the second of which is still under consideration by the House Committee on Foreign Affairs, should be read in connection with the matter which follows bearing on the provision of suitable accommodations for our Far Eastern consulates:

IN THE SENATE OF THE UNITED STATES.

JANUARY 9, 1908.

Mr. Lodge introduced the following joint resolution, which was read twice and referred to the Committee on Foreign Relations:

Joint resolution to provide for the remission of a portion of the Chinese indemnity.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized to consent to a modification of the bond for twenty-four million four hundred and forty thousand seven hundred and seventy-eight dollars and eighty-one cents, dated December fifteenth, nineteen hundred and six, received from China pursuant to the protocol of September seventh, nineteen hundred and one, for indemnity against losses and expenses incurred by reason of the so-called Boxer disturbances in China during the year nineteen hundred, so that the total payment to be made by China under the said bond shall be limited to the sum of eleven million six hundred and fifty-five thousand four hundred and ninety-two dollars and sixty-nine cents and interest at the stipulated rate of four per centum per annum, and that the remainder of the indemnity to which the United States is entitled under the said protocol and bond may be remitted as an act of friendship, such payments and remission to be at such times and in such manner as the President shall deem just.

IN THE HOUSE OF REPRESENTATIVES.

JANUARY 9, 1908.

Mr. Perkins introduced the following joint resolution, which was referred to the Committee on Foreign Affairs and ordered to be printed:

Joint resolution concerning the consular establishment in China, Japan, and Korea.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized to apply, of the moneys in the Treasury received from China in pursuance of the protocol of September seventh, nineteen hundred and one, for indemnity against losses and expenses incurred by reason of the so-called Boxer disturbances during the year nineteen hundred, the sum of one million three hundred and seventy-three thousand six hundred and forty-three dollars, or so much thereof as may be necessary, for the acquisition by the United States of such suitable lands and buildings as should comprise and be connected with the consular establishment in China, Japan, and Korea, such expenditures to be under the direction of the Secretary of State: *Provided, however,* That the several expenditures upon land or buildings shall at no place exceed the sums herein mentioned, namely, at Amoy, eight thousand three hundred and fifty dollars; at Canton, one hundred and fifteen thousand dollars; at Chefoo, forty thousand dollars; at Chungking, eleven thousand five hundred dollars; at Foochow, eight thousand dollars; at Hankow, sixty thousand dollars; at Hongkong, one hundred and fifty-five thousand dollars; at Nanking, forty-four thousand dollars; at Newchwang, fifty thousand dollars; at Shanghai, five hundred thousand dollars; at Tientsin, sixty-five thousand dollars; at Kobe, one hundred and twenty thousand dollars; at Nagasaki, fifty-five thousand dollars; at Seoul, ten thousand dollars; at Tamsui, twenty-seven thousand three hundred dollars; at Yokohama, one hundred and four thousand four hundred and ninety-three dollars.

ESTIMATES FOR BUILDINGS FOR CONSULAR OFFICES IN CHINA, KOREA AND JAPAN.

The letter from the Secretary of State which is hereto appended, and the accompanying annex from the Consul General of the United States at Shanghai, form the basis of the estimates contained in the preceding House resolution of the cost of the land and buildings required at the ports enumerated for consular purposes:

DEPARTMENT OF STATE.

WASHINGTON, December 14, 1907.

SIR—By the act approved June 16, 1906, making appropriations for the diplomatic and consular services it is provided that:

"The Secretary of State shall report to Congress at its next session a plan in detail covering provisions for the purchase of ground and the erection of buildings for consular offices in China, Korea and Japan, and estimates shall be submitted for the same, showing the amount required at each place, the total sum for all such buildings not to exceed one million dollars."

In compliance with the foregoing direction of the Congress, on January 10, 1907, I had the honor to request you to transmit a letter containing the substance of such data as the Department had been able to collect in order to place the Congress in possession of the desired information.

I have now the honor to request that you will transmit the present letter which, for convenience, reproduces that submitted at the close of the last session, completed by the addition of a statement regarding the estimate for consular offices in Hongkong, and also of a recent report from the Consul General at Shanghai, dated October 2, 1907, which has been included herewith in the form of an annex. This report calls for a sum of \$500,000 for the purchase and erection of consular premises in Shanghai, including the quarters of the United States District Court in China, an amount \$259,000 in excess of the estimate for Shanghai submitted in my letter of last year. The increase is accounted for by the fact that the option on the property recommended in January, 1907, which expired in March of this year, cannot now be renewed at any sum approaching the same rate, owing to the very great rise in the value of the real estate, and because the values of other equally suitable properties have increased in the same proportion.

It is also to be remembered that this estimate of last year did not include the needs and requirements of the United States court in Shanghai, inasmuch as the court had not entered upon its duties at the time when the data were obtained.

The annex, however, to the estimate of this year contains a clear statement of the buildings necessary in Shanghai to accommodate not only (1) the United States court and jail, but also (2) the consular offices, (3) post office, (4) quarters for immigration offices of the Department of Commerce and Labor, and (5) office of the Public Health and Marine Hospital Service.

The conditions in China, Korea and Japan, in respect to securing suitable quarters for the offices and residences of consular officers, differ widely from those conditions in other parts of the world. Buildings suitable for our purpose are not only few in number, but, on account of the needs of business men, are impossible to obtain by renting, except at rates far in excess of those which the Government permitted by law to pay.

At some posts consular officers have been obliged to pay considerable sums from their own pockets for rent in order that the Government might not be embarrassed in its business or become an object of unfavorable comment. The situation has long been one of great annoyance to the Government, and at times almost intolerable. It has been aggravated of late years because of the immense increase in the value of land and buildings, caused by the enterprise of commercial organizations and the action of other governments in securing large tracts of the most desirable sections for their buildings. It is true that at some ports the consulates are comfortably and conveniently housed at a moderate rental, but this is quite exceptional, and only a temporary arrangement, and they, too, are liable to the inconveniences which have arisen at the other ports—that of having to pay a largely increased rent or of being compelled to vacate to meet the demands of restless and changing conditions.

It is, furthermore, to be remembered that in the Orient the relative importance of a foreign nation popularly rests and depends upon the dignity surrounding the offices and residences of its official representatives.

The estimates for Amoy, Shanghai, Canton and Hongkong, which I submit herewith, include the cost of quarters for immigration officers of the Department of Commerce and Labor, which the Secretary of Commerce and Labor says should consist of three rooms in each station, constituting a personal office for the inspector detailed for the service, a room for the employees serving under him, and a room for conducting the examination of applicants and the witnesses produced by them, the latter room to be quite commodious.

AMOY.

Amoy is a city of 300,000 inhabitants, on an island at the mouth of a river which communicates with the city of Chang-choo-foo, of which Amoy, although a large city of itself, is regarded merely the port.

The United States owns two pieces of land in Amoy, upon one of which, an irregular piece, the building is located. The exact location of the boundary line not being known, the Government building was so placed that it extends over on land not owned by the Government. This, however, is still in dispute, and could easily be settled by the purchase of the disputed portion for about \$250. The other piece of land, 100 by 100 feet, has no buildings on it, and cannot be used by the consulate because it is situated about a mile from the major portion.

In October, 1904, a fire destroyed the buildings, and a new one was erected at a cost of \$3,500, using such of the old materials as were not destroyed by the fire. The building was done without proper supervision of material or workmanship and without the services of an architect.

The building itself is two stories in height, and the outer walls are constructed of brick. The inner construction is of soft wood, which was improperly treated to withstand the ravages of white ants, etc. The arrangement of office rooms on the lower floor, as well as that of the residential portion on the second floor, is poor, and is not such as will permit of the proper conducting of the business of the consulate.

The building, being located directly on the water's edge, is subject to dampness and exposure to the typhoons that sweep up the bay, and consequently only the best materials and workmanship should have been permitted. On the twenty-first day of last year a typhoon struck Amoy and severely damaged the consular building. An appropriation of \$700 was asked for and received to repair the building, but such defects were discovered that only sufficient repairs were permitted by the consul as would render the building habitable pending action on his recommendation for a new building. The consul enclosed a series of photographs with his report, showing the miserable condition of the building.

RECOMMENDATIONS.

Settling the disputed title regarding a portion of the land mentioned above and the acquisition of a small piece of land adjoining the consulate extending toward the high land.....	\$500
Erection of a properly built consulate on the new location	7,500
Inclosing wall about all the land, which is a necessity in a Chinese city.....	350

Total \$8,350

The small section of land distant from the consulate can be sold for about \$100, and there is left \$400 from the appropriation previously made for repairs. The consul says that these estimates may fall below the actual cost, as prices are steadily rising in China, but it would not be more than \$1,000. Some of the materials of the present building can be used, which would bring the estimate down a trifle. On the other hand, the sale of the small piece of land may not be made at once, and cannot be counted on as a certainty. The consul thinks an appropriation of \$8,750 necessary.

CANTON.

Canton is a city of 1,500,000 inhabitants and is the great commercial emporium of the Province of Kwangtung. The river here is as wide as the Thames at London Bridge, equally crowded with shipping, and deep enough for ships of 1,000 tons. The artificial island of Shameen is the principal European quarter, and here are the present quarters of the American consulate.

The British, German and French Governments own their consular premises in Canton. The German consulate, already completed and now occupied, is the finest consulate in any part of China, not even excepting Shanghai. The cost of this building, excluding that of the land, which was previously owned by the German Government, will exceed \$100,000. A picture of this building was enclosed with my

letter of last year. With the exception of the oil and flour interests, the Germans transact all the American business in Canton. The impression of power and size so necessary to be created on the Oriental mind is of primal importance, for he often judges the strength, worth and dignity of a nation by the residence of its representative. This fact is what Germany knows and appreciates, and it was with this view that she was induced to build so extensively and grandly. There is reason for our consular officers, and, in fact, all true Americans, in view of the great nation to which they belong and of our own increasing trade interests in this region of great possibilities just on the eve of opening to foreign exploitation, to be ashamed of the undignified, discommodious and inadequate consular quarters furnished while the representatives of other powers are so well provided for.

There is nothing better in Canton than the premises on which the consulate is now located, the half only of which, however, is occupied by the consulate. It can be purchased for \$90,000. If purchased a residence should be erected for the Vice Consul General. The buildings now on the lot will comfortably accommodate the Consul General and the consulate. The Vice Consul General is obliged to lodge with private families and pay exorbitant prices, as there is no respectable hotel on the island of Shameen.

If the whole of this property is purchased, adequate accommodations would also be provided for offices for United States immigration officials, and no very large additional expense entailed in preparing the offices.

RECOMMENDATIONS.

Purchase of the above named property.....	\$90,000
Buildings and repairs.....	25,000
Total	\$115,000

CHEFOO.

This port is so conspicuous that we should have equally as good consular offices as any other nation. All other governments furnish their consular staffs with residences. The British consular compound contains a granite residence for the consul, a large granite and brick office building, a residence for the marshal, with jail adjoining, a fine residence for the vice consul, a stable, tennis and croquet grounds, and large gardens. The Japanese consulate is the same.

The consul of Chefoo estimates that it would require \$50,000 to purchase ground and erect suitable buildings, but even then nothing could be secured that would compare with the premises now occupied, which are owned by the Russian Government and can be bought from Russia. It appears that some Russian consular officer bought the premises without authority from his Government, and that the Russian Government does not want it and would relinquish its claim or sell the premises outright to the United States for \$25,000.

RECOMMENDATIONS.

Purchase of the property now occupied by the consulate	\$25,000
Repairs to buildings.....	15,000
Total	\$40,000

CHUNGKING.

Chungking is a new consulate, established in 1905. It is a city of 300,000 inhabitants, some 1,400 miles up the Yangtze River.

The present rented consular quarters are on the second story of a building, on the ground floor of which is the Chinese post office, with its swarms of sweating and half-naked coolies lounging about the door and halls. The building is located near the wharf, where the Chinese authorities welcome visitors with gun salutes, and also in the neighborhood where noisy funeral services are held. No better quarters can be found in the city. There are no hotels in Chungking, and the consul, with his family, is obliged to lodge at the home of some European, to the great inconvenience of both the consul and his host, and with the disagreeable knowledge of the former that he is imposing on the good nature of the latter.

The consul has secured an option on a piece of ground across the river, suitable in every way, which can be purchased for \$1,500. To erect suitable buildings on this, for which no details are given, would cost about \$10,000.

RECOMMENDATIONS.

Purchase of land, as suggested by consul.....	\$1,500
Erection of consular buildings.....	10,000
Total	\$11,500

FOOCHOW.

This is the capital city of the Province of Fukien, and has a population of about 1,000,000. All the foreigners in Foochow live upon the island of Nantai, in the river Min.

The value of American property in Foochow district is about \$400,000. As Foochow is the capital of the province, the high officials and most of the subordinates live here, and the American consul, as well as other consuls, is obliged to extend courtesies to them, to call on them, and receive calls, both social and official. The consulate is situated in the northwest side of the island, where all the foreigners reside, and is conveniently located and is perfectly satisfactory to all who have business with the office. The rent is \$500 per annum.

This property now occupied by the consulate can be purchased for about \$8,000 gold, although the building alone could not be erected for less than \$8,942. Much of the original cost of the building lay in the hardwood and cut stone, of which there is considerable and which is very expensive. The building is very substantial throughout, and it is not likely that another such will ever be built there. The consul estimates that it would cost \$10,257 to purchase the land and erect a consulate, but at that it would be nothing at all to compare with this property, as there is nothing else in the market in a suitable location, and no other can be rented.

RECOMMENDATIONS.

Purchase of the property now occupied by the American consulate.....	\$8,000
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HANKOW.

Hankow is composed of the three cities of Hankow, Han Yang and Wuchang, the capital of the province. The population of the three cities is about 1,000,000. Lately the

growth of Hankow has been so rapid that everyone seems to realize that it is by all means the greatest inland city of China.

Hankow is on the Yangtze, is about 4 or 5 miles long on the water front, and in many places only two or three blocks deep. In the British concessions there is only one site obtainable, 125 feet front and 270 feet deep, at \$50,000 gold. There are three sites in the German concession, which will soon be the business centre, for about \$35,000 gold each.

Consul General Martin states the needs of the consulate are: An office for the Consul General, one for the Vice Consul General, one for the Chinese writer, a court room and a reception room, making six rooms and hall on ground floor. A two story building of this size, of brick, with stone trimmings and finished in pine, with servants' quarters and ample ground for jail, will cost about \$30,000. Minister Rockhill recommends the purchase of a site in the German concession, and thinks it might be desirable to allow more than \$30,000 for buildings, as Hankow is a very important place.

RECOMMENDATIONS.

Purchase of site in the German concession.....	\$30,000
Erection of consular buildings.....	30,000
Total	\$60,000

HONGKONG.

Hongkong is a city of some 300,000 people, and there is confidence that it is destined to have a far larger population and to become much more important commercially.

Land purchases in Hongkong colony, while practically in fee simple, are in the nature of leaseholds, a small annual crown rent being collected by the colony. On this island all land, including reclaimed land (filled in by private enterprise), is held on a lease from the colonial government, usually for nine hundred and ninety-nine years—in some cases for a briefer period—commencing from some date in the past, so that in the event of land being purchased it would be held by the purchaser and his successors for the balance of a long term of years. In addition, there is a tax or rate of 13 per cent, based on the assessed rental value of the property, but the government is lenient in this, the assessment usually being low, and it is possible that a purchase by the United States Government might enjoy immunity from taxation. A question for consideration would be in whose name the land should be put. The rule is that the title must be vested in either an individual or a corporation. This is of course a very important feature of the matter, as to which I can report more in detail with recommendation at a later stage, if so instructed.

It may be definitely stated that there are no vacant lots available for the use of the American Government in the colony. The areas are covered, practically in full, with buildings; all buildings here are of stone, or of brick faced with plaster, massively built to withstand typhoon and climatic attacks, with broad verandas on each story.

Should a purchase be made of such an area as indicated in this letter, and a building appropriation be made, the old structure would likely be razed to the ground. The cost of the building is not great in comparison with the cost of

the land. Should a purchase be authorized and discretion left in the hands of the Consul General or other representative of the Government it is possible that to some extent an old building might be remodeled and thus an economy effected. In view of the fact, however, that the proposed building must include accommodations for three branches of governmental work, namely, that of the consular office, that of Commerce and Labor, and that of the public health doctors, it is almost assured that plans for Hongkong would necessitate a new building.

If it was known that the American Government contemplated a purchase, no doubt a number of offerings would be made.

It is to be remembered that for some six months the climate of Hongkong is most trying—a moist heat continuing day and night with almost no cessation, except when a typhoon may lower the temperature for a few days. For this reason the dimensions of the building must be generous, suggested by the fact that inside corridors usually take up a third of the floor area, thus permitting free circulation of air.

There is no precedent in Hongkong at the present time for the family of the chief consular officer living in a consulate in the business district. Formerly the American consul had his living quarters in conjunction with the office, but the social distribution is such at the present time that this is not feasible. The consul must have his home in the residential section, apart from the business district.

RECOMMENDATIONS.

Purchase of land as suggested by consul.....	\$115,000
Erection of consular buildings.....	40,000
Total	\$155,000

NANKIN.

The consul compares his needs with the British consulate, which is situated on a 3 acre lot and has two sets of buildings. The main building has dining room, study, office (with strong room and storeroom), writer's office, pantry, servery, storeroom and wine room on the ground floor, and on the second floor four bedrooms, two dressing rooms, four bath rooms and one linen room. Verandas all around, above and below. A one story servants' quarters is attached to the main building, having a lamp room, kitchen, servants' rooms, native kitchen, coal room, latrine and ash pit.

The second set of buildings is: Lodge, with two rooms; house for writer and messenger, with six rooms and veranda; five rooms for coolies, one latrine and one inclosure for manure, and a "block," consisting of a "godown," a coach house, harness room, stable with four stalls, and three mafoos rooms. He estimates that the land will cost \$4,000 and the buildings \$54,000. No plans of buildings are submitted.

Nankin is the seat of a viceroy, and there are but two other consulates there, the British and German. It is therefore desirable to have the American consulate in keeping with the British and German consulates.

RECOMMENDATIONS.

Purchase of land, about 3 acres.....	\$4,000
Erection of buildings.....	40,000
Total	\$44,000

NEWCHWANG.

Suitable quarters here are very difficult to find on account of the absence of available premises, conditions peculiar to a rapidly expanding community, resulting in a demand for foreign houses, which has for years been neglected under stress of uprisings and war time exigencies. The port is very important to the United States. American exports to Newchwang are about \$11,000,000 a year, an amount which is more than 50 per cent. of all the goods sold here by all nations combined. The Consul General

has made arrangements for temporary quarters which will answer the purpose under the circumstances, although not satisfactory or calculated to serve the purpose of impressing the Oriental mind with our relative commercial leadership or possible future supremacy. The Consul General has but two alternatives: (1) The promise of the only available building in the foreign settlement for one year; (2) to build suitable buildings at his own expense and at his own risk. In the estimates for last year this Department reported that the consular offices are located in the Chinese quarters, in a section corresponding in location with the steamboat wharves in Washington, but the section in Washington referred to is very attractive compared with the one where our office in Newchwang is placed. It is a matter of humiliation to Americans and of disadvantage to American interests that this state of affairs exists.

The most suitable site in Newchwang has a depth of 500 feet and a frontage of 250 feet on the main business thoroughfare. It has buildings on it, not modern, and their combined value is less than \$15,000. This lot also contains a pond, which is convenient as a source of water supply for scrubbing and other purposes, there being up system of waterworks in Newchwang. The site can be purchased for \$80,640. The Consul General says, however, that one-half of this lot, or 125 feet frontage, would be sufficient by tearing down the old buildings and erecting new, which would cost, including buildings, \$55,000 or \$60,000. Suitable buildings are estimated at \$18,000. No plans of buildings have been given by the Consul General.

Another site, about 2 acres, and having buildings that could be utilized, can be bought for \$20,000. This is not on the main thoroughfare, and does not front on a main street, but can be approached from either side.

Another available site is unimproved, and would require filling in. Price, \$12,000. To improve that site and erect buildings would require \$18,000, or a total of \$30,000. This lot contains less than 1½ acres.

Minister Rockhill says prices of land have increased enormously in the last two years, but a reaction is expected. Distances are not great, and there is still plenty of available land. The city is on a mud bank, all equally unattractive until planted.

RECOMMENDATIONS.

Purchase of about 3 acres of land.....	\$30,000
Erection of buildings.....	20,000
Total	\$50,000

SHANGHAI.

The United States maintains at present six branches of Government work at Shanghai, viz., the consulate, with the consular court, the inspector of consulates in the Far East, the newly created United States court for China, the postal agency, the office of the Public Health and Marine Hospital Service, and the consular jail, which serves for all stations in China.

The consulate requires accommodations for the Consul General, the Chinese room, the record room, the consular court and library, and the storage room; all absolutely indispensable.

The inspector of consulates will make Shanghai his headquarters, and will require an office there.

The United States court consists of judge, district attorney, clerk, marshal, and will require a court room and four offices.

The postal agency at present occupies three rooms; all necessary.

The marine hospital surgeon (now separate from the consulate) requires two offices and a fumigating room. He should be in the consular building, as his work is connected with that of the consulate.

The jail should be a well ventilated building, with a compound for exercise, and modern jail equipment.

If the Government should establish inspectors of Chinese immigration, office room for them would be required.

The contemplated plan of having a commercial library and museum would require a good deal of space.

The present consular quarters are wretched in the extreme. The building itself is old and infirm, and is situated behind the godowns (warehouses) of the Japanese Steamship Company, and in a part of the city remote from the centre of business activity. With one exception, that of Austria, it is the poorest of the consulates in Shanghai, and has the worst location. However, it is certain that no better building in a better location can be obtained for anything like the rent we pay.

The jail attached to this consulate is a disgrace, and, in the light of modern practice, inhumane. It lacks light, ventilation, and a place for exercise; moreover, it is so insecure that escapes would be common were there any place for a fugitive to go. As it is, prisoners by the simplest methods of jail breaking have gotten at large when it pleased them to do so, and this without fault on the part of the keeper. It is not possible to remedy these conditions in regard to the jail as long as the consulate remains in its present quarters. The building does not admit of extension of the jail facilities, every portion being occupied now.

The interior of the building in general is shabby, and redecorating should be done. As we are required by the terms of occupancy to do all interior repair, we are not justified in incurring any large amount of expense for the services and material.

The Consul General here cannot have his wife and children live at the consulate on account of the character of the locality; it is not a fit place for women and children. With one exception, he is the only consul not housed by his Government. The rent, including that which is now paid and that which the Government will have to pay for the new United States court, immigration offices, etc., will approximate about \$10,000 a year.

The lease of the present consular building will expire in about four years, and the landlord has stated that the rent will then be doubled. As the maximum rent is now paid, it would mean that the excess will have to come out of the pocket of the Consul General or that the offices would have to be removed to a cheaper building, remote from the business district. At present the post office is in the same building and contributes one-half of the total rent, and there is still left a small balance to be paid by the Consul General.

The post office is an important one, handling about 12,000 bags of mail a year, and receives about 200 bags at a time. The German Government has a separate post office, costing about \$250,000, and it employs about twenty persons to carry on the postal business. The English have a separate post office, valued at \$50,000, and have a staff of British and natives of about twenty. The Japanese, Russian and French Governments maintain separate post offices. The American post office matter exceeds the German and that of the other governments, with the possible exception of the English.

August 9, 1906, Mr. Rockhill enclosed a dispatch from the Consul General, in which it was stated that he could purchase suitable property near the German and Japanese consulates for \$216,000. This property comprises nearly an acre, and situated upon it are buildings which are in good repair and can be easily altered for the purposes of the Government. They will afford all the room needed for offices and residential quarters for the whole staff. The location is the finest in Shanghai, overlooking the whole harbor. Mr. Rockhill estimates that \$25,000 would put the property in good condition. September 11, 1906, Consul General Rodgers enclosed a series of photographs of the property.

RECOMMENDATIONS.

Purchase of the property described by the consul.	\$216,000
Repairs	25,000
Total	\$241,000

TIENTSIN.

The cost of a site in the immediate business centre of the city is practically prohibitive, being about \$9,360 per mow (one-sixth acre).

The best available site is one known as the Morling property, facing on three streets, and completely filled up to a height of 3 feet above the street level, an important item, as practically all Tientsin requires filling. This property is about 2 acres in extent and can be bought for \$30,240.

Buildings required are: A two story residence, a two story office building, a jail, a stable and servants' quarters.

The residence should have a reception room, a dining room, a sitting room, hall, pantry, etc., on the ground floor, and five bedrooms, five bathrooms and a storeroom on the second floor.

The office building should have four offices, a court room, on the ground floor, and residences for vice consul and for student interpreter on the second floor.

The jail should include a small residence for the marshal. Floor plans of the residence enclosed, with Minister Rockhill's dispatch of August 9, 1906.

RECOMMENDATIONS.

Purchase of Morling property.....	\$30,000
Erection of buildings.....	35,000
Total	\$65,000

Tientsin is a city of about 1,000,000 inhabitants, and was opened to foreign trade in 1858, since which time it has grown rapidly. Its commercial activity is one of the first things which strikes the visitor, as the transfer of cargoes is the most conspicuous form of work one sees. The boat crowded river ways extend throughout the city and give a total length of crowded river way of 10 to 12 miles. Thousands of coolies fill the passageways, carrying articles of commerce to and from these boats.

The foreign settlements consist of the British, French, Japanese, German, Russian, Italian and Austrian. In the first four concessions the improvements rank with many of the United States. In the native city radical improvements are going on. The city wall, built in 1405, has been razed, and its base forms a splendid roadway. The streets have been straightened, and in many places widened, and sewers and waterworks are constructed.

KOBE.

The most desirable site would be on the water front, where it would be necessary to purchase a whole lot, 21,350 square feet (about 146 feet each way), at a cost of \$70,000. These lots are held in perpetuity on leases granted by Japan prior to treaty revision, subject to nominal ground rental by way of taxes.

Consul Sharp estimates that the following floor space would be necessary for consular purposes:

Consular room, 27 by 20 feet.....	\$540
Shipping office, 30 by 20 feet.....	600
Vice consul's room, 15 by 20 feet.....	300
Stamping room, 12 by 15 feet.....	180
Typewriters' room, 10 by 12 feet.....	120
Archives, 15 by 20 feet.....	300
Waiting room, 12 by 15 feet.....	180
Two storerooms, each 15 by 20 feet.....	600
Hall space, 9 by 114 feet.....	1,026
Two closets, each 6 by 9 feet.....	108

Eight rooms, halls and closets..... \$3,954

The same floor space is recommended for residential quarters, and also a separate outbuilding for servants' quarters, 1,080 square feet. Constructed of brick, with stone finishings, the estimated cost for all necessary buildings is \$50,000.

RECOMMENDATIONS.

Purchase of ground as above.....	\$70,000
Erection of buildings.....	50,000
Total	\$120,000

NAGASAKI.

Consul Harris estimates the cost of ground and buildings as follows: Ground, \$25,000; buildings, \$30,000.

He recommends that efforts be made to purchase a very desirable and practically vacant lot which is offered for \$42,500, but should bring only \$25,000, or \$30,000 at most, as there is no demand justifying the price asked. It is within three minutes' walk of custom house, banks, consulates, etc., and directly across the "bund" from the principal landing place for passengers.

The lot is 110.6 feet front, 214 feet deep. The value of the building on the lot is very small.

The contemplated buildings should include a residence and be of brick, with stone trimmings, two stories high, each story to have an 8 foot veranda all around. The area of the building would be 82 by 66 feet. The first floor should contain consul's office, 24 by 18 feet; general office, 24 by 22 feet; waiting room, 22 by 16 feet, which could also be used by the marine hospital surgeon; storage room, 18 by 16 feet, and drawing and dining rooms, each 24 by 18 feet. The second floor should have two bedrooms, each 22 by 24 feet; two bedrooms, each 24 by 18 feet; sitting rooms, 24 by 16 feet, and necessary bathrooms, closets, etc.

Servants' quarters, 72 by 18 feet, should be two stories high, 14 feet from the main building, and reached by a covered way.

The best brick can be purchased for \$9 a thousand and seconds at \$6 and \$7.50 a thousand.

RECOMMENDATIONS.

Purchase of ground, the lot mentioned by the consul, if possible.....	\$25,000
Erection of buildings.....	30,000
Total	\$55,000

The rented consulate here is very conveniently located and the quarters themselves convenient and comfortable, but are subject to the probability to which all rented consulates are liable—that of increased rent or of being compelled to vacate.

The British Government has just commenced the erection of a consulate here at a cost of \$28,500 for the building, that Government having been previously the owner of the ground. It is to be a two story brick building, with stone trimmings, including a residence for the consul. The structure is to be 73 feet by 65 feet, exclusive of servants' quarters, they being 73 by 17 feet and two stories. The plan of the ground floor provides for a consul's office 22 by 17 feet; an office for the assistant, 14 by 17 feet; a waiting room, 14 by 16 feet; a storeroom, 13½ by 14 feet; two entrances, 8 feet in width, on the front and north; two rooms on the south, each 22 by 17 feet, to be used as drawing and dining rooms. The second floor is exclusively for residence purposes, there being a sitting room, four bedrooms, two dressing rooms, bathrooms, etc. The compound is 214 feet in depth by 110 feet in width, and faces the main thoroughfare on the east.

SEOUL.

Here the United States owns the ground and buildings, and the Consul General says that the present consular buildings and office are extremely commodious and attractive. The grounds are spacious and in excellent con-

dition. The main office building is separate, and is a very roomy, good building, with a large fireproof stone vault attached. The only criticism is in respect to the sanitary condition of the living rooms in the consular building, which are built so low and close to the ground as to be damp and unhealthful. They are in such poor repair that they should be torn down and a new building erected at a cost of \$10,000.

RECOMMENDATIONS.

Erection of new residence building.....	\$10,000
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TAMSUI.

The present location of the rented consulate is not suitable. It is in the Chinese city of Daitohe, but should be situated in the Japanese section, which has been reconstructed on modern lines since the Japanese occupation. The Chinese city, Daitohe, has consequently become but a suburb of the Japanese capital Taipeh. The Japanese are doing their best to make Taipeh a model city, having already provided it with broad, well paved streets, splendid drains, beautiful parks and modern well constructed administration buildings. The Chinese huddle together in Daitohe much as Chinese do in any Chinese city, and landlords find it a better investment to rent to Chinese than to foreigners, for the latter require more floor space and are reluctant to pay the price paid by Chinese for similar space.

The consul reports having secured an option from the Japanese Government on a site which is considered the most desirable in the city. It is located in the best portion of the city, 100 yards from the residence of the Governor General, surrounded by public buildings and military parade grounds, thus insuring the most desirable surroundings. It is part of the ground set apart by the insular authorities for a public square and park, and the amount allotted by the Japanese, 1.7 acres, will be sold to the United States only upon the condition that the buildings erected thereon shall conform to their general plans for the beautification of the city; otherwise they prefer to convert the whole into a park. This piece can be bought for \$3,000, which includes all expenses incurred in filling it up to a level with the roads. The laying out and planting of a garden would involve an expenditure of \$500 more.

The consul estimates the cost of a building at \$20,300. It is designed to withstand the severe typhoons prevalent during each autumn, as well as to withstand the unsanitary conditions arising during the rainy season. It is designed to serve the greatest possible comfort during the long hot summer, and it has been planned as a private residence as well as for consular purposes.

The population of the island is 3,000,000; its area is 15,000 square miles. Practically the entire crop of tea goes to America.

RECOMMENDATIONS.

Purchase of ground.....	\$3,000
Erection of buildings.....	20,300
Walls about grounds.....	2,000
Paths, wells and incidentals.....	2,000
Total	\$27,300

YOKOHAMA.

The United States owns ground in Yokohama, now occupied by the consulate, 99 by 225 feet, deeded by the Japanese Government with the proviso that the United States use it for a consulate. The Consul General says it is in a very desirable location. The buildings, however, are owned by private parties, and can be purchased for \$4,493.

Consul General Miller recommends that a new building be erected, constructed of stone, two stories in height, earthquake proof, with iron shutters, metal ceilings and steel roof, and basement for servants' quarters, heating plant, etc., at a cost of \$75,000. Eight rooms are required on the ground floor, viz., one for post office and waiting room,

20 by 20 feet; one for stenographer, 14 by 20 feet; one for shipping office, 42 by 20 feet; one for vault, 12 by 18 feet; one for Vice Consul General, 12 by 18 feet; one for seamen's room, 12 by 28 feet, and a hall, 12 by 70 feet. Eight rooms are required on the second floor, viz., two for navy paymaster, 16 by 20 and 18 by 20 feet; one for inspector general, 16 by 20 feet; one for statistical library and meeting room for American Asiatic Association, 20 by 42 feet; two for Treasury agent, 21 by 21 and 21 by 16, and two for Marine Hospital Service, 12 by 16 and 21 by 21 feet, with a hall 12 by 50 feet. Sketch of the floor plans of the two stories was enclosed by the Consul General.

He also recommends that a consular residence be erected on this ground, at a cost of \$25,000, but encloses no plans.

RECOMMENDATIONS.

Purchase of old buildings now on the ground.....	\$4,493
Erection of office building.....	75,000
Erection of residence.....	25,000
Total	\$104,493

The sketches and photographs which were contained in House Document No. 510, Fifty-ninth Congress, second session, have not been included in the present letter.

I have the honor to be, sir, your obedient servant,
ELIHU ROOT.

The Secretary of the Treasury.

ANNEX.

AMERICAN CONSULATE GENERAL,
SHANGHAI, CHINA, October 2, 1907.

SIR—I have now been long enough at this post to know accurately the requirements of a building suitable for the conduct of the business of the United States Government at Shanghai and to be impressed with the entire inadequacy of the building at present occupied by this consulate general, and I have now the honor to report thereon.

Description of Present Quarters.—The present consulate general is situated at 36 Whangpu road. It was leased by John Goodnow, then Consul General of the United States, for the period of ten years, commencing on the 1st day of August, 1901, and terminating on the 31st day of July, 1911, but terminable on one year's notice in writing being given by the Consul General for the United States for the time being in Shanghai.

The annual rental is 3,600 taels per year; at present exchange equivalent to gold \$2,640.

This rent is paid by the various services of the United States Government occupying the building, as follows:

	Taels.
Consulate general.....	1,875.87
Jail	1,034.47
Post office.....	689.66

Total 3,600.00

The United States court, though it occupies one-fourth of the total space of the building, holds that it is not bound to pay any part of the rent.

As shown by the plans submitted herewith, the accommodations in this building are as follows:

One-half of the first floor, consisting of three rooms, is occupied by the post office for the following purposes: Receiving and dispatching room, 25 by 21 feet; post office, registered letters, money orders, stamps, general delivery and mail boxes, 25 by 27 feet; assorting and compradore room, 25 by 21 feet; a lobby for those calling for mail, 8 by 25 feet.

The other half of the ground floor is occupied as follows: Jail, 25 by 14 feet; general office of the consulate interpreter, Chinese writers, etc., 29 by 25 feet; office for shipping—Vice Consul General—general business, 25 by 18 feet.

The second floor is occupied: One-half for the United States court for China, 24 by 72 feet; jail keeper and assist-

ant, 35 by 20 feet; index, archives and correspondence of consulate, 25 by 21 feet; Consul General's office, 25 by 18 feet.

The photograph, of which two copies are enclosed, indicates the exterior appearance of this building, but puts the building in a much more favorable light than the reality justifies.

The building, which was formerly a Portuguese club, is situated on a back road in Hongkew, the least desirable part of Shanghai, surrounded by large warehouses, by which it is entirely hidden. The flag is not visible at any distance from the consulate, and the building is remote from the business centre of the city.

With regard to the interior accommodations:

Post Office.—The accommodations for the post office are entirely inadequate. The room used as a general post office does not contain sufficient space for working the mails and for the erection of lock boxes now on hand and in demand.

There is insufficient space in the assorting room for handling the mails.

There are no quarters for the private office of the postal agent, and the whole surroundings are such that it is impossible to satisfactorily conduct the business of a large post office there. I am of the opinion that if the United States Government proposes to continue to conduct a large post office business in Shanghai, as it does at present, it is its plain duty to provide proper accommodations therefor. The German, British and French governments maintain postal agencies here, which, although not doing a greater business, have accommodations greatly superior to our own.

To my personal knowledge the post office here is earnestly and conscientiously endeavoring to afford the American community in Shanghai and vicinity and all others who use the United States mails a service as acceptable and creditable as that at home. It pays its own way, and for the past three years has remitted annually between \$6,000 to \$7,000 to the Post Office Department.

Jail.—The jail consists of one large and two small cells, made from the old Chinese servants' quarters of the building adapted to the purpose. It is in a shameful condition, a discredit to the United States Government, and a source of chagrin in every American who is made familiar with its conditions.

It is not only so insecure that escapes from custody are frequent, but there is grave danger that notwithstanding all precautions that may be taken it may become a germinating centre of disease.

If the American Government is to exercise the rights of extra-territoriality in China it must realize the responsibilities connected therewith, and it is not too much to say that the present arrangements for the confinement of those condemned under American laws are disgraceful to the American Government.

Consular Offices.—As to the quarters set apart for consular work only they are insufficient. There are no rooms for archives. The lighting is bad, so that in the correspondence room electric light must be burned all day, even in fine weather.

The Consul General's office, which should be a room in which some privacy may be maintained, is quite open and public. There is no anteroom. Visitors come directly into the office and break in upon interviews or work which may be of the most private nature. The Consul General's office is also used as a consular court, where attorneys, witnesses, criminals, detectives, police and reporters gather about the Consul General's desk in the hearing of all cases, civil and criminal.

It is unnecessary to point out how these conditions interfere with the conduct of the work for which the consulate general essentially exists and how undignified it is to conduct in narrow and unsuitable quarters functions of such conflicting variety.

The land office business of the United States consulate general at Shanghai, which has grown so great as to require almost the exclusive time of one man, is conducted

in the same room in which the interpreter carries on the important Chinese correspondence of this consulate, in which the Chinese archives of the consulate are kept, and in which a number of Chinese writers are constantly at work. Records of great value belonging to the land office are kept in this room, imperfectly protected from theft and fire, while the Chinese business of the consulate is exposed to a publicity from which it should be protected.

In the other general office is conducted the shipping business of this consulate, the registry of American citizens, the examination of applicants for Section VI certificates, and the commercial and miscellaneous business of the consulate.

I take the liberty again to point out that the United States Government, having assumed such functions as set forth above, is under the plain duty to provide properly for the performance thereof.

United States Court.—While the court has a room of sufficient size to conduct its business as a court in session, all the business of the court is conducted in one large room, with no judge's chambers, no attorney's offices, no library, no special quarters for the clerk of the court, no lavatories, nor other necessities of a properly conducted court.

I submit herewith a copy of a report by Dr. F. E. Hinckley, clerk of the United States court, on the floor space which would be normally necessary for the court of the United States at Shanghai and the desirable allotment thereof.

Future Accommodations in Case the American Government Does Not Acquire Quarters.—It is to be pointed out that unsatisfactory as are the accommodations of the present building, they are better than we can get for the same money elsewhere in Shanghai, and I am informed that the rent of the building is to be doubled on the termination of the present lease. It will then be necessary to either greatly increase the appropriation for rent or to enter into quarters even more conspicuously inadequate to perform the work and maintain the dignity of a great government.

Comparison With Other Powers.—The contrast between the accommodations of the consulates of Great Britain, France and Germany at Shanghai and those of the United States is marked.

All three of these powers own their own buildings, which are ample for the various divisions of their consular work.

Their consulates are all located on the river front, where they make a proper impression upon Chinese and foreigners. They are adjacent to the business quarter of the city, and are accessible to all having business with them.

The British consulate general, in addition to separate offices in suitable buildings for all of its employees, maintains a handsome residence for the Consul General, as well as residential quarters, belonging to the Government, for its various foreign employees.

The German and the French consulates, while not so complete as that of Great Britain, are markedly superior to that of the United States and are such as to enable them to satisfactorily conduct their business.

I enclose herewith duplicate copies of photographs of other consulates at Shanghai, as follows:

British Supreme Court and consular building at Shanghai.
British consulate general compound, showing residences, court and offices.

British consulate general at Shanghai from the river front.
German consulate general at Shanghai, showing main offices.

French consulate at Shanghai, showing main office.
I do not wish to encumber this report with photographs of the accessory buildings of the above consulates, but confine myself to the statement that they are such as to provide for the effective work and comfort of a large foreign staff.

Requisites of a Building for the Proper Conduct of the United States Government Business at Shanghai.—It is not advisable to indicate exactly the floor space for the proper offices for above purposes. It is vain to make definite plans and schedules in uncertainty as to what funds, if any, would be available for carrying them into execution.

In general, the needs for the various United States services in this city would be a building which would provide:

(1) For the consulate general:

(a) An office for the Consul General, with an ante-room for visitors and a toilet room.

(b) An archives and correspondence room, with sufficient space for writing desks, typewriting tables, archives, cabinets, stationery cabinets, etc.

(c) A land office, with proper vaults for the storage of valuable records and sufficient floor space for a staff of, say, three employees.

(d) A shipping office of the same character, but somewhat larger, to accommodate the number of people who frequent the said office on business.

(e) An interpreter's office similar to the correspondence office.

(f) Vice Consul General's office for general business, similar to that of the Consul General.

(g) An additional office to be used for the examination of applicants for Section VI certificates, for agents of the Department of Commerce and Labor, and for general purposes.

(h) An accountant's office for Chinese and foreign accounts and staff.

(i) A proper room for the consular court so long as judicial functions are to be exercised by the consul at Shanghai.

(2) Post office suitable for the conduct of the business of a second class post office, which is the status of the office at Shanghai.

(3) United States court.

(4) A jail sufficient for the confinement of not less than six criminals.

(5) Offices for the marine hospital surgeon detailed to duty at Shanghai.

(6) Offices for the inspector of consulates, whose headquarters are in this city.

The unsatisfactory condition of the accommodations here has been reported upon by my predecessors. I particularly call attention to a dispatch from Mr. Davidson on the subject—No. 18, of July 6, 1905—which I fully confirm.

SUGGESTED METHOD OF PROCEDURE.

Sites.—There are offered in Shanghai at present several sites, any one of which would be suitable for the United States consulate general.

In the uncertainty as to the wishes of Congress in this matter, it is inadvisable, however, to go into detailed description thereof. It is sufficient to say that at fair prices a suitable site may now be obtained. Options could easily be procured for any one of these sites, but they would be for a short time only and at excessive figures.

Approximately \$250,000 would be required to purchase a site suitable for the various United States services here.

In general, I may state that land is rapidly becoming more and more valuable here, and the increase in the price of desirable sites within a very few years will amount to more than a heavy interest on the money necessary for the present purchase thereof, even if such sites could be procured at all at a later date.

It is not businesslike to approach a land agent with an indefinite proposition to buy his land under uncertain contingencies at some future time. The proper way to go about this business is with an appropriation in hand. Offers will then be more reasonable and there will be competition among sellers to tender property on advantageous terms. The United States Government has already made itself an object of derision in this city by the activity of its agents in securing options which have been shortly afterward allowed to lapse.

Building.—The cost of a proper building can only be estimated. That cost would depend upon the accommodation which the Government wishes to provide, upon the situation and area of the site, and upon other conditions.

It is estimated that the sum of \$250,000 would amply provide for all contingencies.

I urgently recommend that Congress be asked to place at the disposition of the Secretary of State, to be expended at his discretion, the sum of \$500,000 or so much thereof as may be necessary, to buy a site and to erect suitable buildings for the consular, postal, judicial and other services at Shanghai, China.

I wish to add that the American merchants and others in Shanghai feel very keenly on this subject, and that there is a movement among them at this time to make urgent representations to the United States Government regarding the inadequate and undignified accommodations for the carrying on of the United States consular business, so important to the welfare, commercial and political, of the citizens of the United States resident here.

It is in vain that the United States Government spends money for its present consular service at Shanghai, if the efforts of the consular representatives are to be nullified by the conspicuously undignified position assumed by the Government. In the present building over which floats the American flag there are not only no proper facilities for the conduct of the public business, no place in which the Consul General may live, but no place and no facilities for the reception of guests of Chinese and other nationalities. As a matter of fact, the present Consul General rents at his own expense a residence in the French concession in

which he lives, and where he extends to Chinese officials and foreigners the social courtesies which his position requires of him. The rent of this residence is one-fourth of his official salary. This is a grotesque contrast to the practice of the other great nations, and it is not within the contemplation of the law and not without a deleterious effect on Chinese commercial sentiment.

The contrast between the quarters of the United States and those of the other great powers is more marked at Shanghai than in any other Chinese port.

Not only is the trade of American citizens largely centered at Shanghai, but this city is rapidly becoming the political centre of China. If we are to be represented properly at any port in an Oriental country, that need is most pronounced in the city of Shanghai. It is here, if anywhere, that official representation will tell, and it is here, if anywhere, that money spent by the Government in upholding the national character or "face," as the Chinese call it, will insure good returns.

The importance of the business of this consulate is sufficiently known to need no elaboration by me. It is shown by the amount of fees turned over to the Government and by the amount of business of a general nature transacted here, with which the Department is thoroughly familiar.

I have the honor to be, sir, your obedient servant,

CHARLES DENBY,
Consul General.

THE APPEAL FROM SHANGHAI.

The following memorial has been transmitted by the American Association of China to the President and Congress of the United States in favor of the provision of a Federal building in Shanghai worthy of the requirements and the dignity of the United States:

The United States shared with England in the commercial opening of China; at one time American shipping contributed over a third to the entire tonnage engaged in the China trade; American trade in 1905 sent one-fifth of the imports and took one-seventh of the exports of China; and American citizens constitute one-seventh of the non-Asiatic population of Shanghai. Notwithstanding all this, the visitor to Shanghai is at once struck by the fact that the United States must be ranked among the second-class powers. On the river front are the consulates of the first-rate powers, France, England, Germany and Japan; in the back streets are those of the second-rate powers, the United States, Denmark, Holland, Belgium, Austria-Hungary, Sweden, etc. The first-rate powers provide accommodation adequate to the position of their Consuls General, and houses for the rest of the staff, in due proportion for the married and the unmarried; the second-rate powers also provide proper houses, but not always adjoining the consulate, except only the United States, which provides none. Houses within a convenient distance of the quarter within which a consulate must be situated are not easily obtainable even in Shanghai, while in other ports generally the number of foreign houses is fitted exactly to the number of foreign residents; and in Shanghai or at the other ports the rents demanded for the limited supply of houses take a considerable share of the moderate salaries given to American consular officers.

While other powers in general provide sufficient offices in suitable buildings for efficient working, well furnished residences for their Consuls General, and residential quarters for their assistants, in marked contrast the American Government occupies rented premises of a low class, obscurely located on a back street, and, on a renewal of the lease, is subject to the risk of expulsion or the exaction of an exorbitant rental. It is not too much to say that the position of the United States in Shanghai, in respect of its official equipment, is the fair subject of criticism by Chinese and foreigners alike, and the occasion of humiliation to patriotic Americans.

The shabby appearance presented by American consulates in China can be lived down, and the national prestige so necessary in Asiatic affairs can, in the course of time, be established by the force of character of the men appointed to consulates, provided always that their character is such as to give them a leading position among communities of high moral and intellectual standing; but, unaided by an impressive setting, the task has to be undertaken anew on each new appointment. The question of prestige has, however, a very practical bearing on diplomacy, whether applied to political or to commercial matters. China is a country just emerging into the full light of modern conditions. In the past her attitude toward other powers was one of haughty superiority and the only influences she recognized as having weight were those of England and Russia, and, within the past twelve years only, Japan, the pressure of whose military forces she had experienced; toward the demands of other powers, not possessing the same prestige, her natural and instinctive attitude was frequently one of non possumus and the obtaining of recognition for just

demands has always been so much the more difficult. America, the greatest commercial nation of the world, debarred by her traditional policy from asserting her position by force of arms, has willfully deprived herself of the natural advantages derivable from her wealth, and has allowed herself to be relegated, in the minds of the Chinese nation, to a position among the secondary commercial powers.

The impairment of efficiency in the staff, already receiving salaries at lower rates than those given by other powers, and, with great difficulty in finding houses, compelled to pay abnormally high rents, can be remedied only by having suitable accommodation provided by the Government. More important still, however, is the deficient office accommodation provided for both consulate and court at Shanghai and elsewhere. At some ports it is only necessary to set aside one room in the consul's house to serve as his office; at other ports, where a room only is available, there should be two or three offices, for the consul, for his clerical staff, and for a court room or waiting room; and at Shanghai the office accommodation provided is not adequate for the work even of one of the minor powers. The following figures show the numbers of the Shanghai Consular and judicial staff (exclusive of Asiatics) of each of the principal powers arranged according to the number of their nationals resident in Shanghai, and the accommodation provided for them.

GREAT BRITAIN.

Consular staff, 11 British.

Judicial staff, 8 British.

Offices (Plate A a), 24 rooms, besides 2 court rooms.

Quarters: Consul General, house (Plate A b) of 10 rooms.

Senior Vice Consul, house (Plate A c) of 8 rooms.

Judge, rent allowance.

Assistant judge, rent allowance.

For the rest of the staff a terrace (Plate B) is provided with 5 houses, of either 4 or 6 rooms; those for whom quarters are not provided receiving rent allowance. (N. B.—In China only principal rooms are counted—reception rooms and bed rooms.)

UNITED STATES.

Consular staff, 5 Americans.

Judicial staff, 4 Americans.

Offices (Plate C), 5 rooms, besides three for post office.

Quarters: none.

GERMANY.

Staff, 17 Germans.

Offices } Two large three-storied buildings (Plate D)
Quarters } are provided for offices, for the Consul General's residence and for quarters for the staff.

FRANCE.

Staff, 9 French.

Offices, 10 rooms.

Quarters: Consul General, house (Plate E) 10 rooms.

For the rest of the staff a total of 16 rooms occupied by 6 employees, the others being quartered elsewhere.

The other smaller ports may wait, but the provision of

the necessary accommodation at Shanghai is a matter of great urgency. Shanghai is the commercial centre of the Chinese Empire. Its foreign trade alone exceeds two hundred and fifty million dollars annually, in addition to a large distributing trade inland and coastwise; the capital value of the land and buildings within the foreign settlements may be put at over two hundred million dollars; it is the banking centre for both foreign and Chinese interests, and for the financial operations of the Chinese Government; of its foreign imports, excluding Asiatic produce and including only European and American products, the United States supplies about forty per cent., and of the non-Asiatic inhabitants of eighteen nationalities, Americans constitute one-seventh. Shanghai, too, is becoming a centre of thought, and its intellectual influence for wise reform and sound development is extending to all parts of China, through its newspapers and by the thousands of men from other provinces who visit the port. While other ports must receive attention in due course, the Association feels that every year lost in attending to the needs of Shanghai is an added injury to American interests.

A cogent reason for immediate action is found in the fact that suitable sites in a suitable location, not already covered by buildings of a superior class, and therefore obtainable at a reasonable price, whether in the old American or in the English Settlement, are rapidly becoming fewer owing to the great increase in the foreign population of Shanghai and the consequent demand for eligible sites for business purposes. Real estate values have risen within the past few years to high figures; and, as there is not the slightest indication of any land speculation, such as would be indicated by frequent resales, there is every reason to believe that this advance will continue, and that equally suitable unimproved sites will not be so easily obtained in the future. Moreover construction in Shanghai is slow, and at least three years must be allowed for acquiring the land, preparing plans and erecting the buildings.

As a question of sentiment the offices of the American Government should be situated in the old "American Settlement," which in 1863, on the initiative of Consul General Seward, was amalgamated with the "British Settlement" to form that self-governing little republic known officially as the "Settlements of Shanghai north of the Yangking-pang," and called commonly the "International Settlement," or, not infrequently, the "Anglo-American Settlement." Land on the frontage of the former American Settlement is not now easily obtainable, but every effort should be made to place the United States Federal buildings there, in close proximity to the German and Japanese consulates. Parenthetically it may be observed that the designing of the buildings and supervision of their erection should be left to Shanghai architects, who know the needs of the climate, the requirements of work in Shanghai, the capabilities of the workmen and the treacherous character of the sub-soil.

Assuming that a piece of land of suitable size can be acquired, the following notes may be of use, based on the experience of old residents in Shanghai:

United States Court.—The present provision for the

United States Court for China consists of one room of moderate size, which serves for court room, judge's chambers, district attorney's office, clerk's office, marshal's office, witnesses' room, jury room (when a jury shall be provided) and law library. In a newly settled territory conditions may permit, and even necessitate, this crowding, but not in a great commercial city like Shanghai. In addition to this, with salaries not sufficient to ensure the retention of men of ability and force of character, who are called upon to expatriate themselves in an unwholesome climate and in un-American surroundings, the officers of the court are called upon to pay rents which in the case of the judge must be over one-fourth and in the case of the clerk over a third of his salary. The minimum provision which should be made is the following:

Offices: At least two court rooms, an office for each member of the judicial staff, a law library and waiting rooms.

Quarters: The judge and assistant judge should be allowed to get away from their court, and should receive rent allowances, the one \$2,500, the other \$2,000 gold. The district attorney should receive rent allowance \$1,000 gold, about half what it will cost him. The clerk, the assistant clerk and the marshal should be near their work for emergencies, and should be provided with quarters from 3 to 5 rooms each.

United States Consulate General.—The offices, four in number, now available for consular work, are not sufficient, and their arrangement is defective. A large proportion of the salary of each member of the staff must go in rent, the Consul General having to pay a fourth of his salary as rent for a house suitable for his position, the others from a third upward; and now that all extraneous sources of income have been taken away, this heavy charge on private incomes constitutes a serious danger to the public service. The minimum provision which should be made is as follows:

Offices: The British consulate, with more work, has 13 offices devoted to consular work, and is about to build on more; the French, with less work, has 10 offices. It seems probable that 10 offices is the minimum provision required for the American consular work.

Jail: Special attention is directed to the lack of facilities of the existing jail. As constituted at present, it is cruel and inhuman to confine human beings in the American jail at Shanghai. The rooms are dark and poorly ventilated, stifling in the summer, depressing at all times, and liable at any time in spite of the greatest care to become a germinating centre of disease. The building having no yard, it is impossible for the prisoners to take physical exercise of any kind. Furthermore, being only two rooms with lath-and-plaster walls the jail is easily broken, and it is not an uncommon occurrence for prisoners to escape.

Quarters: The Consul General will find it convenient to have quarters provided for him, at least 10 rooms, in the Federal building, since in times of emergency, which are frequent in Shanghai, he may have important business to attend to and telegrams to cipher and decipher at all hours of the day or night. It is also important that some member of his staff should always be on the premises to act as his secretary. For the others of his staff provision may be made either in the Federal building or in houses at a little distance from it; but those who do not thus have quarters provided should receive rent allowances, \$500 gold for student interpreters, \$1,000 gold for interpreters, \$1,500 gold for Vice Consuls.

Inspector of Consulates and United States Health Officer.—Provision should be made for the official work of these officers in the Federal building, and quarters or rent allowance given to them.

Commercial Agent.—Officers and quarters should be provided also for a representative of the Department of Commerce and Labor, who should be stationed at Shanghai.

Post Office.—That six foreign powers should have established post offices on Chinese soil in Shanghai (making, with the Chinese, seven fully equipped offices competing with each other) is an anomaly which cannot continue long, and the restriction of which will be a condition made for the entrance of China into the Postal Union. Shanghai will never be the terminus of an American line of subsidized mail steamers, and there is no more reason for the establishment of an American post office at Shanghai than at Yokohama. It is probable that no provision should be made for a post office in a new building in which the demands on the ground floor space will be difficult to meet; so long as it continues in existence the American post office might occupy rented quarters.

It was a full realization of the needs of the situation gained by repeated visits to Shanghai that led Secretary Taft on his recent visit to give utterance to the following statement:

"What you need is a great Government building here, to be built by the expenditure of a large sum of money, so that our court and consulate shall be housed in a dignified manner."

To the merchants and professional men in China the subject is one of intense importance. Not only their self respect but their material welfare and their safety are intimately connected with the proper assertion of the dignity of American citizenship.

It is submitted, therefore, that in view of the foregoing considerations the needs of the United States Government in China should be met by the erection at Shanghai of a Federal building to provide for the various services of the Government, and to that end the Association earnestly urges that Congress place at the disposition of the Secretary of State, to be applied in his discretion, the sum of one million dollars or so much thereof as may be necessary, to buy a site and erect suitable buildings for the consular, postal, judicial, commercial, medical and other Government services at Shanghai, China.

We have endeavored by the foregoing to point out the needs of the situation here and to show that the extension of an adequate body of laws to Americans in China and the construction of a Federal building at Shanghai would promote American interests and American prestige in China.

The recommendations contained in this memorial are based upon the demands of the situation at the present time, but they acquire additional force in the light of the future development of China, which is in rapid progress already. That China will reform her administration and take her place among modern nations, that this will result in the material development of the Empire and the consequent increase of her foreign trade, are facts which have been recognized by the treaty powers for a number of years and which have entered into the calculations of all of them in their operations in China, with the exception of the United States.

By reason of historical and geographical considerations America is entitled to a leading place in China's councils and in China's foreign trade. Acting upon the recommendations made in this memorial, Congress will go far toward securing for Americans in the future the advantages to which they are reasonably entitled.

H. B. MORSE, President.

JOHN F. SEAMAN, Vice President.

C. M. LACEY SITES, Honorary Secretary.

For the American Association of China.
SHANGHAI, November 12, 1907.

THE INTEGRITY OF CHINA AND THE "OPEN DOOR."

(From the *American Journal of International Law*.)

The traditional policy of China, from time immemorial, has been that of a closed door—China for the Chinese. Against it, for the last half century, has stood the foreign policy as regards China, viewed by Chinese eyes as one of aggression and invasion by the several powers, each acting for itself, without concert but rather in rivalry, each bent on gaining advantage for itself in trade and influence, and each aiming to close more or less extended areas of China to all influence save its own. In the earlier stages this policy was carried out by the simple process of gaining a local foothold through cession or annexation; in its later stages it evolved the less material expedients of leaseholds, and spheres of influence, so called, radiating from the primary establishments and expanding their exclusive privileges over indeterminate regions of China proper.

The cession of the Island of Hongkong to Great Britain in 1842 was the initial step, followed in 1860 by the cession of adjacent territory on the mainland. Like Macao, which had been granted to the Portuguese in 1586 in consideration for the efforts of Portugal to suppress piracy, Hongkong was made an exclusive colony, governed by the laws and regulations of the parent state.

In 1858 Russia acquired a large part of Amur, and in 1860 gained the whole coast of Manchurian Tartary, from the mouth of the Amur to the frontier of Korea, embracing the strategic naval port of Vladivostok, following up these acquisitions in 1881 by annexing the western part of the Ili country.

In 1862 France occupied part of Cochin China, a feudatory of the Chinese Empire, and in 1867 annexed more of its territory. The subsequent expansion of the French settlements northward into Tongking, a part of the feudatory State of Annam, resulted in the Franco-Chinese War, which ended by the treaty of peace of 1885, whereby Annam was enabled to negotiate with France for the cession of Tongking.

The war between China and Japan terminated by China's recognition of the complete independence of Korea, therefore a tributary of the Empire, and by the cession to Japan of the southern part of the Province of Feng-tien (southern Manchuria), with its appurtenant islands in the Bay of Liao Tung and in the northern part of the Yellow Sea, besides the cession of the Formosan Islands and the Pescadores group. Subsequently, however, through the interference of Russia, Germany and France, Japan was persuaded to retrocede to China the Feng-tien territory and its islands by the convention of November 8, 1895.

These several acts of dismemberment inured to the exclusive benefit of the acquiring state. Sovereignty and administration passed to the foreign power with each successive alienation of imperial territory. The result was merely local, one absolute control supplanted another. The vast bulk of China remained sealed to foreigners. Each change of borders shifted the closed doors of China on the one hand, and on the other replaced them by other doors of alien privilege almost equally closed. Nevertheless, the process of dismemberment seemed to be checked, for a time at least. Any fresh attempts of other powers to acquire Chinese territory would naturally be opposed by the rival powers already in possession. Indeed, such a contingency was in several cases expressly guarded against. By her treaties with France in 1897 and 1898, with Great Britain in 1897, and with Japan in 1898, China made explicit declarations as to the non-alienation of neighboring territory. It remained to devise some practical expedient by which the material benefits of territorial acquisition could be enjoyed without resort to positive annexation.

The germ of the new foreign movement upon hitherto unassailable interior country is found in the settlement effected in 1897 between Great Britain and China relative to the anomalous regions near the "buffer" territory of Upper Burmah. By the treaty of February 4, 1897, Great Britain agreed to recognize certain defined territory as belonging to China, with the important qualification that "in the whole of this area China shall not exercise any jurisdiction or authority whatever. The administration and control will be entirely conducted by the British Government, who will hold it on a perpetual lease from China"; while China in turn agreed not to cede to any other power certain other lands in the same general locality. Besides this enunciation of the theory of territorial acquisition by leasehold tenure, an effective implement stood ready to hand in the theory of spheres of paramount influence. This latter expedient, which already has existed in practice in other quarters, found its earlier application in China in the opening of the Yangtze Valley to commerce by the British in 1860 and 1876, and by the establishment of British lines of steamers on the river, whereby British trade became virtually predominant in that extensive region. In fact, Great Britain utilized the Yangtze Valley as a rightful natural thoroughfare to her eastward Indian possessions, and by so doing aided to develop the commerce and resources of the valley, thus benefiting China scarcely less than England. The term "sphere of influence" became the common mode of expressing the relation of Great Britain to the whole of the Yangtze Valley and its adjoining provinces. The position of England in this regard was, later, emphasized by an exchange of identic notes between the United Kingdom and Russia under date of April 28, 1899, by which, in return for the British assurance of non-interference with Russian railway projects to the north of the great wall of China, "Russia, on her part, engages not to seek for her own account, or on behalf of Russian subjects or of others, any railway concessions in the basin of the Yangtze, and not to obstruct, directly or indirectly, applications for railway concessions in that region supported by the British Government." (Brit. and For. State Papers, Vol. XCI, pp. 91-94.)

About this time—in November, 1897—the murder of two German missionaries by Chinese in the Province of Shantung was followed by a German naval demonstration in force to compel redress for the injury. The Bay of Kiaochou was occupied by the Germans. The settlement which followed embraced the signature of a treaty on March 6, 1898, by which China "cedes to Germany on lease, provisionally, for ninety-nine years," both sides of the entrance to the Bay of Kiaochou; besides granting specific privileges in a zone of 50 kilometers (100 Chinese li) around the bay, and conceding exclusive rights to a system of German railways and to German mining enterprises in the Province of Shantung. This effectively established a German sphere of influence over the major part of that province.

The example set by Germany in thus acquiring control of a valuable strategic harbor and large privileges in the neighboring territory was not lost upon other powers having important interests in the Far East. While the German negotiations were in progress, Russia was making a successful countermove. Three weeks after the signature of the Kiaochou lease, a convention between Russia and China was signed at Peking, by which Russia obtained a lease for twenty-five years, renewable, of Port Arthur and Talienwan, with a large defensible tract of land embracing the southern extremity of the Liao-tung peninsula, and the right to fortify Port Arthur as a naval station. The treaty comprised the privilege of extending a branch line of the Chinese Manchurian Railway to Talienwan and to

another unspecified point on the Liao-tung peninsula. This latter concession was soon afterward, by an agreement signed at St. Petersburg May 7, 1898, changed to a grant for the construction of a branch line of the Russian Siberian Railway to Talienwan, and by the same instrument the remainder of the peninsula was made neutral ground, closed to the occupancy of mining industries and trade of any other power. It is a curious fact that the official text of these two Russo-Chinese conventions has never been published by either party.

France and Great Britain were at the same time operating on similar lines in quest of defensible naval stations. On April 10, 1898, China agreed to a convention with France for a ninety-nine year lease of a naval and coaling depot at Kuang-chou-wan, near the Strait of Hai-nan, in the most southerly part of the Empire, convenient to the French establishments in Tongking, with the usual exclusive privileges in the adjacent territory. This convention is, however, of merely parenthetical interest, as it was not perfected by ratification until January, 1900, and its influence upon the national sentiment of China was not apparent.

The most important countermove to offset the large naval advantages gained by Germany and Russia was made by Great Britain, on the most commanding site on the Shantung peninsula, midway between the acquisitions of Germany and Russia and nearly facing Port Arthur. On July 1, 1898, an Anglo-Chinese convention was signed at Peking by which there was leased to Great Britain as a naval harbor, "for so long a period as Port Arthur shall remain in the occupation of Russia," the bay and islands of the Wei-hai-Wei, with a circumjacent belt of land 10 miles in width, besides giving the right to fortify a part of the neighboring Shantung coast. It may be noted that this lease was in its terms purely for strategic purposes, and carried no commercial or influential privileges. In this regard the German sphere of influence in the Province of Shantung was respected. By a declaration signed April 19, 1898, Great Britain formally gave assurance to Germany "that in establishing herself at Wei-hai-Wei she has no intention of injuring or contesting the rights and interests of Germany in the Province of Shantung or of creating difficulties for her in that province." (Blue Book, China, No. 1, 1899, pp. 27-31.)

The lodgments so effected by three great naval powers of Europe commanded the approaches to the Gulf of Peh-chi-li and virtually sealed the normal path of access to Tientsin and thence to Peking itself. No purpose of favoring the welfare of the Chinese people was announced. Each succeeding foreign lease cut off Chinese territory from open commerce, without offering compensating advantages to the nearby country. To the Chinese mind the course of the foreign nations antagonized the traditional policies of China. It foreshadowed further dismemberment. It was calculated to confirm and embitter the anti-foreign feeling, and crystallize it into a national sentiment of chauvinism. Looking at the situation in this light it is hardly surprising that manifestations hostile to all foreigners should occur in the provinces most affected by the foreign occupation. The antagonism was made easier of development by the tendency of the Chinese to band together in secret organizations. Most formidable among these was the Boxer society, whose emblem was a clenched hand, and its name the Society of Righteous Harmony. Ostensibly innocent in character, its thinly veiled purpose was the extermination of foreigners and native converts to alien creeds. It rapidly increased in numbers and potency until the northern tier of provinces felt its influence. It first showed its power in Shantung, the same province in which its hostility to German missionaries had precipitated the German occupation of Kiaochow two years before. In October, 1899, the Boxer uprising began. Subdued at first, the Boxers rallied, and by December their attacks terrorized many of the missionary establishments in Shantung. On January 1, 1900, the British missionary Brooke was murdered near Tainanfu. Other outrages followed. By March the Boxer movement

had spread more alarmingly, and its members were openly organizing and drilling throughout northern China. The foreign ministers at Peking joined in calling upon the Chinese Government to suppress the Boxers and their associates, the Big Swords. The mildly deprecatory measures of the Tsungli-Yamen were ineffectual. The Government of the United States detailed warships to Chinese waters to protect American interests. Other naval powers did the same, until a mixed fleet was gathered at Taku, the port of Tientsin. By May the victims of the Boxers, foreigners and native converts, were numbered by hundreds. The situation at Peking had grown so alarming that the foreign legations urgently called for defensive guards. On June 1, three hundred and fifty English, Russian, French, German, Italian and American marines reached Peking barely in time. By the 4th the Boxer forces were pillaging and killing up to the walls of the capital. On June 11 the chancellor of the Japanese legation was murdered at the city gate. By this time the Chinese troops in Peking had sided with the Boxers. The legations were practically besieged and all communication with the outside world was cut off. Attempts by the foreign commanders at Taku to relieve the beleaguered legations failed. Their first step was one of direct hostility. Taku was shelled and its forts stormed after a stubborn defense by Chinese troops. The expedition under Admiral Seymour fought its way a short distance toward Peking, and returned to Taku.

The interested powers thereupon proposed a concerted armed movement to relieve their countrymen and secure reparation. The perilous situation of the legations in Peking called for instant and energetic action. The question was how to act without drifting into a war with all China. As yet the anti-foreign movement was conspicuous only in the northern provinces. An incautious step might inflame the central and southern parts. In some quarters there seemed to be a disposition to treat the Chinese Government as an enemy, in sympathy, if not in collusion, with the Boxers. The United States inclined to regard the movement as a local rebellion beyond the control of the Chinese Government. On the 22d of June Minister Wu communicated with Secretary Hay the important declaration that the five southern provinces were at peace and that their viceroys were able and determined to protect foreigners, for which reason they asked that the powers should make no protective demonstration in that quarter. Mr. Hay replied on the same day that the United States had no disposition to send either military or naval forces into Chinese provinces where the Government showed ability and determination to preserve order and protect the lives and rights of foreigners. This view was communicated to the interested powers and was shared by them. Events fully justified the reliance thus placed on the loyalty of the southern viceroys. No disturbance occurred in their five populous provinces. The issue was confined to the north, and the contingency of a general belligerent invasion of China by allied armies was eliminated. The question was narrowed to the rescue of the besieged legations. It remained to be determined whether the efforts of the powers to this end should be in the nature of an alliance hostile to China or be in aid of the Chinese Government, and so conducted as to tend to relieve the Chinese of the rooted apprehension that their national existence stood in peril from foreign designs of aggression, subjugation and dismemberment.

The powers consulted the United States as to the course to be pursued. The views of the American Government were expressed in a note to the French Chargé d'Affaires, dated July 3, 1900, in which Mr. Hay said:

"Following the precedents enunciated by the United States as early as 1857, this Government aims at the conservation of peace and amity with the Chinese nation, the furtherance of lawful commerce, and the protection of the lives and interests of American citizens in every part of China by all the means guaranteed under extra-territorial treaty rights and by the law of nations, to which ends we are prepared to uphold the efforts of the Chinese authorities in the prov-

inces to use their powers to protect foreign life and property against the attacks of subversive anarchy, and are resolved to hold to the uttermost accountability the responsible authors of any wrong done to our citizens. To attain these objects the Government of the United States is now, as heretofore, ready to act concurrently with the other powers in opening up communication with Peking and rescuing the imperiled Americans and foreigners there, to afford all possible protection everywhere in China to American life and property, to guard all legitimate American interests in the Empire, and to aid in preventing a spread of the disorders to other provinces and in securing future immunity from a recurrence of such disasters—seeking to these ends a solution which may bring about permanent peace and safety to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly powers by treaty, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire."

These views were communicated to all the interested powers by Mr. Hay's telegraphed circular note of July 3, 1900. They proved to be pivotal. The powers promptly responded in like sense, whereupon a concerted relief expedition was organized, composed of such forces as the interested powers could muster at Taku, and dispatched to Peking. The effort succeeded and the story of its achievement has passed into history.

As indicating the cordial acquiescence of the powers in Mr. Hay's proposal of July 3, it is pertinent to cite the declaration made by the German Foreign Secretary, Count von Bülow, on July 11, to the several federated governments of the Empire. He said:

"The end for which we are striving is the restoration of safety to the persons, property and enterprise of German subjects in China, the rescue of foreigners shut up in Peking, the revival and assurance of order under an organized Chinese Government, and expiation and indemnity for the acts committed. We desire no partition of China; we are striving for no special advantages. The Imperial Government is fully convinced that the maintenance of the understanding among the powers is the preliminary requirement for the restoration of peace and order in China, and will, for its part, continue to consider this as of the first importance."

The immediate necessities of the situation having been met, Mr. Hay hastened to re-emphasize the vital proposals of his circular note of July 3, 1900. On the 6th of September following the American ambassadors to France, Germany, Great Britain and Russia were instructed to acquaint the governments to which they were respectively accredited with the desire of the United States that they should severally make formal declaration of an "open door" policy in the territories held by them in China, and give assurance that within their respective "spheres of influence" all nations should enjoy equality of treatment for their commerce and navigation. All the interested powers made cordial response.

One of the earliest statements of the policy thus adopted by the powers is found in the formal agreement signed in London by the British Premier, Lord Salisbury, and the German Ambassador, Count von Hatzfeldt, on October 16, 1900, which declared:

1. It is a matter of joint and international interest that the ports on the rivers and littoral of China should remain free and open to trade and to every other legitimate form of economic activity for the nationals of all countries without distinction; and the two governments agree on their part to uphold the same for all Chinese territory as far as they can exercise influence.

2. Her Britannic Majesty's Government and the Imperial German Government will not, on their part, make use of the present complication to obtain for themselves any territorial advantages in Chinese dominions, and will direct their policy toward maintaining undiminished the territorial condition of the Chinese Empire.

3. In case of another power making use of the complications in China in order to obtain under any form whatever such territorial advantages, the two contracting parties reserve to themselves to come to a preliminary understanding at to the eventual steps to be taken for the protection of their own interest in China.

The settlement effected with China by the co-operating powers, by the final protocol of September 7, 1901, while dealing with the questions of reparation for the Boxer outrages, the security of legations in Peking, the protection of foreigners in the Empire, and the commercial relations of China to the treaty powers, was silent in regard to the territorial problems. Those remained to be determined by special agreements.

The next authoritative step in formulating the doctrines of Chinese territorial and administrative integrity and the "open door" was taken in the agreement of alliance between Great Britain and Japan, signed at London, January 30, 1902, wherein they declared themselves to be "specially interested in maintaining the independence and territorial integrity of the Empire of China and the Empire of Korea, and in securing equal opportunities in those countries for the commerce and industry of all nations," and to be "entirely uninfluenced by any aggressive tendencies in either country."

Fortified by this potential alliance, and acting in behalf of her own interests, Japan exerted all possible influence with China to bring about a conventional understanding with Russia in regard to Manchuria. The negotiations then set afoot were far reaching in its consequences. China had stronger motives than Japan to undo the virtual appropriation of southern Manchuria by the Russians. Their influence had spread beyond the limits traced by the convention of 1898, and not alone the neutral territory of Liao-tung but the whole country to the Siberian border had passed from Chinese to Russian control. Niuchwang and other ports were practically Russianized. On the Yalu, Russian influence faced the policies of Japan in Korea. The situation was fraught with peril. On March 20 to April 8, 1902, China signed with Russia an agreement for the re-establishment of the authority of the Chinese Government in Manchuria, and the gradual evacuation of the territory by the Russians within three periods of six months each. Russia's withdrawal precipitated the Russo-Chinese war. Its result tended to accentuate the policies of the "open door" and of respect for the sovereignty and integrity of China. By the third article of the Treaty of Portsmouth, September 5, 1905, between Japan and Russia, the parties mutually engaged "to entirely and completely restore to the exclusive administration of China" all parts of Manchuria then occupied by either belligerent; while Russia declared that it had no territorial advantages or preferential or exclusive concessions in Manchuria of such a nature as to impair the sovereignty of China or which are incompatible with the principle of "equal opportunity"—i. e., the open door. By Article IV "Russian and Japan mutually pledged themselves not to place any obstacles in the way of general measures which apply equally to all nations, and which China might adopt for the development of commerce and industry in Manchuria."

The latest conventional phase of these closely applied questions is shown by the recent negotiation of conventions between Russia and Japan, July 30, 1907, and between Great Britain and Russia, signed August 31, 1907, both looking to the maintenance of the status quo in eastern Asia. In both of these the obligation to respect the territorial and administrative integrity of the existing sovereignties in the Far East, and to promote in those quarters the fullest application of the principle of the "open door" for all nations, is announced and assumed.

The old time policies of Chinese seclusion and foreign aggression and special privilege have been reversed and limited, to the advantage alike of China and the world.

REMISSION OF PART OF CHINESE INDEMNITY.

From the Congressional Record of January 15.

Mr. Lodge—I ask unanimous consent to call up the joint resolution (S. R. 23) to provide for the remission of a portion of the Chinese indemnity.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution. It proposes to authorize the President to consent to a modification of the bond for \$24,440,778.81, dated December 15, 1906, received from China pursuant to the protocol of September 7, 1901, for indemnity against losses and expenses incurred by reason of the so called Boxer disturbances in China during the year 1900, so that the total payment to be made by China under the bond shall be limited to \$11,655,492.69 and interest at the stipulated rate of 4 per cent. per annum, and that the remainder of the indemnity to which the United States is entitled under the protocol and bond may be remitted as an act of friendship, such payments and remission to be at such times and in such manner as the President shall deem just.

Mr. Lodge—Mr. President, I do not suppose there will be any opposition to this resolution. I feel sure that its purpose will have the unanimous approbation of the Senate, as it had that of the Committee on Foreign Relations, from which it is reported. But it is a resolution of such a character and of such importance that I am going to trespass on the time of the Senate for a very few minutes merely to explain its purport and provisions.

After the Boxer troubles in China, at which time, as Senators well remember, the legations were attacked and some lives were lost, including that of the German Minister, a relief expedition was sent there by the various Western nations, in which we took part. After the capture of Peking the powers agreed to make a demand upon China for an indemnity in one sum to all the powers for the injuries inflicted upon their legations and for the losses and expenses incurred by the expedition. The sum agreed upon was 450,000,000 taels. Our State Department endeavored to keep the total amount of the indemnity down as far as possible. It was our opinion that it was excessive, and although we did not succeed in reducing the indemnity to the point to which we thought it ought to be reduced, we did effect some reduction.

This lump sum of 450,000,000 taels was then divided among the various powers taking part in the expedition, and the allotment made to us on the ground of losses to our citizens and expenses incurred was \$24,440,778.81. At that time it was not possible to make more than a very rough guess at the expenditures of the War Department and the Navy Department in regard to the expedition sent to Peking. It has been since found that those estimates were much too large and that \$11,655,492.69 will be quite sufficient to meet all possible indemnity which we could in justice demand.

The expenses of the War Department, as now ascertained under the revised estimates, are \$7,186,310.75; of the Navy Department, \$2,469,181.94; and claims of citizens, corpora-

tions, societies and others to the amount of \$2,000,000 have been allowed.

Mr. Frye—They have been paid.

Mr. Lodge—Those private claims have all been adjusted and paid by our Government out of this indemnity, under a commission which took evidence in China and also here. The exact amount paid is \$1,994,616.76. It is six years since the commission closed its sittings. The total amount for private claims which have been paid and for the expenses incident to the War and Navy departments comes to \$11,655,492.69. In the revised estimates of the War and Navy departments is included a fund for the pension of the wives and minor children of those soldiers who fell in the expedition by wounds or in battle or by disease and for those who were injured in the expedition. It is believed that the sum of \$11,655,492.69 will cover every indemnity that we could properly demand, and the joint resolution proposed to remit to China the balance, amounting in round numbers to twelve million and some hundred thousand dollars.

This indemnity is held under a bond which has a life of forty years, and is to be paid over that entire period, principal and interest. We have already received from China \$6,518,034.75. All the obligations have been promptly met. We have thus far received from China, as I have said, \$6,000,000, which is principally interest. Out of that sum the private claims have been settled, and there is now in the Treasury a balance of \$4,523,105.57 to the credit of the State Department, with which balance Congress can deal either by simply covering it into the Treasury or by having it credited to the War and Navy departments in due proportion, or by devoting it to some special purpose. The joint resolution remits the balance.

I think I need do no more, Mr. President, than state the facts as I have given them. It is an act of justice and of comity. Technically and legally we are entitled to every dollar of the bond, but on a broader principle of justice, rising beyond the technical right, I think it is an act which it becomes the United States to perform and in the generous way proposed by the joint resolution.

I have no more to say, Mr. President, except to ask that this memorandum, which gives in full detail all the steps connected with the negotiation, all the figures in regard to the private claims, and the use of the indemnity may be printed at the end of what I have said.

The Vice President—Without objection, it is so ordered.

The memorandum referred to is as follows:

The various steps in the negotiations relating to the indemnity were as follows:

December 22, 1900.—The foreign representatives sent in a joint note, consisting of twelve articles, setting forth certain demands.

Article VI stated that China should pay equitable indemnities for States, companies, or societies, private individuals and certain Chinese, etc.

December 30, 1900.—The foreign representatives received a reply to their note of the 22d, embodying an imperial decree, dated the 27th, accepting all of the twelve articles.

January 7, 1901.—Foreign representatives formulated their twelve articles into a protocol and submitted this to the Chinese plenipotentiaries for signature.

January 16, 1901.—Each foreign minister received from the Chinese plenipotentiaries a copy of the aforesaid protocol, duly signed and sealed, and also a copy of the imperial decree, accepting all of the demands.

May 7, 1901.—The foreign ministers submitted statement to China, showing their losses to be 450,000,000 taels. This joint note was not a demand for the abovenamed amount, but was sent to the Chinese plenipotentiaries to enable them to give formal expression as to the limits of China's ability to pay and the means she proposed taking.

May 11.—Reply of Chinese plenipotentiaries re indemnity of 450,000,000 taels, proposing monthly method of payment of above amount for thirty years, but begging that total be reduced.

May 28.—A list of the indemnities asked by the foreign powers until the 1st of July, and prepared by the Committee on the Payment of Indemnities, was circulated by the dean of the diplomatic corps among his colleagues. The amount given as representing the total claim of the United States was \$25,000,000, or 34,072,500 taels. In the opinion of the committee, as stated in the dean's note, the total indemnity would not, when adjusted, exceed 450,000,000 taels.

May 30.—A note from Chinese plenipotentiaries to dean of diplomatic corps, accepting 450,000,000 taels, with interest at 4 per cent., for the indemnity, embodying an imperial edict, dated the 29th of May, covering the above amount.

September 7, 1901.—Final protocol signed by plenipotentiaries of all the powers, in which it was agreed that the indemnity should be paid in thirty-nine annual installments, with interest at rate of 4 per cent. per annum.

Article 66 (B).—"The service of the debt was to take place in Shanghai, as follows:

"Each power shall be represented by a delegate on a commission of bankers, authorized to receive the amount which shall be paid it by the Chinese authorities designated for that purpose, to divide it among the interested parties and to give a receipt of the same."

Article 6 (C).—"The Chinese Government shall deliver to the dean of the diplomatic corps a bond for the lump sum, which shall subsequently be converted into fractional bonds bearing the signature of the delegates of the Chinese Government designated for that purpose. This operation and all those relating to issuing of the bonds shall be performed by the abovementioned commission in accordance with the instructions which the powers shall send their delegates."

John K. Moir, of the International Banking Corporation in Shanghai, was chosen the delegate of the United States on the commission of bankers at Shanghai.

October 13, 1901.—The bond for the lump sum of 450,000,000 taels was delivered by the Chinese plenipotentiaries

to the dean of the diplomatic corps, in compliance with paragraph (C) of Article VI of the final protocol.

June 14, 1902.—At a meeting of the representatives of the powers held in Peking on the 14th of June an agreement was signed declaring a definite apportionment of the indemnity and accepting on behalf of their Governments such apportionment.

The United States took 32,939,055 taels or \$24,440,778.81 gold, interest at 4 per cent. to be paid from January 1, 1902.

May 18, 1904.—The original fractional bond was signed by the commissioners of the Chinese Government and the commissioners of the United States Government, and was subsequently filed in the Department of State under cover of a letter from the International Banking Corporation of the above date.

July 2, 1905.—A new method of calculating payments and interest was presented in the form of a collective note by the representatives of the powers and subsequently agreed to by China.

December 15, 1906.—New bond based on collective note of July 2, 1905, signed and subsequently forwarded to the Department of State.

January 11, 1907.—Chinese Government was notified that henceforth the United States share of the payments under the indemnity is to be paid direct to the United States Treasurer instead of through the International Banking Corporation of Shanghai.

The bond with the International Banking Corporation has since been canceled owing to the above arrangement.

Summary of the successive steps taken in the settlement of claims of American companies, societies and individuals, and certain Chinese, for losses and damages growing out of the disturbances of 1900; schedule of the claims paid, etc.

September 2, 1901.—Minister Conger transmitted to the Department copy of a letter addressed to him by certain American citizens having claims against the Chinese Government requesting information as to the status of their claims, and the procedure to be adopted in establishing them.

He suggested that many of the claimants should submit to a considerable reduction and that the local facts and conditions surrounding many of the claims rendered it very desirable that their examination should be made in China by someone familiar with the situation and local values. He expressed the hope also that an early adjustment of these claims would be reached.

One hundred and forty-six claims had up to this time been brought to the attention of the Department of State and the legation at Peking, most of them consisting of bare statements of facts by the claimants and estimated amounts of loss or damage, unaccompanied by evidence.

January 14, 1902.—The Department concurred with the legation that many of the claims should be reduced and that their investigation should be made in China by someone familiar with local conditions. The Minister was instructed to designate one person from the legation and one from the consular service who would investigate the claims

and determine what amount should be allowed in each case. The recommendations of these commissioners were to be submitted to the Minister for revision, and the whole to be subject to the final revision and approval of the Department of State.

The commissioners were required to make a report on each claim, reciting the evidence of citizenship and of the fact and amount of loss or damage upon which the claim was based.

The commissioners were to be allowed from the indemnity paid by China their reasonable and necessary expenses while engaged in this work and such additional compensation as was reasonable and equitable. Due publicity through consuls and other officers was to be given all claimants of the establishment of the commission and the nature of its work.

March 14, 1902.—Minister Conger reported the designations of the persons who were to constitute the commission—Messrs. William E. Bainbridge, Second Secretary of Legation at Peking, and James W. Ragsdale, American Consul General at Tientsin. The Minister further expressed his views as to the extent and difficulty of the commissioners' task. Minister Conger, in an instruction to the commissioners on the above date, said: "Reasonable notice of the sittings of the commission in the several localities should be given to the claimants in advance."

May 3, 1902.—The legation was instructed to forward to the Department from time to time and as soon as passed on all claims in order that the sums awarded could be distributed as speedily as practicable. The Department also suggested that as much of the work as possible should be done at or near Peking. The regulations prepared by the Committee on Indemnities and approved by the representatives of the powers in Peking on March 13, 1901, were not accepted by all the powers and were therefore binding on none. However, it was believed by the Department they might be suggestive and instructive to the commission.

The indemnity in each case was to be fully and substantially compensatory, excluding all merely speculative or imaginary claims or elements of damage.

November 17, 1902.—The commission submitted its final report to the Minister.

Its members were designated by the Minister on March 14, 1902, and they began the work of the examination of claims on May 5, 1902.

The Chinese Government, having recognized its responsibility for the "Boxer" outbreak, agreed to pay, pursuant to Article VI of the collective note of the powers, dated December 22, 1900, "equitable indemnities for governments, societies, companies and private individuals, as well as for Chinese who have suffered during the late events in person or in property in consequence of their being in the service of foreigners."

The commission was not authorized to deal with losses sustained by the Government of the United States.

Two hundred and thirty claims for indemnities were filed with the commission by citizens of the United States, aggregating \$3,308,036.18. These figures include \$39,254.72 which represents the total amount of claims submitted to the commission by Chinese in the employ of Americans.

In a general way these claims may be classified as follows:

1. Claims of missionary societies and individuals.
2. Commercial claims.
3. Death claims.

The total amount disallowed or withdrawn was \$1,804,385.69. The amount allowed on claims was \$1,383,650.49. The amount of interest allowed, \$130,642.39; thus placing the total amount allowed by the commission on private claims at \$1,514,292.88. This amount, however, has been increased through additional awards by the Department of State subsequent to the completion of the commission's work, so that the total amount, including both American private claims and certain Chinese claims, the latter being \$17,669.60, now aggregates \$1,994,929.18. The maximum estimate required by this Government to meet the claims of its citizens and of certain Chinese under this heading was placed by the Department at \$2,000,000; \$1,994,929.18 having been paid out on this account, there remains in the Treasury Department an unexpended balance of \$5,070.82.

November 19, 1902.—Legation transmitted to the Department final report of the commission.

January 27, 1903.—Department congratulated the Minister and Commissioners Bainbridge and Ragsdale on the successful termination of their joint labors.

Amount of indemnity, principal, \$24,440,778.81.

(Under the plan of amortization adopted this sum is payable, with interest at 4 per cent., in irregular annual instalments extending over a period of thirty-nine years, the last payment falling due in 1940.)

It is estimated that the maximum amount required by this Government to meet its expenses incident to the relief of the legation in 1900 and claims of citizens and others will be as follows (revised estimates):

War Department.....	\$7,186,310.75
Navy Department.....	2,469,181.94
Claims of citizens, corporations, societies and others.....	2,000,000.00
Total	\$11,655,492.69

The Treasury Department has received to date, on account of principal and interest.	6,518,034.75
Amount as stated above reserved by the De- partment to meet the claims of corpora- tions, societies and individuals, citizens of the United States and others, expenses of claims commission, etc.....	2,000,000.00
Of this sum there has been expended to date.	1,994,616.76

Gross unexpended balance.....	\$5,383.24
Adjusted claims not yet paid.....	312.42

Net balance.....	\$5,070.82
The Treasury Department has received to date, on account of principal and interest.	6,518,034.75
The claims of societies, individuals, etc., ad- justed and paid.....	1,994,929.18
Net unexpended balance at present in a separate account with the Treasury De- partment	4,523,105.57

The expenditures of the War Department and the Navy Department incident to the uprising of 1900 in China are met in the ordinary course.

Deducting from the amount at present in the Treasury Department the \$5,070.82 which is the unexpended balance of the amount reserved for private claims, the remainder is \$4,518,034.75. As the expenses of the military and naval branches of the Government in China in 1900 were included in the regular military budget of that year, it would appear from the above that the last mentioned sum may be disposed of by Congress as it may see fit.

Mr. Bacon—I would ask the Senator from Massachusetts to add to what he has so admirably said the fact that the question as to any future claims being made has been considered, and the view of the Department and of those

who have had consideration of the matter is that ample time has been given for the presentation of all claims, and that if any are hereafter presented there will be no complication, because the judgment is that they would be barred by lapse of time and laches on the part of anyone who might hereafter present them.

Mr. Lodge—I am very much obliged to the Senator from Georgia for calling my attention to that point, which is just as he has stated it. Six years have elapsed since the last claims were passed upon by the commission. There was the widest possible advertisement given to the fact that the Government was prepared to settle all claims. They were all heard, awards were made and all the awards paid. In the opinion of the Department no others ought to be paid, and if any such exist they have been forfeited by the lapse of time and their own laches.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

THE GRAND EXHIBITION OF JAPAN.

The following general regulations adopted by the Japanese Government in regard to the Grand Exhibition to be held in Tokyo in 1912 have been made public:

The general regulations which have heretofore been adopted for the Grand Exhibition of Japan, to be held in Tokyo in 1912, are as follows: (The location of different exhibition buildings and allotment of space, as well as the rules and regulations for exhibits will be communicated as soon as they are finally decided upon.)

The Grand Exhibition of Japan will be opened on the 1st day of April, 1912, and will be closed on the 31st day of October of that year.

The location of the exhibition will be the Aoyama Parade Ground in the city of Tokyo, first, second and third blocks

of Kitamachi, Aoyama of the said city, about three-quarters of the Imperial Estate of Yoyogi, Toyotama District, Tokyo Prefecture, and that portion of the lot connecting the said Parade Grounds and the Imperial Estate, along which the formerly called Kobu Railway runs.

The entire site of the exhibition will comprise about 292 acres (about 350,000 tsubos).

All foreign governments and peoples are invited to participate in this exhibition. For the instalment of foreign exhibits, belonging to the five different departments of education, science, machinery, electricity and manufactured goods, space will be allotted in the exhibition buildings erected by the Administration Office of the Grand Exhibition of Japan. For exhibits other than those above designated, any nation may erect a separate building at its own expense. No charge will be made for space allotted for such building.

Any nation may, if it so desires, exhibit articles belonging to the aforesaid five departments and also other articles not coming under these headings in the building erected by such nation at its own expense. No charge will be made for space allotted for such building.

All articles which shall be imported from foreign countries for the sole purpose of exhibition, and not used for commercial purposes in this country, and all materials for the buildings of foreign governments, or special exhibition buildings and decorations thereof, will be admitted free of duty. It is proposed to make a special arrangement concerning articles which shall be imported from foreign countries for sale at bazaars, or things intended for amusement and shows which are liable to customs duty, and a bill to that effect will be introduced in the next session of the Diet.

It is also intended to afford special protection to all inventions, designs, models of utility and trademarks of foreign exhibits, and a bill to that effect will be introduced in the next session of the Diet.

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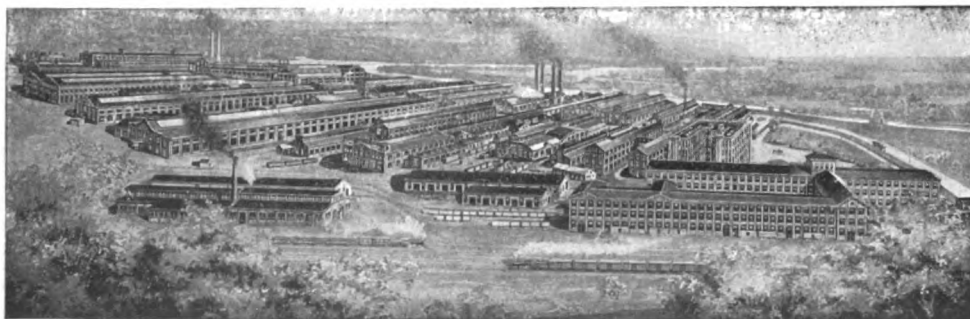
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It is not surprising that even in the brief period of the existence of the United States Court for China it should have been found that the body of laws affecting Americans in China lacks both definiteness and comprehensiveness. Whether the Denby Bill presents a satisfactory cure for existing defects in the law and practice by which the Court must be governed, we cannot undertake to say. On one point the provisions of the Bill do not appear to cover the defect pointed out in the memorial of the American Association of China. In regard to extradition, that document made the following declaration: "As the law now stands, no fugitive from justice can be delivered up to other governments by the American authorities in China, nor can said authorities make demand upon other governments for the return to China of fugitives from justice. Persons accused of crimes in China, whether of American or other nationality, who have escaped to the United States, cannot be returned here for trial. This results in the escape from punishment of a large percentage of Americans who commit crimes in China, and tends to make this jurisdiction an asylum for American citizens who are fugitives from justice from other countries. This difficulty could easily be overcome by providing that, for purposes of extradition, China shall be regarded as American territory." By way of correcting this state of things the Denby Bill provides that the provisions of certain designated sections of the Revised Statutes "shall apply to the jurisdiction of the United States in China for the arrest and removal therefrom of any citizen of the United States who is a fugitive from justice charged with the commission within the jurisdiction of any foreign state or power of any of the crimes provided for by the treaties between the United States and such foreign state or power, and for the delivery by a foreign government of any citizen of the United States accused of crime within the jurisdiction of the United States in China. Such fugitive from justice of a state or power aforesaid may, upon a warrant duly issued by an official of the United States in China vested with judicial authority and agreeably to the usual mode of process against offenders therein, be arrested and brought before such official, who shall proceed in the matter in accordance with the provisions of the Revised Statutes hereby made applicable to the jurisdiction of the United States in China."

BUT suppose the case of an Englishman who should forge a draft at Tientsin, and then escape to the United States, it does not appear that the proposed amendment to the law would permit of his apprehension in this country and his

return to the jurisdiction of the British Consular Courts in China for trial. In trying to render it impossible for the American jurisdiction in China to become an asylum for American citizens who are fugitives from justice from other countries, the necessity seems to have been overlooked of preventing the United States from becoming an asylum for the criminals of every nationality in China and other countries where the right of extra-territorial jurisdiction is recognized. Of course, should an American commit a crime in China and escape to the United States, he would, under the provisions of Section 1035 of the Revised Statutes, be apprehended and returned to the jurisdiction of the United States Court for China, and this section is duly re-enacted in the Denby Bill. But no provision appears to be made either by law or treaty for a foreigner who, having committed a crime in China, should escape to the United States. There is thus an apparent necessity for the passage of a law somewhat to the following effect, calculated to close the loophole which has been left open for the escape of criminals from foreign jurisdiction, in alien territory. "That whenever a citizen of a nation with which the United States has entered into a treaty of extradition shall be accused of a crime cognizable under such treaty, committed within the territory of a nation in which both the United States and the nation of which the accused is a citizen exercise extra-territorial jurisdiction, the said accused, if found within the jurisdiction of the United States, shall, upon the request for his extradition, submitted in due form, in accordance with the provisions of said treaty by the government of which said accused is a subject, be delivered to such government for trial by its competent judicial authorities within the jurisdiction in which the alleged crime was committed."

THE bill providing for the construction of Consular buildings in China, Japan and Corea, which was originally designated House Joint Resolution Number 90, but now appears on the Calendar as House Bill 15,111, has been favorably reported by the sub-committee having it in charge to the Committee on Foreign Affairs, and the chances of its early report to the House appear to be good. The attitude of Speaker Cannon toward it is more doubtful, and the fact is recognized that there would be very little prospect of passing it in face of his opposition. Some of the minor appropriations contained in the original bill have been dropped, but the gross appropriation still amounts to \$1,300,000. As we have already noted, the bill in its present form makes no mention of moneys in the Treasury received from China for indemnity against losses and expenses incurred by reason of the Boxer disturbance. As will be perceived, Senator Cullom, the chairman of the Senate Committee on Foreign Relations, has exhibited commendable diligence in presenting these appropriations in advance to his committee and to the Committee on Appropriations in the form of amendments to the Diplomatic and Consular appropriation bill. The first of the Cullom amendments includes all the appropriations contemplated in the bill now in the hands of the House Committee, while the other simply appropriates \$500,000 for buildings at Shanghai.

ANOTHER bill introduced by Senator Cullom, which we have elsewhere printed, provides for the participation by

the United States in the International Exposition to be held at Tokio in 1912. It will be remembered that the President in his annual message to Congress strongly recommended the cordial participation of this country in the Japanese exposition, and, critical as Congress is disposed to be of appropriations for exposition purposes, there are special reasons why the invitation of the Japanese Government to the Government of the United States should meet with hearty acceptance and should elicit such a representation of this country at Tokio in 1912 as may serve to promote the trade and enhance the good understanding existing between the two nations.

THAT the exhibition will have a considerable educational value for Japan is as certain as that it will be a very instructive show for visitors from other nations. Already the preparation for the exposition has produced a searching of heart in Japan in regard to the counterfeiting of foreign trademarks. It is highly significant to find the question asked what would happen to the exposition if the feeling of insecurity about the trademark administration of Japan should become general, and it is perhaps still more significant to find a native newspaper emphasizing the fatal effects which must ultimately accrue to the export trade of Osaka by having it understood that it is largely composed of inferior imitations of foreign wares. To have the great manufacturing centre of Japan become notorious for its spurious products is the poorest kind of commercial policy, and, ethical considerations apart, it does seem as if the dictates of an intelligent self interest might be sufficient to check the growth of an evil which has already done incalculable damage to the foreign trade of Japan.

THE completed returns of the trade for the calendar year which will be found in this number of THE JOURNAL are somewhat depressing. Only in two great items of our export trade to China do they indicate any elasticity—in mineral oils and in wheat flour. The latter shows a very substantial increase, both in the shipments to Hongkong and to Shanghai, while the former has fairly established the average which they maintained before the boycott. In the case of cotton cloth, the shrinkage is unexampled, but the causes responsible for it are also without example in the history of this trade, and the only satisfactory reflection which can be offered is that there is every evidence that these causes have nearly spent their force. The general returns of the export trade to China are a good deal more encouraging than might be expected. For example, the shrinkage of the total exports to China for 1907, as compared with 1906, comes within \$7,000,000, and this is partly offset by an increase of nearly \$3,000,000 in the exports to Hongkong. A total export trade to China and Hongkong of \$32,500,000 leaves no room for discouragement as to the future, and indicates a very solid basis of trade which is not affected by temporary depression. What is known as the balance of trade is still somewhat in favor of China, the total of our imports from the Chinese Empire and Hongkong for 1907 being, in round figures, \$37,000,000 against somewhat less than \$33,000,000 in 1906. The export trade to Japan has increased \$6,500,000 over last year, and our imports from Japan have increased \$7,000,000. The "balance" of \$30,000,000 in favor of Japan remains unimpaired—a guaranty of peace and amity between the two nations which alarmists seem disposed to overlook.

Exports of Domestic Cotton Cloths, Mineral Oils, and Wheat Flour from the United States to China and Hongkong, during the twelve months ending Dec. 31, 1906 and 1907.

EXPORTS TO CHINA.

Months.	Cotton Cloths.		Mineral Oils.		Wheat Flour.	
1906.	Yards.		Gallons.		Barrels.	
January	45,178,409	\$2,532,515	3,307,162	\$247,699	28,774	\$96,746
February	40,068,662	2,299,574	795,586	84,404	2,504	9,535
March	30,065,980	1,730,955	3,928,492	237,514	7,757	27,526
April	38,398,916	2,460,385	2,756,782	155,325	3,818	12,784
May	30,702,112	1,993,654	3,494,600	359,493	32,633	108,426
June	23,499,621	1,549,772	8,984,714	718,286	10,515	38,272
July	16,895,213	1,070,858	6,554,814	514,067	40,024	155,473
August	11,542,141	762,060	2,850,549	118,952	14,582	50,534
September	15,389,513	1,016,379	3,836,010	181,004	67,581	243,288
October	8,796,507	555,740	2,929,800	128,200	218,590	759,955
November	7,767,251	531,273	3,928,820	392,882	45,975	165,757
December	2,895,000	201,658	6,724,260	528,538	86,603	271,864
Total	271,199,275	\$16,704,823	49,733,484	\$3,607,457	541,599	\$1,846,388

1907.	Yards.		Gallons.		Barrels.	
January	1,613,462	\$112,456	7,259,261	\$500,088	80,567	\$265,564
February	3,556,507	250,293	5,701,237	488,363	115,062	382,467
March	4,447,000	295,627	11,670,174	939,393	306,946	1,042,870
April	6,346,106	446,784	10,097,174	741,179	253,943	849,248
May	4,118,488	291,791	7,751,932	587,927	261,449	880,847
June	3,086,840	179,272	8,841,082	763,993	310,987	1,131,203
July	3,863,460	272,205	11,456,360	980,855	86,448	310,426
August	4,807,901	392,629	2,875,430	239,930	102,862	385,654
September	1,859,085	136,873	6,802,922	557,972	41,289	147,457
October	1,965,401	141,000	8,978,444	512,315	33,026	123,769
November	1,481,290	112,653	2,133,690	232,572	6,201	23,413
December	1,298,319	96,945	2,070,050	116,435	4,165	17,198
Total	38,443,859	\$2,678,528	85,543,529	\$6,634,399	1,603,035	\$5,560,116

EXPORTS TO HONGKONG.

Months.	Cotton Cloths.		Mineral Oils.		Wheat Flour.	
1906.	Yards.		Gallons.		Barrels.	
January	21,428	\$2,815	55,704	\$8,470	81,395	\$313,296
February	24,514	5,630	2,810	759	105,367	388,473
March .....	.....	.....	80	25	48,941	178,973
April	68,404	10,155	88,173	13,149	46,532	181,163
May	37,357	5,980	1,649,900	169,819	67,965	258,598
June	36,805	4,702	.....	.....	31,423	122,440
July	50,027	6,228	15,063	2,346	65,248	229,973
August	100,392	9,345	414,560	42,700	94,848	352,466
September	73,674	10,041	2,279,850	198,270	93,680	359,384
October	63,879	8,109	1,650,910	165,100	98,187	364,904
November	22,621	2,927	.....	.....	92,545	349,077
December	69,227	9,089	1,427,950	142,800	103,487	362,374
Total	568,328	\$75,021	7,423,170	\$718,689	929,618	\$3,460,161

1907.	Yards.		Gallons.		Barrels.	
January	26,890	\$4,052	250	\$100	56,708	\$193,828
February	46,467	7,610	1,996,250	205,345	101,949	387,496
March	66,397	7,630	115,967	13,243	40,309	147,965
April	83,997	11,462	985,871	107,740	67,685	248,296
May	28,328	3,217	.....	.....	121,187	448,033
June	5,000	1,305	3,319,545	312,423	146,593	526,930
July	222,044	30,804	1,500,000	159,750	97,292	355,580
August	11,628	2,615	1,775,960	207,984	51,144	205,970
September	76,096	10,227	.....	.....	99,184	367,031
October	47,261	6,708	.....	.....	56,102	215,526
November	39,334	4,344	.....	.....	134,630	503,094
December	41,695	6,094	1,600,000	72,000	121,972	458,258
Total	695,137	\$96,068	11,151,505	\$1,059,884	1,094,955	\$4,058,007

DEPARTMENT OF COMMERCE AND LABOR.

Bureau of Statistics.

WASHINGTON, D. C., January 31, 1908.

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Imports of Tea and Silk into the United States for the twelve months ending:
Dec. 31, 1905, 1906 and 1907.

TEA.

	1905.		1906.		1907.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
Imported from						
United Kingdom.....	7,382,613	1,630,597	8,554,520	1,853,060	9,820,195	2,283,747
British North America....	2,002,758	484,927	2,301,201	548,290	2,373,345	579,317
Chinese Empire.....	38,814,095	5,155,840	32,954,924	4,335,536	33,135,985	4,503,547
East Indies.....	6,741,188	942,905	8,081,688	1,140,490	7,170,671	1,195,876
Japan	41,338,766	6,707,128	36,586,320	5,974,634	45,814,892	7,878,804
Other Asia and Oceania...	333,500	45,029	671,753	121,763	501,153	80,329
Other countries.....	166,225	37,162	287,351	67,273	301,102	78,702
Total	96,779,145	15,003,588	89,437,757	14,047,046	99,117,343	16,660,322

RAW, OR AS REELED FROM THE
COCOON.

SILK.

	1905.		1906.		1907.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
Imported from						
France	643,313	2,086,956	474,286	1,881,042	527,987	2,234,168
Italy	3,975,784	15,144,613	3,728,822	15,324,939	3,352,233	16,663,134
Chinese Empire.....	3,245,402	9,500,589	2,769,228	8,698,076	3,056,585	11,437,585
Japan	7,486,120	27,529,731	9,764,246	38,461,954	8,618,658	40,844,344
Other countries.....	164,099	550,405	107,453	368,482	135,981	597,143
Total	15,514,718	54,812,294	16,844,035	64,734,493	15,691,444	71,776,374
Waste lbs.... free	3,987,869	1,410,682	1,810,776	935,713	1,910,276	1,297,357
Total manufactured...	.....	56,239,380	.....	65,673,279	.....	73,097,581

THE UNITED STATES COURT IN CHINA.

Memorial of the American Association of China to the President and Congress of the United States on the Need of a More Complete Body of Laws for Americans in China.

To the President and Congress of the United States:

The Hon. William H. Taft, in an address delivered in Shanghai during his recent trip around the world, dwelt at some length on the needs of a more complete body of laws for Americans in China.

Since this is a matter of vital importance to American interests here, the American Association of China takes this occasion to submit to you a statement, amplifying the facts upon which the observations of the Secretary of War were based, and to petition that the subject receive special attention during the coming session of Congress.

I.—LAWS.

INADEQUACY OF THE "COMMON LAW."

The main body of laws which Congress has extended to Americans in China is that embraced within the meaning of the term "common law." Pursuant to the Treaties of Extraterritoriality of 1844 and 1858, Congress enacted statutes clothing the American consuls in China with judicial functions and vesting them with jurisdiction to apply the principles of the "common law, equity and admiralty." The act of June 30, 1906, creating the United States Court for China, did not amplify the jurisdiction formerly exercised by the consular courts. The American law of extraterritoriality has not been developed by legislation or by judicial interpretation since the original statutes of

1848 and 1860 were enacted. There is ~~no~~ such thing in the United States as a national common law, and since Congress has not indicated what the term "common law," as used in the statute was intended to comprehend, it is well nigh impossible to apply the principles of law now in force in China with any degree of certainty. Before the United States Court for China was established, there was no uniformity in the administration of the law by the consular courts. When the United States Court for China was organized, it was confronted with a number of important jurisdictional questions, and, in order to determine them, it became necessary to interpret the term "common law" as used in the statutes. This term was held by the court to include those general principles of the common law of England and the acts of Parliament passed in aid thereof which were adapted to the situation and circumstances of the American Colonies at the date of the transfer of sovereignty, and which were incorporated generally into the laws of the various States. Experience has demonstrated that the law as it now stands is unsatisfactory and altogether inadequate on account of its vagueness and indefiniteness, because of many omissions, and by reason of anachronisms and harsh provisions, which are repugnant to modern ideas of justice. The court has held that it has jurisdiction in probate matters, and that it has not jurisdiction to determine matrimonial causes. It has also applied the American law of domicile to Americans in China and has found that the treaties of extradition between the United States and other countries do not apply to China. The American residents of China, at the present time, are in a position similar to that of the American residents of

Japan in 1881, and the statement contained in the memorial addressed by the latter to Congress at that time applies with equal force to the present situation in China. That memorial contained, among other things, the following statement:

"For us there is no statute of frauds. There is no bankruptcy legislation. * * * Imprisonment for debt has not been abolished. The disabilities of women at the common law remain unaltered. We have no statutes of limitation, and none providing for conditional bills of sale or chattel mortgages. In many other respects investigation will show how unfavorable is the legal status of a citizen of the United States resident here."

It is manifest from the foregoing that the difficulties of the situation cannot be overcome by judicial interpretation, but must be met by statutory enactment.

LAW OF PROBATE.

One of the most important branches of business which the American courts in China are called upon to transact is that relating to the administration of the estates of Americans decedent in China. This is a subject in which every American in China is vitally interested, and in respect of which there is much uncertainty and confusion in the law as it now stands. In some cases our consular officers have settled estates administratively, and in other instances they have undertaken to administer them judicially; some have endeavored to follow the common law, and others the laws of the States in which the deceased was originally domiciled. Perhaps no decision of the United States Court for China has given such general satisfaction as that pronounced in the "Roberts Will Case," in which the court determined that it had jurisdiction in the matter of the administration of estates. The court is now confronted with the task of administering estates in accordance with the principles of the common law. Efforts in this direction are bound to prove unsatisfactory. The rules of the common law have been modified to such an extent by acts of Parliament and by the administration of the ecclesiastical courts in England, and the subject has been so thoroughly covered by statutory enactment in the various States of the Union, that an attempt on the part of the courts to follow strictly the rules of the ancient common law will deprive heirs of many rights now universally secured to them by modern legislation. There is great need of a simple, expeditious and inexpensive method for the settlement of estates. Many of our citizens are scattered throughout the empire, and while it often happens that estates are small, this fact does not diminish the importance of an inexpensive and expeditious method of settlement.

It has been suggested that a public administrator be appointed for the consular district in which Shanghai is located. This would very much expedite the settlement of estates, and would be a great boon to Americans who reside in this part of China. Shanghai being the commercial centre of the empire, a majority of Americans of property reside in this consular district. There are no corporations here which undertake the administration of estates, and it is difficult on account of the confusion of

the laws and the transitory character of foreign residence here to find Americans who will accept the responsibilities of administration.

In this connection attention is also invited to the desirability of having settled by statutory enactment the law of domicile in China. This question lies at the root of extraterritoriality, and determines the civil status of our citizens here in the matter of the disposition of their estates. The United States Court for China has decided (contrary to the rule laid down by the British court), that an American citizen can acquire an extraterritorial domicile in China in the same manner that domicile is acquired in other American jurisdictions. If the Appellate Court should reverse this ruling, the effect would be that not only the estates which have already been closed would be disturbed, but it would also put the court to the necessity in future of administering estates in accordance with the laws of forty-six different commonwealths. On account of the importance of the subject, and the unsettled condition of the law relating thereto, it is suggested that it be considered by Congress in connection with the law of probate.

CRIMINAL LAW.

The criminal law now in force in China must necessarily be revised. The common law is fatally defective in that it fails to define many offenses which are universally covered by the statutes in the various States of the Union, and, furthermore, as the law now stands, there is no scale of punishments provided for the guidance of the court. In this connection, attention is also invited to the fact that there has been considerable discussion among Americans in China on the subject of the need of assessors to sit with the court in the trial of criminal cases for the purpose of aiding the court in passing upon the facts. The Association is of the opinion that some provision should be made covering this matter, since it is inadvisable to extend the jury system to China at this time.

ADMISSION OF LAWYERS TO THE BAR.

There is no statute on the subject of the admission of lawyers to the bar of the American courts in China. The United States Court for China was called upon to meet this question at the very outset, and it did so by publishing a rule requiring applicants to qualify in the usual way, taking an examination and furnishing certificates of moral character satisfactory to the court. Since this action of the court has evoked considerable discussion both in China and in the United States, the Association recommends that some such provision be inserted in the law for China as that contained in Section 281 of the Code of the District of Columbia, which is as follows:

"That the court shall have full power and authority from time to time to make such rules as it may deem proper respecting qualification, examination and admission to practice in such court."

In the matter of the admission of lawyers to practice in the consular courts, provision should be made requiring applicants to file certifications of admission to the bar of the United States Court for China in districts where American lawyers reside. In outlying districts where there are no lawyers, the consular officer should have discretion to

permit any suitable person to appear in behalf of litigants.

EXTRADITION.

The subject of extradition is one that should unquestionably be dealt with by Congress at an early date. As the law now stands, no fugitive from justice can be delivered up to other governments by the American authorities in China, nor can said authorities make demand upon other governments for the return to China of fugitives from justice. Persons accused of crimes in China, whether of American or other nationality, who have escaped to the United States, cannot be returned here for trial. This results in the escape from punishment of a large percentage of Americans who commit crimes in China, and tends to make this jurisdiction an asylum for American citizens who are fugitives from justice from other countries. This difficulty could easily be overcome by providing that for purposes of extradition China shall be regarded as American territory. Such a provision would conform with the practice of other Western powers in China.

LAW OF CORPORATIONS.

On account of the growth of our trade, and the consequent necessity for the organization of our merchants into joint stock companies, it is suggested that a law be enacted providing for the organization of corporations in China. Under the laws of the British Colony of Hong Kong, any seven persons, regardless of nationality, may upon complying with certain general requirements of the Hong Kong ordinances, secure a charter for a limited liability company having British nationality in China and elsewhere. The great advantage of British prestige in thus placing under the British flag and protection important enterprises and large aggregations of capital of all nationalities needs no comment. Substantially all of the joint stock companies which operate in China are organized under these ordinances. If an American law of corporations should be extended to China, it would result in manifest advantages to American merchants in China and would encourage them to organize under their own laws.

LAW OF REAL PROPERTY.

Attention is called to difficulty which foreign nations operating in China experience in applying the foreign laws of real property in China. The difficulty arises over the question whether the courts in cases involving realty shall be governed by American law in force in China or by the Chinese law. In order to obviate further difficulty on this subject it is recommended that there be a specific enactment providing that in administration of estates realty shall be regarded as personality.

BANKRUPTCY, ADMIRALTY AND DIVORCE.

It should also be provided that the United States Court for China should exercise the same jurisdiction in admiralty and bankruptcy cases which is exercised by the United States Court at home. Some provision should also be made for a law of divorce for Americans residing in China.

JURISDICTION OF CONSULAR COURTS.

Experience has demonstrated that it is impossible for the United States Consul-General at Shanghai to perform his judicial functions and at the same time discharge in

a proper manner his duties as commercial and diplomatic agent of the nation. It is therefore recommended that he be relieved of all judicial authority and that the same be conferred upon some official of the United States Court for China. It is also recommended that in matters of probate jurisdiction all consuls out of Shanghai be empowered to administer estates of the value of \$1,000 United States currency. The probate work of the consular courts should be entirely under the supervision of the United States Court for China, through which all necessary reports to the Government at Washington should be made.

SALARIES OF COURT OFFICIALS.

Attention is called to the fact that the expense of living in Shanghai has increased rapidly in recent years and, on account of the peculiar conditions which exist here, the pecuniary demands upon officials of foreign nations are heavy. By reason of the metropolitan character of Shanghai, as well as the peculiar ideas on the subject of official form and dignity entertained by the Chinese, it is incumbent upon the officials of our Government to live in a manner that comports with the importance of their offices. To this end liberal salaries and allowances for quarters are recommended. It may be noted in passing that the Justice of the Supreme Court of Great Britain in Shanghai, a position which corresponds with that of the Judge of the United States Court for China, receives in salary and allowances a sum equal to \$12,500 per annum, and, after retirement, is entitled under the law to receive an annual pension of \$7,500, while the Judge of the American Court only receives \$8,000 per annum, without further allowances.

The usefulness of the court will be greatly enhanced if its officials are put in a position to live in a manner corresponding to the customs of the officials of other leading nations represented in Shanghai. The position of the court in China will be determined largely by the significance which the Government at home attaches to its importance as evidenced by the salaries paid and the character of the men sent out as its officials. Good men cannot be induced to enter and remain in the service unless they are well paid; and they will leave as soon as they realize that every year spent in acquiring valuable experience in China is an added disqualification for renewing the struggle for life at home. In the opinion of the Association the present salaries are inadequate.

BRITISH LAW OF EXTRATERRITORIALITY IN CHINA.

It may not be amiss to call attention in this connection to the manner in which Great Britain has developed her law of extraterritoriality in China. Her treaties with China are identical with those of the United States; and, in the beginning, the laws which she extended to her subjects here were the same as those Congress has extended to Americans in China, namely, the common law, equity and admiralty. By successive foreign jurisdiction acts and numerous orders in council Great Britain has amply provided for the protection and government of her subjects in China. To such an extent has British jurisdiction in China been developed that there is almost no legislative or judicial phase of the law in England which, if necessary in China, has not its counterpart here.

THE LAW TO BE APPLIED.

It is confidently believed by the Association that it is possible by a single act of Congress to provide a body of laws for Americans in China which will be for all practical purposes as adequate as that provided by Great Britain for her subjects in this country; and in order to accomplish this purpose we recommend that, in addition to special provisions covering the peculiar needs of the situation as above outlined, the laws of the State of California, or the laws of the District of Columbia, in so far as they may be applicable and not in conflict with the special acts of Congress relating to extraterritorial jurisdiction, be extended to China.

In accordance with the preceding recommendations, the following bill has been introduced in the House of Representatives by Mr. Denby, of Michigan, and has been referred to the Committee on Foreign Affairs:

A. Bill to amend an act approved June 30, 1906, entitled "An act creating a United States Court for China, and prescribing the jurisdiction thereof."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the act approved June 30, 1906, entitled "An act creating a United States Court for China, and prescribing the jurisdiction thereof," be, and the same is hereby, amended to read as follows:

"Section 1. Establishment of the Courts.—To give full effect to the provisions of the treaties between the United States and China, the jurisdiction in and for China by said treaties acquired and undertaken by the United States over all citizens of the United States in China, and their property there situate, shall be exercised through the courts of the United States in China.

"There shall be a court, to be called the United States Court for China, which shall have general jurisdiction in all cases and judicial proceedings whereof jurisdiction may be exercised by the United States in China by law and by virtue of the treaties between the United States and China; and there shall be a United States consular court for the consular district of Shanghai, to be called the United States Consular Court for Shanghai; and there shall be United States consular courts in all other consular districts in China, with jurisdiction as herein limited, one consular court for each consular district.

"The United States Court for China shall be constituted of a judge and a district attorney, who shall be lawyers of good standing and experience, a clerk of court, a marshal, and a public administrator for China, each of whom shall be appointed by the President by and with the advice and consent of the Senate, and the said officials shall receive as salary respectively the sum of \$10,000 a year for said judge, \$5,000 a year for said district attorney, \$3,000 a year for said clerk, and \$3,000 a year for said marshal. The public administrator for China shall be compensated as hereinafter provided. The tenure of the office of the judge of the United States Court for China shall be for ten years, unless sooner removed by the President for cause. The tenure of the other officials of the court shall be at the pleasure of the President. In addition to the

foregoing officials the court may appoint a deputy clerk, who shall be paid a salary of \$2,250 a year; a court stenographer, who shall receive a salary of \$2,250 a year; a stenographer to the district attorney and marshal, who shall receive a salary of \$2,000 a year; and a stenographer to the public administrator for China, who shall be paid a salary of \$2,000 a year.

"The United States Consular Court for Shanghai shall be constituted of a judge, a district attorney, a marshal and a clerk of court. The district attorney, marshal and deputy clerk of the United States Court for China shall be ex officio district attorney, marshal and clerk of the United States Consular Court for Shanghai. The office of judge of the United States Consular Court for Shanghai and that of public administrator for China shall be filled by one and the same person, who shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold office at the pleasure of the President, and shall receive a salary of \$5,000 a year. It shall be the duty of the judge of the United States Consular Court for Shanghai to perform the duties of the judge of the United States Court for China in his absence and during his disability. He shall also hold terms of the United States Court for China at such places and at such times as the judge of the United States Court for China may direct.

"The United States Consul-General at Shanghai is hereby divested and relieved of all jurisdiction heretofore by virtue of office or law by him had or exercised, and said jurisdiction is hereby conferred upon said United States Consular Court for Shanghai, which shall have and exercise said jurisdiction.

"The consular courts other than said Consular Court for Shanghai shall be constituted of a consul as consular judge, and of a clerk of court, who shall act as marshal and who shall be appointed by the consular judge.

"Sec. 2. Duties of Court Officials.—It shall be the duty of the district attorney to prosecute in China all delinquents for crimes and offenses cognizable under the authority of the United States and within the jurisdiction of the United States Court for China, and he may prosecute in China all delinquents for crimes and offenses cognizable under the authority of the United States and within the jurisdiction of the consular courts, and he shall prosecute all civil actions in which the United States is concerned, and if required by the Secretary of State he shall appear in behalf of consular officers in all suits and proceedings against them for any act done by them in their official capacity. For the detection of crime and in investigation of criminal cases the district attorney may subpoena witnesses to appear before him and give evidence, and for this purpose he is empowered to administer oaths and affirmations to such witnesses; and if any person to whom such oath or affirmation shall be administered shall wilfully and falsely swear or affirm, touching any matter or thing material to the point in question on which he shall be examined, he shall be deemed guilty of perjury and punished accordingly. The Minister or any consul in China may require the opinion in writing of the district attorney on any question of law arising in the administration of his office.

"The district attorney or other court official designated

by the Secretary of State shall send to the Secretary of State annually a general and statistical report, based upon or including similar reports to be filed in the United States Court for China by the clerk of the court and the marshal of said court, and by the clerk of each consular court, and by the public administrator for China, showing the operation of this act during the year ending on the 30th day of June.

"The district attorney shall have authority to employ, subject to the approval of the court, assistants on behalf of the United States in connection with the investigation or conduct of a case in which the United States is or may become a party.

"It shall be the duty of the district attorney to appear, either by himself or his deputy, and represent the United States in all criminal proceedings and matters in which the United States is interested in the United States Consular Court for Shanghai.

"The district attorney shall not engage in the practice of his profession during his tenure of office.

"The public administrator shall perform such duties as are required of him by law and as the judge of the United States Court for China may direct.

"The clerk of the United States Court for China shall have authority and duties corresponding to those of a clerk of a circuit and of a district court of the United States, and he shall have authority, with the written approval of the judge, to appoint deputies for places outside of Shanghai. Such deputies shall be paid a salary at a rate not to exceed \$5 for each day they are actually engaged in the performance of the duties of the office.

"It shall be the duty of the deputy clerk to aid the clerk in the performance of his duties and in his absence to perform the duties of said official. Said deputy clerk shall also be the clerk of the United States Consular Court for Shanghai.

"The marshal of the United States Court for China shall be by virtue of his office United States marshal for China and as such shall have authority and duties corresponding to those of a United States marshal within the United States. He shall also be marshal of the United States Consular Court for Shanghai and shall have authority from time to time as the condition of business may demand, and subject to the approval of the court, to appoint deputies, who shall be paid a salary not to exceed \$5 a day during the time such deputies are actually employed.

"Sec. 3. Places for Holding Court—Traveling Expenses.—The United States Court for China shall hold sessions at Shanghai, and shall also hold sessions at Canton, Tientsin and Hankow at stated periods. The date of each session at each city shall be announced in the city where the session is to be held not less than fifteen days in advance in such manner as the court may direct. A session of the court shall be held in each of these cities at least once annually. It shall be within the power of the judge, upon due notice to the parties in litigation, to open and hold court at any place permitted by the treaties and where there is a United States consulate, when in its judgment it shall be required by the convenience of witnesses or by some public interest. The place of the sitting of the

court shall be in the United States consulate in each of the cities respectively, except when the judge of the United States Court for China, for reasons to be made of record, shall direct otherwise; and the expense of rental, furnishing and maintenance of rooms for court purposes shall be borne by the respective consulates, excepting at Shanghai, where said expenses shall be borne by the United States Court for China.

"When the sessions of the court are held in cities other than Shanghai the judge shall be accompanied by such officials of the court as he may deem necessary for the proper transaction of business, and said judge and officials shall be paid their actual and necessary expenses for traveling and subsistence while absent from Shanghai and actually engaged in traveling and holding court; and, subject to the approval of the Secretary of State, the expenses of the officials and employees of said court for traveling from their places of residence to their place of station in China and return shall be allowed and paid; and leaves on account of sickness and for vacation may be allowed the officials and employees of said United States Court for China and United States Consular Court for Shanghai by the Secretary of State, and when said officials and employees visit their homes in the United States while on leave one-half of their traveling expenses shall be paid by the United States.

"Sec. 4. Seals of Courts and Bonds of Officials.—The seal of the United States Court for China shall be the arms of the United States engraved on a circular piece of steel of the size of a half dollar, with these words on the margin: 'The seal of the United States Court for China.' The seal of the United States Consular Court for Shanghai shall be the arms of the United States engraved on a circular piece of steel of the size of a half dollar, with these words on the margin: 'The seal of the United States Consular Court for Shanghai.'

"The seals of the United States consular courts other than the United States Consular Court for Shanghai shall be the seals of the United States consulates.

"All writs and processes issuing from said courts and all transcripts, records, jurats, acknowledgments, and other papers requiring certification or to be under seal shall be authenticated by the seals of said courts. All processes issuing from said courts shall bear test from day of said issue.

"The marshal, the clerk, and the deputy clerk of the United States Court for China and the public administrator for China shall be required to furnish bonds for the faithful performance of their duties in sums to be fixed and with sureties to be approved by the court, and the costs of said bonds shall be paid by the United States.

"Sec. 5. Assessors.—Each consul shall prepare and file in the United States Court for China, not later than the 30th day of June annually, and at other times as the judge of said court may direct, a list containing, unless declared by him on oath for want of numbers impracticable, the names of not less than twelve citizens of the United States residing within the consular district, and in the consular district of Shanghai not less than forty, well fitted by education, natural ability, and reputation for probity, to

sit as assessors in the trial of actions within the said consular district.

"An assessor shall not be excused from attending and serving for trivial cause or for hardship or inconvenience, but only when material injury or destruction of his property or that of the public intrusted to him is threatened or when his own health or the sickness or death of a member of his family necessitates his absence.

"The court may, for lawful cause shown, excuse from attendance generally or in a particular action any person liable to be summoned as assessor, and may, for like cause, discharge any assessor from further attendance.

"Any person summoned to attend and serve as an assessor who shall fail or discontinue, without lawful excuse, so to attend and serve shall be liable, under summary order of court, to a fine not exceeding \$100.

"Each assessor shall be paid \$3 for each day or portion of a day of attendance. The payment shall be made, in civil cases, from the deposit on account of costs which shall be required of the plaintiff and it shall be made an item of the costs to be paid as finally taxed by the court; and in criminal cases the payment shall be made from the public funds or otherwise, subject to the order of the court.

"Upon the filing, by either party to an action in any court of the United States in China, of a written application to have the action tried with assessors, the court shall make an order that the parties forthwith appear and select the assessors in the presence of the judge or of the clerk of court by striking out of names from the full list of assessors, one by the plaintiff, then one by the defendant, and so proceeding alternately until the requisite number of assessors, as hereinafter provided, shall remain; and if any person whose name shall be among said remaining shall be found to be, according to law, disqualified, then the judge or clerk of court shall draw one name by lot from the names originally stricken out; and similarly there shall be a drawing of names until the full number requisite for the trial shall be obtained. Thereupon the court shall issue a writ of summons to each person so selected to attend and serve as an assessor in said action.

"The number of assessors in any action shall be at least two and not more than six, and in an action for a capital offense not less than six.

"Before entering upon his duties each assessor shall be sworn to the faithful performance of said duties.

"The duties of an assessor shall be to attend court throughout the course of the action and, until discharged or dismissed, to give findings of fact in the course of the action, if required by the judge, and before the final order, judgment, or decree shall be rendered; but the findings of fact and the decisions made in the final order, judgment, decree, or sentence shall be solely that of the judge.

"If two or more assessors shall agree in opinion that the findings of fact or decision as made in the final order, judgment, decree, or sentence are wrong, they shall write, sign, and certify their joint dissent therefrom and their reasons for dissent and file the same in the court; and the said dissent shall, if the action shall be taken to the Appellate Court, form a portion of the transcript on appeal.

"Sec. 6. Jurisdiction.—Jurisdiction in both criminal and civil matters shall in all cases be exercised and enforced in conformity with the laws of the United States, which are hereby, so far as they are necessary to execute the treaties between the United States and China, and so far as they are suitable to carry the same into effect, and are in substance applicable and not in conflict with specific legislation extended over all citizens of the United States and their property in China, to the extent that said treaties justify or require; but in all cases where the laws of the United States are not adapted to the object or are deficient in the provisions necessary to furnish suitable remedies and protection to citizens of the United States and their property in China, the laws of the State of California where not inapplicable shall be extended in like manner over said citizens and their property in China: Provided, however, That the judge of the United States Court for China shall have authority from time to time to modify and supplement the rules of procedure contained in said laws of the State of California, and the modifications and amendments so made by said judge shall have, upon the approval of the Secretary of State, the force and effect of law.

"Sec. 7. Appeals from the United States Court for China.—Appeals may be taken from all final judgments or decrees of said court to the United States Circuit Court of Appeals for the Ninth Judicial Circuit, and thence appeals and writs of error may be taken from the judgments or decrees of said Circuit Court of Appeals to the Supreme Court of the United States in the same class of cases as those in which appeals and writs of error are permitted to judgments of said Court of Appeals in cases coming from district and circuit courts of the United States. Said appeals and writs of error shall be regulated by the procedure governing appeals within the United States from the district courts to the Circuit Courts of Appeals, and from the Circuit Courts of Appeals to the Supreme Court of the United States, respectively, so far as the same shall be applicable, and the said courts are hereby empowered to hear and determine appeals and writs of error so taken: Provided, however, That there shall be no review of the findings of fact in actions of whatever nature originally involving a value not exceeding \$500 or a penalty of \$100 fine or sixty days' imprisonment, or both, if heard without assessors, or, in which, whatever the value or penalty involved, being heard with assessors, the judge and a majority of the assessors shall have agreed in the findings.

"Sec. 8. Jurisdiction of Consular Courts—Relation of Courts and Removal of Actions.—Except as hereinafter modified or extended, the consular courts shall have concurrent jurisdiction with the United States Court for China in civil actions where the sum or value of the property alleged to be involved in the controversy does not exceed \$500 United States money, and in criminal cases where the punishment for the offense charged cannot by law exceed a fine of \$100, United States money, or imprisonment for ninety days, or both. Such consular courts shall have power to arrest, examine, and discharge accused persons, or to commit them for trial to the United States Court for China: Provided, That appeal may be taken to the

United States Court for China from all final judgments of the consular courts and from the consular court of the United States in Korea. Cases so appealed shall be tried by the United States Court for China *de novo*.

"The courts of the United States or of any district or territory governed by the United States and the United States Court for China shall be auxiliary one to another for the service and execution of process; and for a like purpose the courts of the United States in China shall be auxiliary one to another subject to the rules of court.

"Upon the report of a consular court showing that exceptional difficulties exist in any action cognizable by said court or upon the application of a party concerned or on its own motion and for reasons to be made of record, the United States Court for China may require the action to be originally commenced in or at any time removed to the United States Court for China or it may direct that the action be heard or reheard and determined in the consular court and under what special procedure.

"Sec. 9. Bankruptcy, Patents, Trademarks and Copyrights.—Subject to the provisions of the present act, the act of Congress of July 1, 1898, to establish a uniform system of bankruptcy throughout the United States, with all the amendments thereto made, or which shall be made, and the general orders and forms in bankruptcy adopted and established by the Supreme Court of the United States on November 28, 1898, shall be extended to the jurisdiction of the United States in China, and the United States Court for China is invested with full jurisdiction thereunder.

"Residence in China of a citizen of the United States for a period of six consecutive months shall be requisite to establish residence in bankruptcy jurisdiction. The appointment or not of a referee or referees in bankruptcy under said act shall be discretionary with the court.

"The laws of the United States relating to the protection of patents, trademarks, and copyrights, with amendments thereto, are hereby extended to the jurisdiction of the United States in China, and the United States Court for China shall have full jurisdiction over any offense by a citizen of the United States against such laws, whether the same is done in relation to any property or right of a citizen of the United States or of a Chinese or of a foreigner, or otherwise whatsoever.

"Sec. 10. Wills and Administration.—The courts of the United States in China are hereby vested with authority to probate the wills and administer estates of Americans decedent in China, and for the purpose of exercising this authority China shall be regarded as a separate and complete jurisdiction of the United States as fully as if it were territory belonging to the United States. In all cases where said decedent Americans are domiciled in China at the date of their death said court shall exercise jurisdiction in accordance with the provisions of this act. In those cases where the deceased is not domiciled in China at the date of death the courts shall be guided by the laws of the domicile of the deceased.

"An American citizen shall be deemed to have been domiciled in China if it appears that he had freely chosen China as the place of his abode and had no present intention of removing therefrom.

"Sections 1709 to 1711, inclusive, of the Revised Statutes of the United States, prescribing the duties and authority of consuls with respect to citizens of the United States dying within their respective consular districts shall not apply to consuls of the United States in China.

"The United States Court for China shall have jurisdiction over the estates of all Americans decedent in China, and said jurisdiction shall be exclusive in the United States consular district for Shanghai and in all other districts where the amount exceeds \$2,000, United States currency. The consular courts of the United States in China, except the United States Consular Court for Shanghai, shall have concurrent jurisdiction with the United States Court for China over all estates where the amount involved is \$2,000, United States currency, or less. In all such estates it shall be the duty of the judge of the consular court immediately upon the report of death to take charge of said estates and administer the same promptly and in accordance with the law, and for the purpose of aiding said consular courts in the performance of their duties under this act it shall be the duty of the judge of the United States Court for China to issue rules of procedure for the guidance of said consular courts. It shall be the duty of said consular courts to file with the public administrator for China a copy of the proceedings in all estates, together with the final order of distribution, who shall in turn file the same with the judge of the United States Court for China for examination and approval. The consular judges shall make reports to the public administrator for China of all estates aforesaid semi-annually or otherwise, as the judge of the United States Court for China may direct.

"When it appears that the amount of an estate exceeds \$2,000 it shall be the duty of the judge of the consular court of the district in which the death occurred to report the same to the United States Court for China and to render said court such aid in the conservation of the property and administration of the estate as the circumstances may warrant and the interests of justice may demand. Upon the death of a citizen of the United States within his consular district, or pending the obtaining of information or being notified what property exists in said district belonging to a citizen of the United States deceased elsewhere, the judge of the consular court shall immediately report the same to the public administrator for China and shall take all necessary steps for the preservation of said estate.

"The public administrator for China shall take charge of and administer according to law those estates which the provisions of this act make it his duty to administer: Provided, however, That when such estates are located outside of the consular district of Shanghai and it appears that they can be administered more expeditiously by the consular courts, it shall be the duty of said courts, when so ordered by the United States Court for China, to appoint an administrator and supervise the administration of the estate and report the results of the same to the public administrator.

"Whenever it becomes necessary to send property to the United States for distribution such property shall be sent to the public administrator for China, who shall forward

the same under the direction of the United States Court for China.

"The public administrator shall charge such fees for his services as the court may allow, and the same shall be applied to defray the necessary expenses of administration. After such expenses are defrayed if there be a balance it shall be covered into the Treasury of the United States.

"A consular judge shall have and discharge all the powers and duties appertaining to the office of coroner in the State of California in relation to the deaths of citizens of the United States occurring in his consular district, and in relation to the deaths of persons which have occurred at sea, whether or not on board a ship of American registry. The consular judge as coroner shall reduce his findings to writing, and shall immediately notify the district attorney of the findings.

"The estate situate in China of a citizen of the United States dying intestate in China, or of a citizen of the United States dying beyond the territory of China, shall be deemed to vest from the date of death, and pending the appointment and qualification of an administrator, in the consul of the United States for the consular district in which the deceased died or in which the property is situated.

"Estates of a value not exceeding \$5,000 and not involving real property may, in the discretion of the judge, be administered summarily, either by himself or by the executor or administrator. The requisites of a summary administration shall be the making and entering of record of a certified report of death, the proof and recording of the last will, if any, notice by publication or otherwise to debtors and settlement with them, sale of property not of the nature of an heirloom, and final report, if the estate be in a consular court, to the United States Court for China and distribution under the order of said court.

"Real property in China belonging at the time of his death to a citizen of the United States dying after the date when this act shall become of force shall be deemed to be personalty, and shall be subject to the law herein provided for the administration and devolution of an estate of personalty.

"Sec. 11. Law of Crimes.—All prosecutions for public offenses shall be in the name of the United States against the persons charged with the offense. All public offenses cognizable in the United States Court for China shall be prosecuted by complaint or information, which complaint shall be a sworn statement made to a court that a person has been guilty of a designated offense or which information shall be an accusation in writing charging a person with a public offense, presented and signed by the district attorney or his assistant attorney and filed with the clerk of court.

"The complaint or information shall be sufficient if it shows, first, the name of the defendant, or if his name cannot be discovered, that he is described under a fictitious name with a statement that his true name is unknown to the complainant or official signing the same, and his true name, being ascertained, may be inserted at any stage of the proceedings; second, the designation of the crime or public offense charged; third, the acts or omissions complained of as constituting the crime or public offense in

ordinary and concise language, without repetition, and in such form as to enable a person of common understanding to know what is intended and the court to pronounce judgment according to right; fourth, that the offense was committed within the jurisdiction and may be tried therein; fifth, the names, if known, of the person or persons against whom or against whose property the offense was committed.

"The information or complaint may be amended in substance or form, without leave of court, at any time before the defendant pleads, and thereafter during the trial in the discretion of the court, as to matters of form, when the same can be done without prejudice to the rights of the defendant. No information or complaint shall be insufficient, nor can the trial, judgment, or other proceedings be affected by reason of a defect in matters of form which does not tend to prejudice a substantial right of the defendant upon the merits. A complaint or information shall charge but one offense, except only in those cases in which existing laws prescribe a single punishment for various offenses.

"When a complaint or information laid before a consular judge alleges the commission of a crime originally within the jurisdiction or necessary to be reported to the United States Court for China, he shall examine on oath the complainant and the witnesses produced and take their depositions in writing, causing them to be subscribed by the parties making them. If the consul be satisfied from the investigation that the crime complained of has been committed and that there is reasonable ground to believe that the party charged has committed it, he shall issue a warrant for his arrest and commit him to the United States Court for China for trial. If the offense is not a capital one and the defendant offers sufficient security, he shall be admitted to bail; otherwise he shall be committed to prison. The consul shall bind by recognizance the prosecutor and every witness to appear at the trial and give evidence, and shall forthwith send depositions to the clerk of the United States Court for China, with a minute of other evidence available, if any, and an order of commitment of said accused for trial in the United States Court for China.

"In cases of homicide, if either the death or the criminal act which wholly or partly caused the death happened within the jurisdiction of a court of the United States in China, said court shall have the like jurisdiction over any citizen of the United States accused of said homicide as if both the criminal act and the death had happened within the jurisdiction of said court.

"Any offense committed by a citizen of the United States on a ship of American registry, or on a ship of foreign registry in the company of which ship he was not enrolled, or on a Chinese or other ship not lawfully entitled to claim the protection of the flag of any recognized state or power, on the high seas at a distance of not more than 200 miles from the coast of China and beyond the jurisdictional waters of another state or power, said ship being bound for or first coming into a Chinese port, shall be deemed an offense within the jurisdiction of the United States in

China for all purposes equally as if committed within the territorial jurisdiction of China.

"If any court of the United States in China issues a summons or a warrant on complaint of an offense committed on board of or in relation to a ship of American registry, and if it appears to the court that the interests of public justice so require, the court may issue a warrant or order for the detention of the ship, and may cause the ship to be detained accordingly until the charge is heard and determined and the order of the court therein is fully executed, or for such shorter time as the court thinks fit, and may require bond for the release of the ship from such detention, conditioned upon compliance with the judgment or further order of the court; and the court shall have power to make all such orders as appear to it necessary or proper for carrying this provision into effect.

"Where a person accused of an offense escapes or removes from the consular district within which the offense was committed, and is found within another consular district, the court within whose district he is found may proceed in the case to trial and punishment or to preliminary examination, as the case may be, in like manner as if the offense had been committed in its own district; or the said court may, on the requisition of the court within whose district the offense was committed, or of the United States Court for China, send him in custody to that court or to such other court as may be designated by the United States Court for China, there to be dealt with according to law. When any person is to be so sent in custody a warrant shall be issued by the court within whose district he is found, and that warrant shall be sufficient authority to any person to whom it is directed to receive and detain the person therein named, and to deliver him to the court within whose district the offense was committed or to such other court as may have been designated by the United States Court for China, according to the warrant.

"Sec. 12. Extradition.—The provisions of sections 5270 to 5277, inclusive, of the Revised Statutes of the United States, with amendments thereto, shall apply to the jurisdiction of the United States in China for the arrest and removal therefrom of any citizen of the United States who is a fugitive from justice charged with the commission within the jurisdiction of any foreign state or power of any of the crimes provided for by the treaties between the United States and such foreign state or power, and for the delivery by a foreign government of any citizen of the United States accused of crime within the jurisdiction of the United States in China. Such fugitive from justice of a state or power aforesaid may, upon a warrant duly issued by an official of the United States in China vested with judicial authority and agreeably to the usual mode of process against offenders therein, be arrested and brought before such official, who shall proceed in the matter in accordance with the provisions of the Revised Statutes hereby made applicable to the jurisdiction of the United States in China: Provided, That, for the purposes of this section, the order or warrant for delivery of a person committed for extradition prescribed by Section 5272 of the Revised Statutes of the United States shall be issued by the Minister

of the United States to China under his hand and seal of office and not by the Secretary of State.

"The provisions of Section 1014 of the Revised Statutes of the United States, so far as applicable, shall apply throughout the United States for the arrest and removal therefrom to the jurisdiction of the United States Court in China of any fugitive from justice charged with the commission of any crime or offense against the United States within the jurisdiction of the United States in China, and shall apply within the jurisdiction of the United States in China for the arrest and removal therefrom to the United States or to any territory governed by the United States of any fugitive from justice charged with the commission of any crime or offense against the United States. Such fugitive may, by any official of the United States in China vested with judicial authority and agreeably to the usual mode of process against offenders therein, be arrested and imprisoned, or admitted to bail, as the case may be, pending the issuance of a warrant for his removal to the United States, which warrant it shall be the duty of a judge of the United States Court for China seasonably to issue, and of the officer or agent of the United States designated for the purpose to execute.

"That the provisions of Sections 5278 and 5279 of the Revised Statutes of the United States, so far as applicable, shall apply to the jurisdiction of the United States in China, which, for the purposes of said sections, shall be deemed a territory within the meaning thereof: Provided, That for the purpose of this section the executive authority of the jurisdiction of the United States in China shall be the Minister of the United States to China.

"That the provisions of Sections 5409 and 5410 of the Revised Statutes of the United States are hereby made applicable to proceedings in extradition for the jurisdiction of the United States in China either to the United States or to foreign countries.

"Sec. 13. Custody of Prisoners.—It shall be the duty of the United States marshal for China to make and supervise the enforcement of rules for the governance of officials of the courts of the United States in China in making arrests, detaining prisoners, and for regulating prison discipline generally. The said rules shall be submitted to the Secretary of State and the judge of the United States Court in China, and they shall be in force so long as they are not by any of them disapproved.

"Sec. 14. Nationality.—In actions brought in the courts of the United States in China the petition or information or like pleading must allege that the defendant is a citizen of the United States or under the protection of the United States, and this allegation will be presumed to be true and need not be proved except when the defendant, under oath, denies that he is a citizen of the United States or under the protection of the United States. In criminal actions, wherein it is proved that the accused is commonly reputed to be a citizen of the United States or under the protection thereof, a plea of foreign nationality on the part of the defense shall be required to be proved affirmatively.

"Sec. 15. Rules of Court.—The judge of the United States Court for China shall have full authority and power from time to time to make such rules as he may deem

proper respecting qualifications, examinations, and admission to practice in the courts of the United States in China. He shall also have authority to make such general rules of court as may from time to time be required for the courts of the United States in China.

"Sec. 16. Fees and Accounts.—The tariff of official fees of the United States Court for China and in the consular courts shall be prescribed and published by the judge of the United States Court for China. All fees and all fines and forfeitures not made by court otherwise payable shall be accounted for and had to the use of the United States for defraying the expenses of giving effect to the present act or shall be paid into the Treasury of the United States, as the Secretary of the Treasury shall direct; and in this relation the marshal of the United States Court for China shall be the agent of the Secretary of the Treasury."

CONSULAR BUILDINGS IN THE FAR EAST.

House Resolution No. 90, which was reprinted in the last issue of the JOURNAL and was made the subject of an appeal for the support of the members of the Association, has been re-introduced in the form of a bill numbered 15111. This has been under consideration by the Committee on Foreign Affairs and will, it is understood, be favorably reported by the committee, with some minor changes, to the House.

Meanwhile Representative Longworth, of Ohio, has introduced another bill (H. R. 16876) which he thinks covers the ground better than the one introduced by Mr. Perkins, of New York.

Finally, Senator Cullom, the chairman of the Committee on Foreign Relations, has had referred to that committee a proposed amendment to the Diplomatic and Consular Appropriation Bill embodying the provisions of the Perkins bill and another providing solely for the Shanghai appropriation. All of these, in their order, are herewith reproduced:

Sixtieth Congress, First Session.—H. R. 15111.

IN THE HOUSE OF REPRESENTATIVES.

January 24, 1908, Mr. Perkins introduced the following bill, which was referred to the Committee on Foreign Affairs and ordered to be printed:

A Bill to authorize the purchase of lands and buildings for the consular establishments in China, Japan and Korea.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State be, and he is hereby, authorized to purchase such suitable lands and buildings as should comprise and be connected with the consular establishment in China, Japan, and Korea, at an expense not to exceed the sum of \$1,373,643: Provided, however, That the several expenditures upon land or buildings shall at no place exceed the sums herein mentioned, namely, at Amoy, \$8,350; at Canton, \$115,000; at Chefoo, \$40,000; at Chung-

king, \$11,500; at Foochow, \$8,000; at Hankow, \$60,000; at Hong Kong, \$155,000; at Nanking, \$44,000; at Newchwang, \$50,000; at Shanghai, \$500,000; at Tientsin, \$65,000; at Kobe, \$120,000; at Nagasaki, \$55,000; at Seoul, \$10,000; at Tamsui, \$27,300; at Yokohama, \$104,493.

Sec. 2. That the expense of said purchases shall be paid out of any money in the Treasury not otherwise appropriated.

Sixtieth Congress, First Session.—H. R. 16876.

IN THE HOUSE OF REPRESENTATIVES.

February 11, 1908, Mr. Longworth introduced the following bill, which was referred to the Committee on Foreign Affairs and ordered to be printed:

A Bill to authorize the acquisition of land or buildings for the diplomatic and consular establishments of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State be, and he is hereby, authorized to acquire in foreign countries, at an expense not to exceed \$5,000,000, proper sites and buildings, which shall be used by the diplomatic and consular establishments of the United States and for the residences of the ambassadors, envoys extraordinary and ministers plenipotentiary, ministers resident, and consular officers of the United States in foreign countries: Provided, That the several expenditures upon land or buildings to be used for consular establishments shall not exceed the sum of \$1,373,643: And provided also, That the several expenditures upon land or buildings to be used for diplomatic establishments and for residences of ambassadors, envoys extraordinary and ministers plenipotentiary, and ministers resident shall at no place exceed the sums herein mentioned, namely: In London, Paris, Berlin and St. Petersburg, \$400,000 each; at Rome and Vienna, \$300,000 each; at Madrid, Brussels and The Hague, \$200,000 each; at Tokio and the City of Mexico, \$150,000 each; and at all other places, \$100,000 each.

Sec. 2. That the sums necessary to carry out the provisions of Section 1 of this act, not to exceed \$1,000,000 per annum, shall be paid out of any money in the Treasury not otherwise appropriated.

Sixtieth Congress, First Session.—H. R.

IN THE SENATE OF THE UNITED STATES.

February 17, 1908, referred to the Committee on Foreign Relations and ordered to be printed.

February 19, 1908, reported by Mr. Cullom, with amendments, referred to the Committee on Appropriations, and ordered to be printed.

(Insert the part printed in italics.)

Amendment intended to be proposed by Mr. Cullom to the bill (H. R. —) making appropriations for the diplomatic and consular service for the fiscal year ending June 30, 1909, viz: Insert the following:

That the Secretary of State be, and he is hereby, authorized to *improve existing property of the United States* and to purchase and *improve* such suitable lands and buildings

as should comprise and be connected with the consular establishment in China, Japan, and Korea, at an expense not to exceed the sum of \$1,373,643: Provided, however, That the several expenditures upon land or buildings shall at no place exceed the sums herein mentioned, namely: At Amoy, \$8,350; at Canton, \$115,000; at Chefoo, \$40,000; at Chungking, \$11,500; at Foochow, \$8,000; at Hankow, \$60,000; at Hong Kong, \$155,000; at Nanking, \$44,000; at Newchwang, \$50,000; at Shanghai, \$500,000; at Tientsin, \$65,000; at Kobe, \$120,000; at Nagasaki, \$55,000; at Seoul, \$10,000; at Tamsui, \$27,300; at Yokohama, \$104,493. The expense of said purchases shall be paid out of any money in the Treasury not otherwise appropriated.

Sixtieth Congress, First Session.—H. R.

IN THE SENATE OF THE UNITED STATES.

February 17, 1908. Referred to the Committee on Foreign Relations and ordered to be printed.

Amendment intended to be proposed by Mr. Cullom to the bill (H. R.—) making appropriations for the diplomatic and consular service for the fiscal year ending June 30, 1909, viz: Insert the following:

That the Secretary of State be, and he is hereby, authorized to purchase such suitable lands and buildings as should comprise and be connected with the consular establishment and the United States Court at Shanghai, China, at an expense not to exceed the sum of \$500,000. The expense of said purchase shall be paid out of any money in the Treasury not otherwise appropriated.

MATERIAL PROGRESS IN THE PHILIPPINES.

(From *Special Report of Wm. H. Taft, Secretary of War.*)

The chief products of the islands are abaca, or Manila hemp, as it is generally called, the fibre of a fruitless variety of banana plant; cocoanuts, generally in the form of the dried cocoanut meat called "copra"; sugar, exported in a form having the lowest degree of polarization known in commerce, and tobacco exported in the leaf and also in cigars and cigarettes. There are other exports, of course, but these form the bulk of the merchantable products of the islands. In addition to these, and in excess of most of them except hemp, is the production of rice, which constitutes the staple food of the inhabitants. Some years before the Americans came to the islands the production of rice had diminished in extent because the hemp fibre grew so much in demand that it was found to be more profitable to raise hemp and buy the rice from abroad. In the first few years of the American occupation, however, during the insurrection and the continuance of the guerrilla warfare, and finally the prevalence of ladrónism, many of the rice fields lay idle and the importation of rice reached the enormous figure of \$12,000,000 gold, or about four-tenths of the total imports. With the restoration of better conditions, the production in rice has increased so that the amount of rice now imported is only about \$3,500,000 in gold, and the difference between the two importations doubtless measures the increased native production of the cereal.

During the six years of American occupancy under the civil government agriculture has been subject to the violent destruction which is more or less characteristic of all tropical countries. The typhoons have damaged the cocoanut trees; they have at times destroyed or very much affected the hemp production, and drought has injured the rice as well as the cocoanuts. The character of the tobacco leaf was deteriorated much because of a lack of care in

its cultivation due to the loose and careless habits of agriculture caused by war and ladrónism, and locusts have at times cleared the fields of other crops without leaving anything for the food of the cultivators.

The great disaster to the islands, however, has been the rinderpest, which carried away in two or three years 75 or 80 per cent. of all draught cattle in the islands. This was a blow under which the agriculture of the islands has been struggling for now four or five years. Attempts were made, under the generous legislation of Congress appropriating \$3,000,000 to remedy the loss if possible, to bring in cattle from other countries, but it was found that the cattle brought in, not being acclimated, died, most of them before they could be transferred to the farm, and then too they only added to the difficulty of the situation by bringing new diseases into the Philippines. It has been found that nothing can restore former conditions except the natural breeding of the survivors, and in this way it will certainly take five or six years more to restore matters to their normal condition. Meantime, of course, other means are sought and encouraged for transportation and for plowing. The difficulty in the use of horses is that an Indian disease called the "surra," which it has been impossible to cure, has carried off 50 per cent. of the horses of the islands. Considering these difficulties, it seems to me wonderful that the exports from the islands have so far exceeded the exports in Spanish times, and have been so well maintained that last year there was more exported from the islands than ever before in the history of the Philippines.

VALUE OF PHILIPPINE EXPORT, FISCAL YEARS 1903-1907 OF AMERICAN OCCUPATION.

1903.....	\$33,119,899
1904.....	30,250,627
1905.....	32,352,615
1906.....	31,917,134
1907.....	33,713,357
Average annual.....	32,270,726

NOTE.—Gold and silver not included.

The largest export showing in Spanish times, during years for which there are official statistics, was as follows:

VALUE PHILIPPINE EXPORTS IN SPANISH TIMES, CALENDAR YEARS 1885-1894.

1885.....	\$20,551,434
1886.....	20,113,847
1887.....	19,447,997
1888.....	19,404,434
1889.....	25,671,322
Average annual.....	21,037,807
1890.....	21,547,541
1891.....	20,878,359
1892.....	19,163,950
1893.....	22,183,223
1894.....	16,541,842
Average annual.....	20,062,983

NOTE.—Gold and silver included.

The chief export from the Philippines is Manila hemp, it amounting to between 60 and 65 per cent. of the total exports. Its value has increased very rapidly of late, and the result has been that much inferior hemp has been exported, because it could be produced more cheaply and in greater quantity. That which has made the hemp expensive, and has reduced the export of it—for large quantities of it rot in the field still—is the lack of transportation and the heavy expense of the labor involved in pulling the fibre and freeing it from the pulp of the stem. Several machines have been invented to do this mechanically, and it seems likely now that two have been invented which may do the work, although they have not been sufficiently tested to make this certain. Should a light, portable and durable machine be invented which would accomplish this, it will revolutionize the exportation of hemp and will probably have a tendency to reduce its cost, but greatly to increase its use, and to develop the export business of the Philippine Islands most rapidly.

MATTERS JAPANESE.

The two following articles would seem to indicate that a stirring of the Japanese conscience is taking place in regard to the fraudulent imitation of foreign trademarks:

Trademark Frauds.

(From the Japan Times, November 30, 1907.)

From Osaka comes a report that the Commerce Bureau of the Southern Prefecture has just issued a note warning the local export merchants against the practice of making fraudulent use of trademarks. The action taken is said to be the result of advices received from Japanese consuls in China in reply to inquiries sent out by the Central Patent Office, the information being to the effect that spurious imitation goods were most numerous among imports from Osaka. It is said, further, that the specific instances quoted in the consular reports all refer to the cases of infringement of trademarks registered by foreigners. The revelation cannot fail to be very painful to those who cherish the hope that Japan will be able to build up her international commerce solely on the principle of a fair field and no favor, and it is a national hope. In view of this the step taken by the Osaka Commerce Bureau is not untimely, but we think it not enough, the central authorities should move in the matter.

Trademark complaints coming from the foreigners' side have not been infrequent of late, and it seems desirable that a thorough investigation be instituted with the object of removing the whole cause of the trouble. Hitherto in many trademark disputes the complainants appear to have lost their case on mere technicalities, and that is the unsatisfactory feature of the matter. True, it is for the owners of trademarks to overlook no technicalities in order that their interests may be fully protected. But a trademark law, like any other law containing many loopholes, to be taken advantage of by unscrupulous persons to the injury of those whom it aims to protect, is certainly not a good law, and should be revised. Not that we are prepared to point out such defects in our present trademark law, but seeing that there exists discontent against its working it seems unwise to take no notice of it. Let the impression go abroad that it is very difficult to get trademark violators convicted under the law, the consequence will be very serious. The victims of sharp practices will stop going to law, with the result of encouraging the nefarious trade of the makers of imitation goods. The upshot will be a dangerous blow to the reputation of Japanese manufacturers in general. Or view the matter from another point. Should the insecure feeling about our trademark administration become general, there is no telling what may happen as the time approaches for the opening of the grand exposition of 1912. It is possible that foreign manufacturers will refuse sending their goods for exhibition, and it will be needless to say why. To be prepared against these eventualities it appears urgent that active measures be taken to make the evasion of the law impracticable and bring its evaders within reach of adequate penalty. Or at least full explanation should be issued for

the benefit of those who seek registration so that there may be no chance of their suffering from the omission of nice technicalities.

While we are on the subject a word is due to Osaka manufacturers. In spite of its being the chief manufacturing centre of the country Osaka has long since won an unenviable notoriety for sending abroad cheap and shoddy goods. Now it is in danger of becoming a centre for spurious manufacturers. Some say Osaka worships money, and commercial morality is at very low ebb there. It is inconceivable, however, that Osaka, with a population of nearly a million and a prosperous business, is a home of sharpers and swindlers. The bulk of her inhabitants, including her principal citizens, are no doubt honest, hard working people. These should see that the good name of their city is threatened, and it behooves them to rise in protest and league themselves against the dishonest parties. A stain to Osaka is a stain to Japan, and the curse of the nation will fall on her if her influential business men and bankers should fail to recover her reputation.

[TRANSLATION.]

Infringement of Trademark Rights by Osaka Merchants.

(From the Tokyo Asahi Shimbun, November 29, 1907.)

(Telephone from Osaka.)

The Japanese Consulate at Shanghai has replied affirmatively to the inquiry made by the Patent Bureau as to whether or not there has been any infringement of foreign trademark rights in China by Japanese merchants. The reply referred to calls special attention to a large number of infringements by Osaka merchants. Among other things, Osakan imitations of such things as lamps, rouge, oil and aromatic oil, bearing trademarks difficult to distinguish from those registered by foreign merchants, have been put on the black list by the Taotai of Shanghai as the result of action brought by those foreign merchants when a certain Chinese merchant was discovered selling such articles. The director of the Bureau of Home Affairs of Osaka Prefecture issued instructions under date of the 27th inst. to the exporters within his jurisdiction. Though the majority of such imitations may have been exported from Osaka in execution of the orders of some cunning Chinese merchants, yet the director points out that the result is equally unfavorable to the Japanese. He also emphasizes the necessity on the part of merchants and manufacturers to try to produce excellent goods at low prices, without which Japan's trade would eventually suffer from various evils.

The Foreign Trade of Japan.

In the returns of the foreign trade of Japan for 1907, the exports aggregated 430,516,000 yen, being an increase of 6,762,000 yen as compared with the figure for last year; and the imports totalled 494,192,000 yen, being an increase of

75,408,000 yen as compared with last year. Thus the balance of trade against Japan was 63,676,000 yen, but the outflow of gold was only 11,733,000 yen. It will be seen that trade increased in bulk as compared with last year by upward of 82,000,000 yen. It is more than probable that had not the financial trouble in the United States suspended the export of silk thither, and had not the depreciation of silver checked the export of cotton yarns and cotton piece-goods to China, the trade would have totalled 950,000,000 approximately and the excess of imports would have been reduced to some 55,000,000. Divided per head of population, Japan's foreign trade now represents 19 yen for every unit of her people.

The Raw Silk Trade in Yokohama.

The value of the trade done in raw silk in Yokohama for last year totalled 116,105,990 yen, showing an increase of 5,663,540 yen as compared with the preceding year. Toward the latter part of last year the trade witnessed a big depression owing to the financial crisis in the United States. The following are the trade returns published by the Yokohama Customs, showing a comparison of the exports for the past two years:

	1907. Yen.	1906. Yen.
Fine	9,279,789	11,598,394
Coarse	100,200,913	90,073,066
Re-reels	2,160,014	4,319,174
Other	4,465,274	4,451,816
Total	116,105,990	110,442,450

During the early part of last year coarse raw silk was quoted somewhere at 1,400 yen, and the quotation was fairly well maintained until the slump set in, when prices fell to about 920 yen toward the end of the year. In regard to the quantity of raw silk exported, the figures for last year show a decrease, compared with 1906, and over 40,000 bales remained in stock at the close of the year. The following figures show the exports during the past two years:

	1907. Kin.	1906. Kin.
Fine	731,722	1,074,544
Coarse	7,965,614	8,429,333
Re-reels	176,796	419,254
Other	339,313	430,437

Thus the average price of raw silk for last year stands at 1,255 yen per 100 kin.

Japanese Tea Trade with America.

Last year's tea trade with America is a record one, showing an increase of 3,000,000 pounds over preceding year. Owing to the short stock of common tea the greater portion was exported, it is said, as auxiliary dust tea. As the decrease of export during the foregoing two years caused the shortage of stocks and consequent rise of price, the American dealers generally anticipated a larger arrival for the year. However, the fact being contrary to their expectation, they found themselves unable to meet the large demand, especially for inferior articles, which forced the ex-

port of even dust tea in great quantity. The current price of Japanese tea in the American market, which a few years ago stood at 12 cents or so, was now quoted at between 18 and 20 cents, this being the highest price since our product found a market in America. It seems that the general demand is growing in favor of rather inferior articles, the quotations having gone up by 30 per cent. with some kinds compared with the previous year.

The Rice Crop in Japan for the Past Ten Years.

In the official returns the actual yield of rice throughout the country and the total area of the plantation during the past ten years is given as follows:

	Area of Plantation. Cho.	Yield. Koku.
1897	2,787,181	33,039,293
1898	2,817,624	47,387,666
1899	2,839,550	39,698,258
1900	2,828,460	41,466,422
1901	2,847,357	46,914,434
1902	2,847,192	36,932,266
1903	2,864,139	46,473,298
1904	2,880,715	51,430,221
1905	2,881,099	38,172,560
1906	2,854,238	46,326,434

The comparative decline in yield for 1897 is owing to a poor crop, and the large figure in 1904 to the unusually rich crop of the year. The above table shows an average increase of 25,000 odd cho per year in the area of plantation, while the indicated ups and downs in the yield is quite owing to the rich or thin crop. The following shows the average consumption of each five years during the past twenty years:

	Average consumption per year. Koku.
1887-1891	38,099,584
1892-1896	39,822,763
1897-1901	41,053,416
1902-1906	48,037,707

While thus the consumption of the nation indicates an average increase of between 1,800,000 and 6,000,000 koku each year, it should be noted no definite increase is shown in the yield.

The Population of Japan.

The population of Japan will reach 50,000,000 in a year or two. During the past seven years the population increased at the rate of 618,161 every year, on an average. On the basis of this figure the population for last year is estimated at 49,267,744, showing an increase of 12,250,442 as against the year 1883 (twenty-five years ago). The following table shows the steady increase of population during the past twenty-five years.

1883	37,017,302
1888	39,607,254
1893	41,388,313
1898	43,763,855
1903	46,732,876
1906	48,649,583
1907	49,267,744

Japan.

The foreign and domestic bonds standing unredeemed at the end of last year were as follows:

DOMESTIC LOANS.

	Yen.
Old bonds.....	3,072,343
Naval bonds.....	8,297,300
Consolidated bonds.....	167,128,350
War bonds.....	115,641,150
Five per cent. bonds—	
Railway bonds.....	44,887,100
Industrial bonds.....	76,997,650
Hokkaido Railway bonds.....	4,403,650
Formosan Industrial bonds.....	33,506,750
Pension consolidated bonds.....	286,100
Old Railway Companies' debentures consolidated bonds.....	15,166,250
Extraordinary Affair bonds.....	310,405,050
Formosan Industrial bonds.....	134,885
Treasury notes (1st issue).....	96,977,400
Treasury notes (2nd issue).....	98,876,650
Treasury notes (3rd issue).....	77,480,725
Tobacco Monopoly Treasury notes.....	12,310,450
Old Seoul-Fusan Railway Company's debentures.....	7,000,000
(3rd and 4th issues.)	
Old Hokuyetsu Railway Co.'s debentures....	3,000,000
Old Boso Railway Co.'s debentures.....	600,000
Old Nanao Railway Co.'s debentures.....	400,000
Old Tokushima Railway Co.'s debentures....	580,000
Old Kwansai Railway Co.'s debentures.....	42,950
Total	1,077,194,753

FOREIGN LOANS.

Four per cent. bonds (1st issue)—	
Railway bonds.....	17,577,750
Industrial bonds.....	78,052,250
Hokkaido Railway bonds.....	2,000,000
4½ per cent. bonds (1st issue).....	292,889,023
4½ per cent. bonds (2nd issue).....	292,890,000
4 per cent. bonds (2nd issue).....	244,075,000
5 per cent. bonds.....	224,549,000
Old Hokkaido Colliery Railway Co.'s debentures.....	3,905,200
Old Kwansai Railway Co.'s debentures.....	9,763,000
Total	1,165,701,223
Grand total.....	2,242,895,976

The Grand Exhibition of 1912.

At a dinner given in Yokohama to the Foreign Consuls of Yokohama and Tokio, and the chairman and other representatives of the Yokohama Foreign Board of Trade, by Mr. Matsuoka, Japanese Minister of Agriculture and Commerce, and Viscount Kaneko, Director of the Grand Exhibition Executive, the latter made an address, in which he went very fully into the requirements of exhibitors, and dwelt in a candid manner upon the advantages the Japanese manu-

facturer and other workers would derive from the exhibition of foreign products, at the same time showing how the foreigner might gain from the display of many Japanese domestic articles, which might be turned to advantage in the Western world. Outwardly and in name, said Viscount Kaneko, the exhibition would be domestic, but in material they expected to make it an international one. Then, you might ask me, continued the Viscount, why we do not call it an international exhibition. When we look upon the present condition of Japan, the condition of the people, the condition of transportation and sanitary matters—in these ways we are not in a position to welcome foreign governments and peoples. Therefore, we do not ask them to come with the notion of participating in an international exhibition, but we extend our cordial invitation to participate in a domestic exhibition. Neither do we dare ask foreign governments and peoples to send all their products, simply because the space at our disposal may not be large enough. For this reason goods are invited under five heads—Education, Science, Machinery, Electricity and Manufactured Goods. But here let me say a word: If any foreign government or corporation would like to send articles not included in the foregoing category, each exhibitor may build a separate building, governmental or private, where they can exhibit what products they like. Of course, the space allotted them in our buildings will be free of charge, and we do not expect to collect a single penny from foreign governments or individuals in this connection. The site of the exhibition grounds includes the former parade ground at Aoyama, belonging to the Army Department, which covers about 140 tsubo. This is not sufficient for our purpose, and we submitted a humble request to His Imperial Majesty the Emperor, who has granted us his Imperial estate of Yoyogi. This is 160,000 tsubo, much larger than the parade ground. These two places will be connected by a wide avenue extending somewhere over 700 ken in length. The site has been decided somewhat after the fashion of the exhibition lately held at Milan, and also is similar to the site of the late exhibition at Liege. These are connected by wide avenues, so that the Belgian and Italian exhibitions gave us an example. We have studied the coming exhibition from different points of view. First we expect to make it a genuine representative display of Asiatic products. As far as we know, no exhibition has ever been held taking in the whole of Asia for the information of the peoples of the West. The gentleman on my left, the Chinese Consul-General, will, we feel sure, assist us all in his power, as will his people, to make the exhibition a success in this respect. The next point, we expect to make the exhibition a special one. The gentlemen present have lived in Japan, in some cases many years, and have studied the trade in the Far East. Now the colonies of Europe and America in Asia are coming rapidly to the front in international commerce. The products of these colonies are coming to Japan, some in the form of raw material, others in a manufactured shape. This colonial trade of Japan is now held in the front rank of our future trade in the Indian Archipelago and Asiatic waters. It extends beyond the equator, to New Zealand and Australia, and many other parts of the world. We expect to make Japan the centre of the colonial trade

of Western nations in the Far East. With regard to machinery and electricity and manufactured goods, this is most important. You, gentlemen, have studied the growth of our commercial conditions. Japan has just entered the industrial comity; in other words, Japan is just being transformed. Her former industries, which were like those noticed in Europe seventy or eighty years ago, are in the state of home industries, where the foundry was found by the roadside and factories here and there. But although Japan is changing, we should like you to bear in mind that we are in a very imperfect state. We ask the Western people, with their experience and scientific knowledge, to bring their new machines and new inventions and show us how to change from home industry into the factory industry of which Europe and America are proud. So, with regard to machinery, I hope you will influence your people at home to bring such machines as will fit the present conditions of Japan. Supposing you bring a machine which is so gigantic that we have no means wherewith to transport it to the site of the Exhibition, and which could not possibly be utilized in this country? We could wish you to tell your home people just what dimensions, what horse power, and what machines are needed here. For this we would be thankful for your assistance. Our Government desires every exhibitor from foreign countries to show such machines as will find purchasers here. We don't want foreign exhibitors to have to take their machines home. We hope to buy every one of them and the exhibitors to go home with some gain. That is the wish of our Imperial Government. Consequently we may possibly in the regulations to be issued limit the horse power of machinery, not to restrict the number of exhibits, but simply to guide foreigners in the class of machines needed here. In this connection I might emphasize two kinds that are required, particularly hand machines and those having to do with electricity. As you know by residence here, Japan is a mountainous country. From the coast to the base of the hills the distance is so short that there are rapid rivers and waterfalls everywhere, just as in Switzerland, South Germany, Sweden and Norway. Water power is found everywhere, and we expect to utilize it by machinery such as is used in Switzerland or Sweden. Such machinery should be brought here and studied. Let foreigners explain its working, and let the Japanese see with their own eyes, by the guidance of foreign engineers. The Japanese will understand its use, and the machines will be sent to control the pool, the waterfall, the rapid. Besides street cars and electric light, we see here many electrical institutions still in the stage of infancy. We need assistance. We have just entered the final rank of industrial comity. We cannot develop our foreign trade or increase it without the assistance of Western people. Therefore we earnestly appeal to your assistance to make this exhibition a success. With regard to manufactured goods, here comes a point with which you are more or less directly or indirectly acquainted. Now, we have no large factories as you have. There is a very large margin to be filled up by your manufactured goods, but there is a mutual advantage. Let the keen business man come here and see our goods and compare them with his own. The Japanese are clever enough, but they are not

cheap enough. They might find many things that might be supplied much cheaper than we make them here, because our industrial establishments are not up to the mark of the Europeans. At the same time, suppose the European business man or commercial agent comes to Japan, and with your assistance selects samples of Japanese workmanship. Many things that are made in Japan could be found useful in Europe or adaptable. The exhibition could easily become an international exposition for the interchange of ideas resulting in reciprocal benefit and mutual gain. I might find many examples to corroborate what I have said. The cutting machine for timber has been introduced within the last year or two. Formerly we cut our timber by hand; now they are using machines imported from England. Dyeing substance from Germany, glassware from Belgium, and many such things are growing in use year by year. If this exhibition is carried out in a proper way, it will prove a benefit to both Japan and the West. Therefore I do hope, gentlemen, to make this Grand Exhibition of 1912 not merely a temporary display of foreign products, but one of lasting effect upon our international commerce. We expect to make this coming World's Fair of reciprocal and mutual benefit, so as to bring foreign machines and foreign goods nearer and closer to the Japanese market. So interwoven should those interests become that no power on earth could disturb our cordial relations with foreign nations, so happily maintained for half a century.

The last speech of the evening was delivered by Mr. C. V. Sale, Chairman of the Yokohama Foreign Board of Trade. Mr. Sale said: Your Excellencies and Gentlemen—It is always a pleasure and a privilege to be present on any occasion when Mr. Matsuoka and Viscount Kaneko are among the speakers, and the eloquent exposition of the scope and aims of the Grand Exhibition of 1912 to which we have just listened has proved no exception to the rule. Speaking for my colleague, Mr. Montague Beart, as well as for myself, I may say that while we appreciate the privilege of being here to-night, we value the opportunity more as a recognition of the influence and position of the Yokohama Foreign Board of Trade, an institution whose history coincides with the progress of, and is closely connected with, the great commercial development upon which Japan now rests her principal claim to the interest and consideration of the other Great Powers. There have been several exhibitions in Japan at which foreign exhibitors were represented. In most instances the success of their exhibits was due to the money, time and effort freely expended for this purpose by the resident European and American merchants. It was so as regards the Osaka Exhibition held in 1903, for which credit is principally due to the merchants of Kobe, while the arrangements for the foreign exhibits at the recent Tokyo Exhibition were concluded through the medium of a committee appointed by the Yokohama Foreign Board of Trade. Under these circumstances, I feel sure that similar co-operation, so far as the foreign exhibits are concerned, will prove an important element in the success of the great enterprise which their Excellencies the Minister of State for Agriculture and Commerce and Viscount Kaneko have undertaken. Although I am aware that it is not desired, for reasons of modesty, to describe this

forthcoming exhibition as international, yet I think we all hope such a measure of support may be received from abroad as will secure its record among the series of great international exhibitions, the first of which was organized in London by Prince Albert and opened by Queen Victoria on the 1st May, 1851. That event was an occasion for much rejoicing, and formed the basis for a general hope and even belief that a new era had commenced in which universal peace and brotherhood would reign supreme. History tells us, however, and our own experience verifies the statement, that these anticipations were cruelly disappointed. The world has seldom been so full of strife between nations as during the fifty odd years which have since elapsed, and even today if there is a greater degree of reluctance to let loose the forces of war, there is a more continuous and more silent, but more intense and frequently, I am afraid, more bitter, struggle for trade and commercial supremacy, for new sources of food supply and for the raw materials of manufacture. In this struggle it would seem as if the whole world was driven by a great fear—a fear that disadvantage, starvation and poverty might result from the purely natural course of international trade. The underlying idea appears to be that every manufactured article imported means so much less work for the home population, forgetting the fundamental principle that “all trade is exchange”—and that the more the seller sells the more imperatively is he under the necessity of buying, else would he be selling his goods for nothing. And because of this great dread between the nations we see the forces of commercial war brought into operation; the contest of protective tariffs, whose object is to *decrease or discourage imports*; the contest of bounties and subsidies, the objective being to *increase or encourage exports*. Picture a similar contest between the individuals, say, of a limited community such as may yet be found in many places, where a system of actual barter is still in force, for instance, the farmer exchanging produce for groceries, the weaver exchanging cloth for wool; and it will become possible to realize the waste of economic power and the real uselessness of these devices to increase exports if the efforts to check imports are successful. It is tantamount to a professedly anxious seller striving to induce customers *not* to bring the merchandise wherewith to buy. I do not think it is generally realized that the contest for commercial power as carried on at present must involve quite as much, if not more, economic waste than does the maintenance of military and naval forces, but in this, as in other directions, the world is progressing. As man advances in civilized organization, there are many ways in which the struggle is taking broader aspects. Before the means of communication were developed as they have been during the last century, the nations which at present act as units were divided into provinces, each jealous of its neighbors, often engaging in armed warfare, and frequently shutting off the avenues of external trade. With every advance in material development, the struggle becomes less between individuals and more between groups. From this it would seem that we can reasonably look forward to a time when there will be a universal recognition of the oneness of mankind in the struggle for existence, and the effort to win the ut-

most possible from our physical surroundings; when it will be understood that the whole process of human progress is conditioned on arrangements that economize work, and, by so doing, set free our energies for even higher types of use. The men of 1851 believed that such a time was near at hand. They were mistaken; but international co-operation, of which the Exhibition of that year was a manifestation, is still growing, the brotherhood between nations is asserting itself as year succeeds year. Witness various international conventions for the telegraph service, for the protection of industrial property, for the safety of ships, the Institute of International Law, established in 1873, and the International Arbitration Court established in 1901. If, as I believe to be the case, the promoters of the proposed Grand Exhibition at Tokyo in 1912 have in mind the revival and development of this wider, broader, truer spirit of human sympathy, I think it is within their power to exert a material influence on the future. The world has been led to expect, and is looking forward to great and far-reaching results from what is termed “the awakening of the Far East,” and if the opportunity should be used by Japan to take the lead in encouraging broad views, liberal policies, and in extending the scope of international conventions, the Exhibition will become an important milestone on the path of human progress. Permit me to add in conclusion that the members of the Yokohama Foreign Board of Trade have a great stake in the general welfare of the Empire, and are interested in a very practical sense in all efforts for the advancement of Japanese trade and commerce. I have no doubt, therefore, that the invitation of your Excellency to participate in the Grand Exhibition of 1912 will meet with a hearty and sympathetic response from our members. I trust the benefits will not be confined to an increased trade, however satisfactory that might be to those concerned, but I am sure we shall all hope to see the friendly relations between the people of Japan and the strangers within her gates maintained, strengthened, and increased through the more intimate conditions which will inevitably follow from such co-operation in a common cause.

The following letter from the Board has been addressed to the Director of the Grand Exhibition of 1912:

In the course of the address given by Your Excellency at the Imperial Hotel on Monday, the 23d instant, the desire was expressed that Western nations should specially exhibit the most recent inventions in machinery and in the application of electricity. Later in the evening I directed your attention to the possibility that some manufacturers might not feel disposed to accept this invitation because of the risk that such exhibits would be imitated by local makers. In reply, Your Excellency said that arrangements would be made for the application of the provisions of the Patent Law to all exhibits (coming within the scope of such laws) as soon as they reached Japan, and that the preliminary protection in this respect would not involve any trouble to the exhibitor, while every facility would be granted regarding the later steps required to secure full protection.

This point is of great importance, and it will be necessary to advise the manufacturers and merchants in foreign countries at the earliest possible moment. I shall therefore

feel greatly obliged if Your Excellency will send me an official statement detailing the protection which will be accorded, and the routine which it may be necessary for the exhibitor to follow in securing his rights under the laws of this Empire.

To this letter the following reply was received:

Your letter of December 27th was received on the day before this office was closed for New Year's holidays last month. I lost no time, however, in directing the preparation of an official communication to you concerning the matter you have referred to. There are still remaining a few points of detail which have to be considered before being officially announced in reference to the Patent Law and the protection for foreign trade-marks which it is the intention of this office to fully accord to foreign exhibitors. As soon as these points are settled, which will be a matter of a few days, it shall be officially communicated to you.

The United States and the Japanese National Exhibition.

In accordance with a recommendation contained in the President's Annual Message to Congress, the following bill has been introduced by Senator Cullom:

Calendar No. 193.

Sixtieth Congress, First Session.—S. 4639.

In the Senate of the United States.

January 29, 1908, Mr. Cullom introduced the following bill, which was read twice and referred to the Committee on Foreign Relations.

February 5, 1908. Reported by Mr. Cullom, with amendments.

(Omit the part in parenthesis () and insert the part printed in italics.)

A Bill to provide for participation by the United States in an international exposition to be held at Tokyo, Japan, in 1912.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President be, and is hereby, authorized in accepting the invitation of the Imperial Japanese Government for the Government of the United States to participate in the Great National Exposition to be held in Tokyo from April 1 to October 31, 1912, to appoint, by and with the advice and consent of the Senate, a commissioner-general, who shall represent the United States at that exposition, and, under the general direction of the Secretary of State, shall make all needful rules and regulations in reference to contributions from the United States, and control the expenditures incident to and necessary for the proper installation and exhibit thereof, and the President, by and with the advice and consent of the Senate, is authorized to appoint an assistant commissioner-general, who shall assist and act under the direction of the commissioner-general, and shall perform the duties of the commissioner-general in case of his death, disability, or temporary absence; and (the Secretary of State shall appoint) a secre-

tary, who shall act as disbursing agent and shall perform such duties as may be assigned to him by the commissioner-general, and shall render his accounts *at least* quarterly to the proper accounting officers of the Treasury, and shall give bond in such sum as the Secretary of the Treasury may require; and the Secretary of State may also appoint six commissioners having special attainments in regard to the subjects of the group or groups in said exposition to which they may be assigned, respectively, and one of whom shall have charge of the agricultural exhibit of the United States; and the commissioner-general may employ, from time to time, such other experts as he may deem necessary in the preparation and installation of the exhibits.

Sec. 2. That the commissioner-general shall be paid a salary of \$6,000 per annum, the assistant commissioner-general a salary of \$5,000 per annum, and the secretary a salary of \$4,000 per annum, which said sums shall be in lieu of all personal expenses other than actual traveling expenses while engaged in exposition work, and the terms of service of the commissioner-general, assistant commissioner-general and secretary shall not exceed three years. The commissioners herein provided for shall serve during the entire calendar year 1912, and they shall be paid for such service *three thousand six* hundred dollars each, which payments shall be in full for all compensation and personal and traveling expenses.

Sec. 3. That the necessary expenses herein authorized, and expenses for the proper installation and care of exhibits, together with all other expenses incident to the participation of the United States in said exposition that may be authorized by the commissioner-general under the direction of the Secretary of State and with his approval, are hereby limited to the sum of \$350,000, including clerk hire in the United States and in Tokyo, which sum is hereby appropriated out of any money in the Treasury of the United States not otherwise appropriated, and is made immediately available.

Sec. 4. That all officers and employees of the executive departments and of the Smithsonian Institution, in charge of or responsible for the safe-keeping of exhibits belonging to the United States, may permit such exhibits to pass out of their possession for the purpose of being transported to and from and exhibited at said exposition, as may be requested by the commissioner-general, whenever authorized to do so, respectively, by the heads of the departments and the secretary of the Smithsonian Institution; such exhibits and articles to be returned to the said respective departments to which they belong at the close of the exposition.

Sec. 5. That it shall be the duty of the commissioner-general to report to the President, for transmission to Congress at the beginning of each regular session, a detailed statement of the expenditures incurred hereunder during the twelve months preceding; and the commissioner-general is hereby required, within four months after the close of said exposition, to make full report of the results thereof as herein required, which report shall be prepared and arranged with a view to concise statement and convenient reference.

JAPANESE FINANCES.

Correspondence of the London and China Telegraph.

One of the most debated subjects at the present time is the question of the nationalization of the railways. When the Government has completed taking over all the lines it will own 6,411 miles of railway, the capital cost of which has been 411,560,000 yen, about £42,000,000. There are likewise 821 miles in course of construction on which 16,125,000 yen have been expended. The cost of the 2,159 miles of Government railways has been 160,000,000 yen; these figures are included in the totals. The amount of the public loan to be issued for the purchase of the 4,500 miles of private railways is calculated at not less than 421,000,000 yen (£43,135,246), and it is intended to redeem this loan by means of the net profit accruing from the purchased railways. The entire loan will, it is computed, be redeemed within thirty-two years after the purchase of the railways, and the annual profit from the lines after the complete redemption of the loan is estimated at over 53,000,000 yen (£5,430,328). It may be interesting to note in passing that the authorized capitals of the private lines amounted to something over 270,000,000 yen, of which about 223,340,000 had been paid up. The reserve funds of these companies amounted to slightly over 8,000,000 yen on March 31, 1906, which are the latest available returns. The whole policy of buying out the railroads has met, and still continues to meet, with a good deal of opposition in many quarters. A grievance that the public feels—and gives expression to its views from time to time—is the non-issue of the bonds for the purchase of such lines as have been taken over. Japan has for some months been passing through a financial crisis, or rather a Stock Exchange gamble, which has induced financial trouble. It is alleged that the non-issue of these bonds has aggravated the situation. The shares of the various railways are recognized as negotiable securities by the Bank of Japan, but the bank will not advance money against them on the application of an individual. It will only do so when the shares come through the hands of other banks, and as the latter will not lend more than 60 or 70 per cent. of the market price of the scrip, the holder does not get all he desires on his collateral. The Japanese Government, we know, has always displayed a very fatherly interest in all such matters, and endeavors to lead or guide the public. The bonds have not been issued, and have thus not been available for sale in the slump that has been experienced in the share market of late. Had they existed it seems reasonable to believe that they would have been extensively thrown overboard by speculators, as the price of these unissued bonds has, naturally, not been involved in the tumble down, whereas the shares of the railway companies have suffered rather severely. Had they existed they would probably have slumped with the rest of the Government stocks, as the tendency in financial crises is for holders of such stocks to throw them overboard, so as to hold on to industrials and other shares that are only salable at certain (good) times, and always get very depressed on only small sales in times of financial trouble. Many people believe they have been held back to prevent a certain amount of discredit attaching to them if the price fell at the inception of their issue. Certainly no reason has been assigned for withholding them at a time when the public would have been thankful to possess them, and that would have increased the supply of material forming floating capital when it was badly needed. The bonds, I may note, will be 5 per cent. securities. Their issue price is par. The purchase has to be completed within ten years, between 1906 and 1915, so that the Government cannot be compelled to issue the bonds instantaneously for the lines the purchase of which has been completed. From the time of purchase it pays the 5 per cent. that the bonds carry, but it is not compelled to issue the bonds. It may be noted here that the purchase price is an amount equal to

twenty times the sum obtained by multiplying the cost of construction at the date of purchase by the average profit to the cost of construction during the term from the second half of 1902 to the first half of 1905; also the actual cost of stores at current prices. Critics of Japanese Government finance point to the great cost of the army and navy, and predict a breakdown. It will be seen that according to the latest estimates for 1907-8 that the ordinary and extraordinary army expenditure comes to 111,600,000 yen, and that for the navy to 82,500,000 yen, the total being, say, about £20,000,000, an amount that is not excessive viewing Japan's achievements and the position she has necessarily to maintain at the present time. Such figures must necessarily be comparative to the ability of a nation to carry them, and in proportion to what her national income may be. What is put down as ordinary expenditure in the estimates for 1907-8 for the services amounts to 87,000,000 yen. The ordinary estimated revenue for the same period is 424,285,000 yen, so that the expenditure is a little over 20 per cent. of the revenue for these non-productive expenditures. The total expenditure is, as I have noted, 111,600,000 yen, for 1907-8, and the total gross revenue, which includes such items as Proceeds of Public Loans, 31,256,000 yen, and the transfer of 100,000,000 yen from the special account for extraordinary war expenses, comes to 616,455,000 yen. The proportion here shown is something under 20 per cent. (of service expenditures) to gross total estimated revenue. It does not seem to me in either case that the proportion is at all excessive when we compare such expenditures in relation to total revenues exhibited in Western nations.

Finance is a very vital matter with Japan at the present time. Before leaving the subject I might make two small suggestions that might tend to bring in a little grist to the mill. The first is as regards the tariff. Specific duties should, as far as possible, be substituted for *ad valorem* duties. I was assured by several business men that there are a good many fraudulent invoices passed through the customs in the course of the year. Any case would be exceedingly difficult to substantiate, but goods are sometimes sold, as a regular and not a forced transaction, at prices that could only be possible on such an assumption. Of course such duties would be impossible where the goods happen to be, say, machinery. Such things can only be rated *ad valorem*. The other matter relates to the tobacco monopoly. The Government which shuts out competition with its own manufactures imposes an import duty of 250 per cent. on imported cigars or cigarettes. The result is few are (officially) imported, and the Government does not reap any particular revenue from this source. Smuggling undoubtedly exists; complete evidence that it does is afforded by the fact that you can get two quotations for a box of Manila cigars—that is, the cigar that is usually smoked in the Far East. You can be given the quotation for a stamped box, which means that the 250 per cent. duty has been paid, or you receive a lower quotation for an unstamped box, and run the risk of being caught. Monopolies always have a tendency to overreach themselves. If half the amount now imposed was charged or, say, rather, 100 per cent., there are plenty of people of opinion that the Government would secure a larger revenue. The average person would not object to the amount so much, nor connive, as he undoubtedly now does, at the fraud perpetrated on the Government. No one considers it a crime to defraud the Government in the matter of income tax, and if the list of the sums paid by a number of leading wealthy men in Japan as given in a vernacular paper is correct, they do not mind doing it on a handsome scale. Nor are others averse to getting their cigars through when the duty is 250 per cent. At 100 per cent. many more would

be honest, and the opinion of most who remarked on it was that probably more actual revenue would be received by the Government at the lower rate. I may remark that the Government make cigars themselves. I never saw anyone smoking a Government manufactured cigar—no one likes them—and I only once saw them on a railway stall.

To conclude, I would again refer to the fact that the crucial time in Japanese finance will come a year hence when the budget for 1909-10 comes to be made up. It will require some Napoleonic handling. The Minister for Finance will have a hard task, and may even find his own position very precarious when he has the unenviable necessity of presenting measures to the Diet that may be entirely unacceptable, so much so that they may involve his own resignation or that of the entire Cabinet.

Finally, one may point out that some disappointment exists in the country that after what are considered enormous sacrifices during the war period the tension is still maintained. Taxes have been augmented after the war, and the only prospect is that they must be again added to.

THE SOUTH MANCHURIAN RAILWAY.

Baron Goto, the president of the South Manchurian Railway Company, has been interviewed in Tokio, and invited to give his views with reference to the recent complaints as to the treatment of passengers and the charges of discrimination against foreign merchants. He frankly admitted that passengers who expected to find in the wilds of South Manchuria a new railway working along the lines of modern travel in well ordered regions were likely to be disappointed. Doubtless they had found grave reason to complain. He pointed out that the Government of Japan only took over this line last April. At that time it was a miserably equipped, narrow gauge road entirely lacking in those things that facilitate the transport of freight or passengers. So much so, indeed, that it took the company nearly four months to clear away the accumulation of freight lying at the various wayside stopping places and at the termini. Some idea of the difficulties with which the company has had to contend may be gathered from the fact that even up to the present day switches are practically unknown, and that in order to "sidetrack" the car it was necessary to shift the rails and then again replace them. The so called passenger coaches were converted freight trucks, with a few old fashioned third class carriages possessing no heating apparatus whatsoever. Within the last few months he himself, the managing director, while traveling over the line, was frequently in terror of suffocation from the fumes of the charcoal burned in the primitive "hibachi" used by the passengers for heating and cooking purposes. The employees of the line, numbering many thousands, had been enlisted from the best available sources, but the best of them were bad. While he regretted that passengers should have been obliged to submit to apparent indignities and discourteous treatment, he said that such things were inevitable until the time arrived when the company could replace the working force with disciplined men trained to railroad service. The company, he said, was doing everything possible to change the conditions for the better, and he believed that within a few months he would have succeeded in reorganizing the line, both as to its physical condition and the personnel of the employees. On the subject of the charges of the discrimination brought by certain merchants against the company, Baron Goto said that no specific instance of discrimination had been brought to his notice, or to the notice of any responsible head. He was willing to admit even that discriminations might occur, but he emphatically repudiated the charge that the company itself was cognizant of any intention or desire to discriminate in favor of one merchant as against another, or the trade of one country as against that of another colony.

"Any good business man must realize," he said, "how suicidal a policy it would be, on the part of the Japanese Government, to discriminate against shippers of freight along this line. It is my intention and my determination to place the line upon a paying basis, and I can only do so by treating shippers in a business way, and with the strictest integrity as between ourselves and the business world. We are courting foreign trade for Manchuria. We are inviting foreign merchants to Manchuria, but at the present time we cannot guarantee accommodation of any kind."

We have few hotels and scant other conveniences for travelers. Our rolling stock is deficient, and our railroad line incomplete. We are working under the most tremendous difficulties. Even at this time local freight is piling up at local stations, and we are much behind in our shipments. Meanwhile we are completing the broad gauge track, which is now about two-thirds finished. But it must be understood that all the equipment—rails, rolling stock and accessories—are brought in by ships to Tairen (Dalny), where the wharfage is still inadequate. Many vessels are lying out in the anchorage awaiting their turn to unload.

Baron Goto has prepared a White paper on the South Manchurian Railway Company, which will shortly be submitted to the Diet. This pamphlet shows in detail the actual working conditions in December, 1907. It says that the conversion into a broad gauge has been completed between Tairen (Dalny) and Nankwan-linn, and that the construction will be pushed forward with utmost speed, and as long as the weather permits. Sections of the line as far as Mukden have likewise been completed, possibly seventenths. North of Mukden work has not yet commenced, but as soon as the materials arrive at Mukden construction will go forward, and the whole line is expected to be broad gauged by June next.

As to bridges and other works of improvement, the pamphlet says that no considerable progress has yet been made, but some stations and buildings have been nearly completed. The expenditures for all kinds of works since April 1, 1907, amounts to a little over 7,000,000 yen. The daily average of goods now carried is about 4,000 tons, but it is pointed out that in the busiest season the demand is about 20,000 tons per diem. The average daily earnings of the line are about 55 yen a mile. Commutation rates have been provided for school children, excursionists and so forth, but the accommodation for passengers is still very limited, and at all stations the arrangements are temporary and incomplete. There are now two regular through trains every day between Tairen and Kwangchengtsu, while one mixed train runs daily between Yingkow and Tiehling, with occasional trains, which are very unsatisfactory and inadequate. The average speed made by the passenger trains is 17.44 miles per hour. What is known as the Port Arthur line has been completed as a broad gauge system. Altogether there are only two second class cars having steam heaters and lavatories, while three bogie cars with steam heaters have now been completed. It is expected that by the end of 1908 the entire equipment will be finished.

One hotel has been completed at Tairen, with temporary arrangements at Changchung, Port Arthur and Mukden. The works in course of construction but entirely unfinished are electrical, harbors and collieries. There are hotels at Tairen and Fushun, and temporary hotels at a number of other points. A school has been completed at Liao-yang, and another at Wafangtien. The work of school building is being pushed forward at other points.

Much attention is being paid to the Fushun colliery, where there exists one of the finest veins of coal in the world. At present 752 hands are employed daily. The average output is 811 tons per diem, three pits being worked. About 16,000 tons were sold in November.

At Tairen the harbor work will be in progress during 1908, but here too much time must elapse before the plans are completed. When this is done, however, Tairen will be a magnificent trade port.

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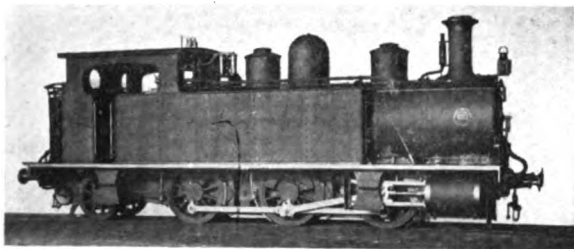
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Journal of The American Asiatic Association

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New York City.

THE speeches delivered at the tenth annual dinner of the Association, which are herewith textually reproduced, were of a high order of excellence. The address made by the Chinese Minister was characterized by a notable degree of tact and by unusual earnestness. Mr. Wu's vigorous repudiation of the charge that he had been in any way responsible for the initiation or application of the Chinese boycott to American goods must be accepted in all the sincerity with which it was offered, and his graceful tribute to the influence of the Association was received with the applause which it deserved. His references to the awakening in China of the spirit of nationality were at least sympathetic, if not very illuminative, and he gauged very correctly the magnanimity and toleration which the American people brought to their judgment of the manifestations of a new birth in China. Mr. Seth Low made a felicitous interpretation of the meaning of the cruise of the American fleet when he called it a testimony to the importance of the Pacific Ocean to the future of America—a definite recognition of the fact that this country faced the Pacific Ocean as clearly as it faced the Atlantic—and thus, not far beneath the surface, was conveyed a compliment for all the countries of the ancient continent of Asia. Judge Wilfley dealt with the relations between China and the United States with characteristic vigor and breadth of view. His exposition of the purpose subserved by the United States Court for China and of the need of new legislation to enable that tribunal to accomplish all that its creators expected was admirably clear and convincing. Mr. John Barrett's views with regard to the future relation of the Panama Canal to the trade of the Pacific were highly suggestive though perhaps unduly optimistic. Mr. Barrett possesses in a very notable degree the faculty of being able to stir the commercial imagination and enlarge the horizon of the commercial mind. His speech at the annual dinner was distinguished by a virility of style and clearness of statement which make him one of the most satisfactory of expositors of the great problems which affect the future relations of the United States to the other communities encircling the great area of the Pacific. The speech made by the Rev. Dr. Richard D. Harlan, of the George Washington University, should serve to stimulate the interest of our members in his efforts to build up a great training school for the Consular and Diplomatic Services and the Public Service generally.

By those present at the dinner, at the President's table as well as in the body of the room, there was no concealment of the indignation felt by all who know anything of

the facts, in regard to the treatment of Judge Wilfley by the Sub-Committee to which the Committee on the Judiciary of the House of Representatives delegated the examination of the charges made against him. There will be found in this number of the JOURNAL a copy of the letter addressed by the Executive Committee of the Association to the Chairman of the Judiciary Committee. No acknowledgment has been made of the receipt of this communication, and there is, as yet, no evidence what kind of action the main Committee proposes to take in regard to the extraordinary perversion of its functions to which the Sub-Committee lent itself. It will hardly be disputed that the letter of the Executive Committee cannot be charged with overstatement, and every respectable American in China will agree that "in visiting with indiscriminate censure the conduct of the business of the United States Court in China, without giving the accused officer a hearing * * * not only has a gross injustice been done to Judge Wilfley, but a serious blow has been administered at the righteous and independent administration of American justice in China." There can be no question that Judge Wilfley is fortunate in the kind of enemies he has made, but that does not alter the fact that they have proved to have a sufficiently potent influence in party politics to deprive a fearless and high-minded public servant of ordinary justice before a Committee of the Congress of the United States. While this fact is more than outweighed by the testimony borne by the President of the United States and by the Secretary of State to the rectitude of Judge Wilfley's course, it is nevertheless true that should the Judiciary Committee accept the report of its Sub-Committee the administration of American justice in Shanghai will be fatally weakened.

THE President's reference to the charges made against Judge Wilfley is certainly not lacking in emphasis. He says that it is clear the Judge has been attacked not because he has done evil, but because he has done good. The President proceeds to demonstrate his thorough acquaintance with the subject by saying that the assault on Judge Wilfley is simply an impeachment of decency and zeal for the public good, and if successful would tend to cow and discourage every honest public servant who dares to withstand the forces banded together for evil, and would do grave damage to the honor of our country in the Orient. If anything were calculated to shame the Judicial Committee into a recognition of the duty it owes to public decency, the closing sentence of the President's letter certainly ought to do so: "It is not too much to say that this assault on Judge Wilfley, in the interest of the vicious and criminal classes, is a public scandal." The report by Secretary Root, in whose findings the President cordially concurs, was equally sweeping in its condemnation of the influences that prompted the movement against Judge Wilfley, and the Secretary's lucid summary of the conclusions he reached is worth quoting: "The evidence is overwhelmingly that Judge Wilfley has accomplished this work effectively and thoroughly, and has cleared the American name from the disgrace that rested upon it. It was not an easy task, and it could not be done except by the stern and active administration of justice. Such an administration necessarily creates resentment and enmity. The lawyers whose most liberal clients have been the gamblers and prostitutes of Shanghai never complained of the old order of things, but they are now full of bitterness against the Judge who has driven their clients out of business; the decent and virtuous Americans in Shanghai were indignant and humiliated over the former conditions, and are now grateful and approving."

ABOUT the only encouraging feature in the trade returns for the first eight months of the current fiscal year is the steady growth of our commerce with Japan. For the corresponding period of last year our exports to Japan were valued at \$25,120,233, against \$30,871,637 for the current year. The imports, so far, for the current year are valued at \$51,826,726, being a little less than \$500,000 in excess of the amount for the first eight months of 1907. For the Chinese Empire the exports are \$3,000,000 less than last year, and the imports have declined nearly \$2,000,000. The exports to Hongkong for the eight months show a total of \$6,085,687, or \$800,000 more than for the corresponding period of the previous year. The most remarkable gain, however, is to be found in the exports to what the Bureau of Statistics calls "Japanese China," in other words the leased territory of Manchuria. Here the demand for railroad equipment accounts for a total export for the eight months of \$6,291,275, against \$258,625 for the corresponding period of 1907.

A COMPARISON of the figures of exports of American cotton piece goods with those of the United Kingdom for the last three calendar years brings into strong relief the completeness of the collapse of the North China market for the products of our looms. In 1905 there was exported from the United Kingdom to China and Hongkong 370,474,000 yards of grey cotton piece goods and 231,585,700 yards of bleached, making 602,059,700 yards in all. For the same year there was exported from the United States 562,732,721 yards, of which but a small fraction were bleached goods. For 1906 the figures were for the United Kingdom 245,386,600 yards of grey and 183,016,300 yards of bleached goods—428,402,900 yards in all, against 271,199,275 yards for the United States. For 1907 the figures were 181,941,100 yards of grey and 152,728,400 yards of bleached goods—334,669,500 yards in all—for the United Kingdom, against 39,443,859 yards for the United States. In other words, while our exports for 1907 have dwindled to 6.8 per cent. of those of 1905 and 14.2 per cent. of those of 1906, the English show a total for 1907 equal to 55.6 per cent. of those of 1905, and 78 per cent. of those of 1906. These figures afford the best possible demonstration that the great English markets of Central and Southern China have remained comparatively unaffected by the causes which have brought about the virtual stagnation of trade in North China, to the obvious detriment of American exports, but to the equal detriment of less than half of the English exports. Just how far the beginning that has been made in substituting for the heavily sized product of Lancashire mills the pure goods represented by our finer qualities of grey shirtings may hold out the promise of a greatly expanded trade it is too early to determine. If past experience may be taken as a guide there is every reason to be hopeful of the future. Twenty years ago our interest in the cotton piece goods trade with China was very slight, being, with the exception of one or two qualities of standard drills, confined to the export of surplus domestic goods which were, for the most part, of too high a standard of quality for general Chinese use. In the ten years between 1887 and 1897 the export to China of plain grey and white goods of American make increased from 1,874,274 pieces to 4,143,971 pieces, a gain of fully 121 per cent. While in 1887 our proportion of the entire trade was only 12.13 per cent., it had risen by 1897 to 15.02 per cent. in value. Were it possible to cite our Chinese exports of 1905, as a normal trade, we should have the very satisfactory comparison of an advance in ten years from \$2,775,000 to \$33,514,818.

Exports of Domestic Cotton Cloths, Mineral Oils, and Wheat Flour from the United States to China and Hongkong, during the eight months ending Feb. 29, 1907 and 1908.

EXPORTS TO CHINA.

Months. 1906.	Cotton Cloths.		Mineral Oils.		Wheat Flour.	
	Yards.		Gallons.		Barrels.	
July.....	16,895,213	\$1,070,858	6,554,814	\$514,067	40,024	\$155,473
August.....	11,542,141	762,060	2,966,586	121,993	14,582	50,534
September....	15,389,513	1,016,379	3,992,695	189,198	49,824	158,516
October....	8,796,507	555,740	2,929,800	128,200	218,590	750,955
November.....	7,367,251	531,273	4,026,954	407,633	45,975	165,757
December.....	2,895,000	201,658	6,781,682	536,188	86,603	271,864
1907.						
January.....	1,613,462	112,456	7,181,252	489,166	80,567	265,564
February.....	3,556,507	250,293	5,732,280	485,951	115,062	382,467
Total.....	68,455,594	\$4,500,717	39,600,441	\$2,817,417	651,227	\$2,201,130

1907.						
July.....	3,863,460	\$272,205	11,456,360	\$980,855	86,448	\$310,426
August.....	4,807,901	392,629	2,875,430	239,930	102,862	385,654
September....	1,859,085	136,873	6,802,922	557,972	41,289	147,457
October.....	1,965,401	141,000	8,978,444	512,315	33,026	123,769
November.....	1,481,290	112,653	2,133,690	232,572	6,291	23,413
December.....	1,298,319	96,945	2,070,050	110,435	4,165	17,198
1908.						
January.....	1,558,137	117,654	4,130,529	290,075	25,991	100,328
February.....	1,323,320	86,016	5,557,246	344,315	41,968	164,104
Total.....	18,156,913	\$1,305,975	44,004,726	\$3,268,469	342,040	\$1,272,349

EXPORTS TO HONGKONG.

1906.						
July.....	50,027	\$6,228	15,063	\$ 2,346	65,248	\$229,073
August.....	100,392	9,345	423,404	44,580	94,848	352,466
September....	73,674	10,041	2,291,031	200,285	93,080	359,384
October.....	63,879	8,109	1,681,916	168,713	98,187	364,904
November....	22,621	2,927	21,599	2,591	92,545	349,077
December.....	69,227	9,089	1,479,169	149,565	103,487	362,374
1907.						
January.....	26,890	4,052	.....	.....	56,708	193,828
February.....	46,467	7,610	1,956,000	200,490	101,949	387,496
Total.....	453,177	\$57,401	7,729,270	\$749,360	706,652	\$2,598,602

1907.						
July.....	222,044	\$30,804	1,500,000	\$159,750	97,292	\$355,580
August.....	11,628	2,615	1,775,960	207,984	51,144	205,970
September....	76,096	10,227	.....	.....	99,184	367,031
October.....	47,261	6,708	.....	.....	56,102	215,526
November....	39,334	4,344	.....	.....	134,630	503,094
December.....	41,695	6,094	1,600,000	72,000	121,972	458,258
1908.						
January.....	33,055	6,586	.....	.....	78,140	298,671
February.....	16,555	2,691	.....	.....	44,743	171,538
Total.....	487,668	\$70,069	4,875,960	\$439,734	683,207	\$2,575,668

DEPARTMENT OF COMMERCE AND LABOR,

WASHINGTON, D. C., March 31, 1908.

Bureau of Statistics.

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Imports of Tea and Silk into the United States for the eight months ending Feb. 29, 1906, 1907 and 1908.

TEA.						
Imported from	1906		1907.		1908.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
United Kingdom.....	5,502,412	1,195,336	5,441,146	1,223,124	7,170,762	1,658,150
British North America....	1,394,283	338,088	1,581,370	379,042	1,685,878	417,447
Chinese Empire.....	30,748,695	4,229,609	24,323,924	3,404,691	24,900,032	3,664,285
East Indies.....	4,409,127	637,187	4,690,877	687,000	5,676,572	932,568
Japan.....	36,572,714	5,905,059	35,680,747	5,766,183	44,468,727	7,588,545
Other Asia and Oceania ..	335,429	58,714	507,981	90,250	331,092	54,961
Other countries	99,977	21,839	250,395	55,768	130,252	50,558
Total.....	79,062,637	12,385,832	72,476,440	11,606,058	84,363,315	14,366,514
RAW, OR AS REELED FROM THE COCOON.						
SILK.						
Imported from	1906		1907.		1908.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
France.....	353,173	1,295,666	263,247	1,032,994	269,668	1,142,981
Italy.....	2,242,606	8,949,475	2,418,981	10,405,290	1,797,068	8,734,070
Chinese Empire.....	1,923,756	5,566,346	2,271,357	7,704,527	1,874,540	6,934,404
Japan.....	5,163,488	19,328,023	7,536,498	31,362,589	6,592,319	30,399,790
Other countries	80,033	298,338	76,902	278,373	56,806	262,115
Total.....	9,763,056	35,437,848	12,566,985	50,783,773	10,590,401	47,473,360
Waste .....lbs...free..	2,199,775	870,963	1,136,574	636,007	1,005,468	742,544
Total unmanufactured	36,320,263	51,443,336	48,216,196			

THE CASE OF JUDGE WILFLEY.

The following letter, which was sent by the members of the executive committee of the association to the chairman of the House Committee on the Judiciary, but of which no acknowledgment has yet been received, represents, with tolerable accuracy, the opinions entertained by the members of the association in regard to the treatment accorded by that committee to Judge Wilfley:

AMERICAN ASIATIC ASSOCIATION,

32 Broadway, New York City, April 1, 1908.

Hon. John J. Jenkins, Chairman Committee on the Judiciary, House of Representatives, Washington, D. C.:

Sir.—The undersigned, members of the executive committee of the American Asiatic Association, would respectfully urge that the Committee on the Judiciary withhold its approval from those portions of the report made by its subcommittee on the charges preferred against the Hon. Lebbeus Redman Wilfley, judge of the United States Court for China, which cast injurious aspersions on the judicial character and methods of Judge Wilfley.

In finding that, even if supported by legal evidence, the charges could furnish no ground for the impeachment of the judicial officer against whom they were directed, it appears to the undersigned that the committee fully discharged the duty with which it was intrusted.

In visiting with indiscriminate censure the conduct of the business of the United States Court in China, without giving the accused officer a hearing, the undersigned believe that not only has a gross injustice been done to Judge Wilfley, but a serious blow has been administered at the righteous and independent administration of American justice in China.

Those of us who have had opportunity to observe the judicial methods of Judge Wilfley in Shanghai have been strongly impressed with the value of the services he has rendered to the cause of public decency in the International Settlement, no less than with his success in removing notorious causes of reproach to the American name in that community.

We have the assurance of the members of our affiliated

organization at Shanghai—the American Association of China—that Judge Wilfley has commanded the respect and merited the gratitude of every respectable man and woman among our fellow citizens resident in his jurisdiction.

We must therefore regard it as peculiarly unfortunate that the subcommittee of the Judiciary Committee should have found it necessary, in the most arbitrary fashion, to assail the character and impugn the judgment of a public servant whose discharge of highly delicate and responsible duties has earned the approval of all decent Americans in the Far East.

We would most respectfully express the hope that the Judiciary Committee will not, by accepting the report of its subcommittee, become a party to the palpable injustice of meting out condemnation without trial or hearing, and will not fatally weaken the administration of American justice in Shanghai by giving color to the impression that it desires the law to be interpreted in the way most agreeable to those who accord to the law the least regard.

Yours respectfully,

(Signed.)

JAMES R. MORSE,
President American Trading Company.

S. D. WEBB,
China and Japan Trading Company.

J. S. FEARON,
Vice-President International Banking Corporation.

A. G. MILLS,
Vice-President Otis Elevator Company.

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Fearon, Daniel & Co.

ALBERT CORDES
E. D. Cordes & Co.

LOWELL LINCOLN,
Catlin & Co.

WILLIAM T. ELDRIDGE,
Lewis & Co.

JOHN FOORD, Secretary.

TENTH ANNUAL DINNER OF THE ASSOCIATION.

The tenth annual dinner of the Association was given at Delmonico's, Fifth Avenue and Forty-fourth Street, New York, on Tuesday, April 21, 1908, at 7 P. M. Members and guests to the number of 168 sat down to dinner.

His Excellency Mr. Wu Ting-fang, Envoy Extraordinary and Minister Plenipotentiary of China, was the guest of honor of the occasion.

The Chair was occupied by the President of the Association, Mr. James R. Morse. At the Chairman's table were seated the following:

John Foord,
Rev. Dr. Harlan,
S. D. Webb,
W. S. Ho,
John Barrett,
Seth Low,
His Excellency Wu Ting-fang,
President James R. Morse,
Huntington Wilson,
Judge L. R. Wilfley,
Kwan Wing Lin,
Rev. Dr. Chas. F. J. Wrigley,
Lawrence Loomis,
K. Midzuno,
Lowell Lincoln,
L. Wing.

Charles W. Gould,
John Hubbard,
Harris Fahnestock.

TABLE D.

John J. McCook,
James H. Rogers,
Henry S. Manning,
Wm. McConway,
Prof. Friedrich Hirth,
Charles Triller,
Charles M. Brooks,
Adolph E. Norden.

TABLE E.

John W. T. Nichols,
J. A. Jones,
James Thomson,
Robert A. Suffern,
Charles A. Meyer,
M. R. Jacobs,
George Clapperton,
William M. Vanderhoof,
L. H. Babcock,
Dwight Moore.

TABLE F.

W. H. Stevens,
E. H. Litchfield,
H. H. Powell,
T. A. Eddy,
Francis E. Dodge,
J. B. Martindale,
Charles A. Edwards,
J. W. Copman.

TABLE G.

Howard Ayers,
Herbert M. Lloyd,
H. St. John Webb,
Wm. L. Redding,
Thomas N. Myrick,
A. G. Mills,
Geo. H. Macy,
Geo. Wilson.

The occupants of the other tables were as follows:

TABLE A.

Thomas A. Phelan,
H. B. Montgomery,
Wm. P. Roome,
J. Osgood Carleton,
Francis H. Sloan,
Geo. Clinton Batcheller,
Hon. Morgan J. O'Brien,
Eugene Frayer.

TABLE B.

E. V. Skinner,
W. F. Stevenson,
Hon. David J. Foster,
James A. Twohey,
James Barber,
Alfred H. Post,
Charles A. Conant,
C. A. Green.

TABLE C.

J. S. Fearon,
H. C. Fahnestock,
Gates W. McGarrah,
Thomas H. Hubbard,

TABLE H.

Robert Christie,
 Elliot Marshall,
 Percy S. Mallett,
 H. W. Fraser,
 Gilbert G. Thorne,
 Darwin R. Aldridge,
 Wm. Skinner,
 Wade Gardner.

TABLE I.

T. Iwashita,
 K. Kurasawa,
 K. Seko,
 K. Fukui,
 K. Imanishi,
 Dr. J. Takamine,
 G. M. Sullivan,
 D. W. Pye,
 E. P. Thomas,
 C. O. Holmes,
 W. T. Corbett.

TABLE J.

S. D. Brewster,
 Harold A. Hatch,
 Chas. A. Reed,
 Seth Mellen Milliken, Sec'd,
 Seth M. Milliken, Jr.
 A. C. Hall,
 Wm. Crawford,
 John T. Williams,
 Lewis Cruger Hasell,
 Albert Cordes,
 Rudolf Binder.

TABLE K.

Arthur O. Probst,
 M. G. Psiaki,
 Charles L. Bernheimer,
 Albert E. Morganstern,
 E. S. Boteler,
 Col. J. Howard Bumsted,
 E. P. Cronkhite,
 Thomas Beard.

TABLE L.

Edw. L. Young,
 John Bottomley,
 Maurice Coster,
 G. A. Harris,
 T. Tsumura,
 H. Mayesawa,
 T. Gejio,
 A. W. Bash.

TABLE M.

Townsend Rushmore,
 Philip Devlin,

Wallace Peck,
 H. S. Studdeford,
 J. F. Eastmond,
 Wm. McKinley, Jr.,
 W. A. Lippincott, Jr.,
 Edw. Vintschger.

TABLE N.

William Boyd,
 Maynard C. Eyre,
 H. T. McMurtrie,
 Laurus Loomis,
 Prof. Richard P. M. Eagles,
 Prof. Daniel Gerlach,
 Edward E. I. Martin,
 William Wallace Coriell,
 Henry H. Henderson.

TABLE O.

Geo. H. Sampson,
 James Pilkington,
 John R. MacArthur,
 Geo. S. Rice,
 S. L. Davis,
 Samuel Sloan Auchincloss,
 W. H. Evans,
 Chas. Howard Metz.

TABLE P.

W. S. Brown,
 F. L. Fearon,
 James F. Capen,
 James A. Farrell,
 Geo. C. Scott,
 A. J. Hinck,
 O. H. Hinck,
 Frank Kidde.

TABLE Q.

E. P. Smith,
 W. De Forest Haynes,
 John Thomson,
 W. G. Zick,
 William Thomson,
 T. Ashley Sparks,
 D. S. Shaurman,
 A. D. Jones,
 W. J. Sparks.

TABLE R.

Edwin Farnham Greene,
 Henry W. Howe,
 Nathaniel F. Ayer,
 Thomas W. Slocum,
 J. T. Van Wyck,
 N. H. Kennedy,
 E. M. Sutliff,
 Henry G. Woodruff,
 Fridge Riach.

MENU

 Clams

SOUP

Clear Green Turtle

SIDE DISHES

Radishes Celery Olives

FISH

Brook Trout Meuniere

Duchesse Potatoes

Cucumbers

REMOVE

Saddle of Spring Lamb Colbert

New String Beans

ENTREES

Sweetbreads Montebello

French Peas

New Asparagus Hollandaise

Sherbet with Maraschino

ROAST

Squab Chicken

Lettuce Salad

SWEETS

Fancy Ice Cream

Assorted Cakes

Coffee

Tuesday, April Twenty-one, 1908

DELMONICO'S

TOASTS

The President of the United States

Response by

HONORABLE SETH LOW

Our Honored Guest

HIS EXCELLENCY MR. WU TING-FANG

Envoy Extraordinary and Minister Plenipotentiary of China

China in Regeneration

Response by

.. HON. EDWIN DENBY

Representative in Congress from First District of Michigan

American Influence in China

Response by

HON. LEBBEUS REDMAN WILFLEY

Judge of the United States Court for China

The Far East by Way of the Panama Canal

Response by

HON. JOHN BARRETT

Director of the International Bureau of American Republics

The New Light of Asia

Response by

RIGHT REVEREND HENRY C. POTTER, D. D.

Bishop of New York

ORDER OF SPEAKING.

PRESIDENT MORSE—Had the present incumbent of the office of President of the United States no other title to fame, he would live in history because of his earnest, unselfish and successful efforts for the restoration of peace in the Orient. (Applause.) Had he no other claim to statesmanship, he would rank high among the leaders of his time for having exerted all the influence of his office so to guarantee the integrity of China that peace should rest on a permanent basis. (Hear, hear!) For his share in bringing about the peace of Portsmouth President Roosevelt earned the gratitude of both belligerents and the respect of the civilized world. He has made a manly protest against the injustice done to China both in the wording and the working of our Chinese exclusion acts, and he has prescribed a new standard of fair dealing among nations in his recommendation to Congress for the return to China of the indemnity exacted under the protocol of September, 1901. As men having a vital interest in maintaining peace, prosperity and good will among the nations of Eastern Asia, I call on you to drink to the health of the President of the United States, and shall leave it in the very competent hands of the Hon. Seth Low to reply to the toast. (Amid loud applause the toast was drunk standing.)

TOAST: "THE PRESIDENT OF THE UNITED STATES."

HON. SETH LOW—The distinguished guest of the evening, whom it is a pleasure to all of us to welcome here again as the representative of the ancient empire from which he comes, will readily recognize the compliment to himself and people that anyone at all could be asked to respond to the toast, "The President of the United States," for it is our custom, as I have observed it, to drink to that toast in silence, because both the toast and the man speak for themselves better than anyone can speak for them. (Laughter.) But you will not fail to observe that while with us silence is golden, speech is silver, and as silver is the standard of value in China, it is not unnatural that speech should be resorted to tonight in honor of our guest. (Applause.) It is very hard to do justice to such a subject as the office of the President of the United States, for the man who for the moment fills that office is the representative of the hopes, the loyalty and the ideals of over eighty millions of people. What a thing it is in one's own person to express so much!

I venture to think that our chairman tonight has paid a tribute entirely just to the present occupant of that office when he said that if Theodore Roosevelt had no other claim to fame his relations to the countries of the East would mark him as a statesman of the very highest rank. If you think of it, his influence upon the East and upon the West, as affected by the meeting of the East and West, has been immediate and profound. Unless current rumor or reputation is at fault, it was largely due to his foresight as Assistant Secretary of the Navy that Admiral Dewey was so well supplied with ammunition that the battle of Manila Bay was so great a victory as it was at the opening of the Spanish War. It is true that our permanent relationship with the Philippines was determined by Mr.

Roosevelt's predecessor, the honored William McKinley, but it is also true that Mr. Roosevelt took up the relationship between ourselves and those islands in the very spirit of his predecessor, and has represented that spirit unflinchingly from that day to this. Men have sometimes wondered what would come from such a strange connection as the relation between this American republic and these Asiatic islands. The Arctic current, starting in the far North, brings along our coast a current of cold water, and the gulf stream carries across the Atlantic and around the British islands the warm influence that makes those islands habitable. It carries with it the influences that are native to its region and its origin, and I feel absolutely sure that in our relationship with the Philippines we shall carry there the influences that are native to the origin of that stream. (Applause.) We see it already in the public schools; we see it already in a population that can speak English with as much readiness as it can speak Spanish. It is in the maintaining and development of that spirit in our relationship with the Philippines that President Roosevelt is so deeply and warmly committed.

Then, as reference has been made to his services in bringing about the treaty of Portsmouth, how well he filled the office of President of the United States in that moment of disaster for millions of men. How he saw the very instant at which intervention could be successfully made, and how his instinct took him into the breach and brought about the peace that now reigns in those far-distant countries. No one has maintained the integrity of China better than he, so worthily advanced by our great Secretary of State, John Hay, with the support of both McKinley and Roosevelt, and if he did coin a word, entity, to represent the majesty of the Celestial kingdom, he wanted to keep intact the thing he had in mind, and he made it so clear to the civilized world that China is stronger to-day against foreign attack than at any time in history.

I like also the reference our chairman made of the attitude of President Roosevelt toward the Exclusion Act, how he has had it amended to exclude the coolie and everybody else instead of having the Chinaman prove himself the exception to the rule.

I am inclined to think that when President Roosevelt ordered the American fleet to sail to the Pacific he took a step destined to have weighty and important and most helpful consequences on the history of the coming century. I was very much impressed by an article I read a short time ago, and perhaps which many of you saw, written by Sydney Lowe, of London, in the *Fortnightly Review*, in which he stated that when the American battleships weighed anchor in the Straits of Magellan and began their journey north through the Pacific it was hardly too much to say that the bows of those vessels touched the future, and their sterns the past of the United States. It was a recognition of the importance of the Pacific ocean to the future of America; it was a definite recognition of the fact that this country faced the Pacific ocean as clearly as it faced the Atlantic, and it meant, I think, a compliment not far beneath the surface for all the countries of the ancient continent of Asia. Napoleon, you remember, said to his troops as they were encamped under the shadow of the Pyramids

of Egypt, "Forty centuries look down upon you." He was impressed by the mighty past. President Roosevelt, while he recognizes the ancientness of the hoary East, while he realizes that out of the eyes of the Chinese Minister and his countrymen forty centuries look upon us that there is expressed the outlook of a civilization contemporaneous with the building of the Pyramids themselves. While he is conscious of that inspiring and tremendous task, he also looks into the eyes of those old civilizations and those mighty empires and sees in them the spirit of a young and new life. (Applause.) It is not the dead past of the Pyramids, but it is a past capable of renewing its youth, and in the process of renewing its youth we men of to-day have seen what no other men have ever seen who trod the earth—embassies sent to Europe and to America from this ancient Kingdom of China to learn something about Western civilization. From the time we have known anything of China until now, China has been sufficient to itself. It has not wanted the foreigner to come in, nor has it cared to go to the foreigner; but in these days the spirit has entered into the heart of every man to recognize that beyond the border of his own country there is to be found a brother man. And China, that old and ancient kingdom, is no exception. China is learning from the West, as I hope that we of the West will learn from China, the things that belong to our greatness; and it is because President Roosevelt has seen that the intimate and inevitable relationship between the East and the West, and the inevitable drawing together into mutual contact of two civilizations, that I think his claim for statesmanship in connection with all of these Eastern questions can rest without fear of being shaken.

Therefore, gentlemen, when we drink the health of the President of the United States, and that President is the Hon. Theodore Roosevelt, we do ourselves honor in honoring a great office and in honoring a great man. (Great applause.)

THE TOAST OF THE EVENING.

PRESIDENT MORSE—Your Excellency—Five years and five months have passed since this association, together with the Silk Association of America, entertained you at a farewell dinner on the eve of your return to China. You may remember that on that occasion you took exception to a part of the sentiment which accompanied the toast drunk to your health—you said that you did not like the phrase "That they should see his face no more," and you asked what reason we had to think we should no more see your face.

We are happy to-night to be able to acknowledge that the phrase was ill-chosen and that your objection to it was well taken. (Applause.) In welcoming you once more to this country, it is an added satisfaction to be able to congratulate you on the services you have been able to render to our own country since you sat here last in November, 1902. China has made great strides in what we call progress since that time, and all the world has recognized your share in introducing more humane principles into her penal code and a more liberal spirit into her commercial intercourse. (Cheers.)

No man knows better than yourself what are the requi-

sites of a good understanding between China and the United States, and none could be better qualified to impress our people with a proper sense of the duties they owe to yours, and to convince your people of the obligations they have accepted in return. There has, happily, never been a time in the history of the intercourse between the Chinese Empire and this Republic when there were so few matters of controversy requiring diplomatic treatment, or when each was so thoroughly impressed with the desirability of cultivating the friendship of the other. (Applause.)

It has been the constant aim of this association to bring about such a state of feeling as now exists between the nations, and we must regard it as of the happiest augury for the future that one who has done so much to make them understand each other should again be the representative of China in the United States. (Loud applause.)

Gentlemen, I ask you to rise and drink to the health, long life and prosperity of our honored guest, his Excellency Mr. Wu Ting-fang. (Toast drunk standing, accompanied with prolonged cheers.)

HIS EXCELLENCY MR. WU TING-FANG.

I feel most grateful to the president, the secretary and the members of the American Asiatic Association for this great banquet and for the warm cordiality with which I have been received. I beg to express my sincere thanks for the kind way in which this dinner was arranged. Before I left China I was honored with the invitation, but as I could not come in time the date was changed several times to enable me to be present. Before and since my arrival in Washington I have received many invitations to attend banquets and social functions in this great city and other places, but to show my high respect for this great association I consider it proper that my first post-prandial speech should be delivered before the members of this association. (Loud cheers.) Of all the organizations and institutions of this great country, and they are many and important, your association, in my opinion, bears a relation to my country that is both intimate and significant, composed, as your membership shows, of men who have at one time or another resided in the Far East or who have interests connected with the Far East, your association enjoys a knowledge and acquaintance with the situation in China and Japan that diplomats and statesmen envy. This direct and great knowledge of and acquaintance with the past and present state of affairs in the Far East entitles you to speak with authority, and so when you speak officially and collectively your opinion carries great weight, and the world listens to what you say. The reasonable attitude assumed by your association in all matters relating to the Far East has created favorable impression in China, and I can assure you that your work is appreciated not only in this country, but also in China. (Applause.)

Your president in his speech alluded to a remark that I made at the farewell dinner at which your association was good enough to entertain me on the eve of my return to China, five years ago. I remember finding fault with a quotation in the toast list, which said that you should see my face no more. I did this not because I was superstitious, for if I had been I would not have attended the din-

ner, which you remember took place on the thirteenth day of November. (Laughter.) No, I thought the sentiment was too sad and too harrowing. I thought at that time that, although it was not likely I would return to this country, yet I hoped to see many of the members of the association in China. But since I could not induce you to visit me in China, I have now come to see you in this country again. (Laughter and applause.) Perhaps many of you are aware that for family reasons three years ago I wished to retire from public life, but in China a government servant when his services are needed is not allowed to go as he chooses, so my repeated resignations were not accepted until fourteen months ago. (Applause.) I was not, however, allowed by my Government to rest long. The news of my reappointment as Minister to this country six months ago was an agreeable surprise to me. I assure you that my acceptance of this important post was due not only to my sense of duty to serve the interests of my country, but also to my desire to cement more closely the friendly relations now happily existing between China and your country. (Cheers.) I may also add a personal reason that I wished to see again my American friends and renew their acquaintance, among whom I count you, members of this association. (Applause.)

The chairman has referred to the fact that China has made great strides in what we call progress within the last few years. Yes, China has been and is making reforms in many directions. I am glad I have been back to China, for if I had stayed on in America I should not have been personally cognizant of the many changes that have been taking place, and I am pleased to say that I have been instrumental in a small way in the introduction of some reforms. (Applause.)

China is not now what she was a few years ago. It is worth while for merchants who wish to have dealings with China to study the progress she is now making. China has become more modernized. That being the case, her people will necessarily learn more from the Western countries, and they will acquire some of the Western habits and tastes. This will increase the trade with foreign countries still more, and greater demand will cause increased supply. (Cheers.)

I quite agree with your chairman when he says that in the history of the intercourse between China and America there has been no time when there were so few matters of controversy requiring treatment. There are now no matters of great controversy between the two nations which cannot be amicably settled, and the political horizon is smooth and clear. There is no mist or cloud such as, I am sorry to say, existed some years ago, and which, happily, has been dispersed. (Applause.) In this connection I am referring to the incident which is well known to you all—I mean the boycott on American goods. It was alleged that I started the boycott, or, if not, that I inspired it. I cannot understand how this absurd rumor originated, but once it was given out it was copied in many newspapers, and even some of my friends in America wrote to me suspecting that I had something to do with it. I can say that it was one of the most malicious libels that could be invented against a person, as it had not the least founda-

tion. (Loud and sustained applause.) The boycott was started in Shanghai and in the south of China while I was one of the Ministers in the Wai-Wu-Pu (the Foreign Office) in Peking, and I and my colleagues were doing all we could to stop the agitation. To blame me that I was in any way responsible for the carrying out of the boycott is just like accusing a judge who tried a person charged with an offense that he had been abetting the person in its commission. I believe any person who knows me would not give credence to this absurd rumor. However, the incident is closed, the boycott is a thing of the past, and I hope that nothing of the sort will ever occur again. (Great applause.)

After years of slumber our people, the most intelligent portion of our people, have had a feeling of nationalism stir within their breast. Whatever you may dub it—patriotism, unrest, or what not—it is there, and the people are very sensitive about it, which we know from experience is natural both with individuals and with nations. Now, there are some people who would poke fun at this feeling, disparage it, or even suggest its suppression by forcible measures or by demonstration. It is needless to say that this narrow-minded and short-sighted view when voiced in the foreign press in China and translated and published in the native papers does not tend to pacify or soothe the feelings, or, to express it in another way, produce feelings which oleaginous liquids are supposed to do when poured on troubled waters. The effect is just the opposite. It may be likened to the pouring of oil on a fire. When you study the foreign relations of my country for the past half century or so, I feel sure you will make some allowance for the feeling of resentment and indignation on the part of my people, and the feeling of utter helplessness against violence and wrong only increases the bitterness of the soul. The American people, appreciating with their greatness of mind and soul all the weaknesses and exaggerations of a new-born spirit, have treated it with consideration, and have adopted the proper view that this spirit marks the true awakening of China, and that whatever taint of anti-foreign feeling with which it is imbibed will rapidly disappear as soon as it is understood that the nation against whom hostility is exhibited is really a friend in disguise.

China's relations with America will always remain friendly. (Applause.) It is natural that they should be so when you consider on your side that your policy is just and fair play, and on our side honesty and straightforwardness. You may be sure acts of kindness and fairness, such as return or waiver of over ten millions of dollars to China, will certainly create a most favorable impression in China and strengthen the bond of friendship between the two countries, and the existence of an important and influential association like this I consider a safety valve of the two nations. No more misunderstandings, I feel sure, can occur in the future, and the relationship between the two countries will yet become closer day by day. (Hearty and prolonged cheering.)

PRESIDENT MORSE—I regret to announce that the Hon. Edwin Denby has been unavoidably prevented from coming here to-night, and therefore, so far as he is concerned,

regarding the third toast, it will have to be eliminated from our program. But happily we have an officer of this organization who is always ready and willing and capable to fill any gap occasioned by the absence of one or more speakers. I will call upon Mr. John Foord.

TOAST: "CHINA IN REGENERATION."

MR. JOHN FOORD—Mr. Denby has not confided to me what he proposed to say about "China in Regeneration," but I think I may hazard a guess at what the members of this association think about it.

Most of us recognize the fact that there is not on the face of the world to-day a more capable race than the Chinese. We are strongly impressed with the further fact that there must be in Chinese civilization some very fine and enduring qualities to have enabled it to survive during millenniums in which other civilizations arose, flourished, decayed and passed away; in which other great empires contemporaneous with the Chinese have played their part on the stage of history only to disappear. If we hail the birth of new ideas in China, it is not because we either hope or expect that they will supplant all the old ones, or that the new Chinese civilization will be modeled after a purely Western pattern. There have been periods in its long history when China was the home of a brilliant civilization, in which art, literature and science flourished; in which great public works were constructed, whose remains challenge the admiration of engineers of our own time. China needs the infusion of Western ideas to enable the spirit that once made her illustrious to live again—to breed a new race of great engineers, great artists, great scientists, great artificers, and great men of letters. (Applause.)

The Chinaman has all that goes to the creation of national wealth at his hand and under his feet, and he is himself the most efficient industrial unit in the world. He has an undisputed talent for merchandising, and a positive genius for exchange. He is docile and painstaking, but he has not acquired the modern capacity for organization. He has come to recognize the necessity for providing a railroad system as broad as the empire, but he is like a child when it comes to deal with the practical problems of its construction and organization. He has the very proper ambition of wanting to see his people stand on their own feet and work out the development of their country by themselves. But he is apt to forget that he has been sitting with folded hands during the generation in which the peoples of the West have been giving a new character to civilization by the application of the discoveries of science to the subjugation of nature. He is not unmindful of the fact that he must go to school to get abreast of all this, but he seems to be impatient of the restraints that he must impose on himself while he is still a learner. Considering the enormous reserves of patience that he has in his character, this headlong haste to run before he is able to walk seems to his friends not a little surprising.

I need hardly say that the path of wisdom for those who control the destinies of a China which is putting away old things and accepting many new ones is to invite aid from whatever competent quarter it can be obtained. They are shrewd enough men to know that the aid they get will not be purely disinterested, but they are also shrewd

enough to be able to distinguish between those who are ready to help them for a fair reward and those who merely want to rob them. (Applause.)

The evolution of a new China, rich in the development of its vast latent resources, strong in the mastery alike of the arts of peace and the science of war, constitutes no menace to the world. No addition to the common stock of the wealth of humanity can be confined to the people who create it; the lust of conquest in other nations is excited by national weakness and defenselessness, not by strength and military efficiency. A China that invites dismemberment is a standing menace to the world's peace; a China that can render a good account of itself against all comers would extinguish the possibility of war over half the surface of the globe. (Applause.)

PRESIDENT MORSE—Judge Wilfley is not a stranger to us, although this is his first introduction to the members of this association. We are all familiar with the arduous and salutary work he has done in Shanghai, and we all honor him for the enemies he has made. That the American name stands higher in the great treaty port of China than it has done for long years is very largely due to the courageous and resolute way in which Judge Wilfley has set about freeing it from a reproach of long standing, of which every self-respecting American in China was heartily ashamed. It is eminently fit that we should have Judge Wilfley tell us tonight what he thinks of "American Influence in China." (Loud cheers.)

"AMERICAN INFLUENCE IN CHINA."

JUDGE WILFLEY—I wish to assure you of my high appreciation of the honor of being invited to address you on this occasion, and the great pleasure it affords me to join with you in extending a most cordial welcome to our old friend and new Chinese Minister, the Hon. Wu Ting-fang. (Cheers.) He does not come to us as a stranger. He knows the American people, and we know him. He is familiar with conditions in both countries, and has a clear insight into the needs of the present situation. The two countries are to be congratulated that a man with such equipment has been chosen for this important position at the present critical period. (Applause.)

As a result of recent developments, a relationship has been created between the two countries that is full of interest and significance. That China is resolved to embrace the principles of Western civilization and take on new life, that this awakening will probably result in increasing enormously the foreign trade of China, and that America has resolved to bid for a share of the trade of the world, are facts now universally recognized.

The practical questions for the responsible authorities of the two governments now to consider are, what part shall the young republic of the West play in the transformation of the old empire of the East? To what extent will China avail herself of those virile forces which have wrought the marvelous development of America and her people? What quota of America's foreign trade will be furnished by China?

These questions are indissolubly connected with one another, and an answer to one is in a measure an answer to all. It is manifest to the casual observer that if America

plays a large part in the transformation of the Chinese Empire she will receive a large part of China's trade. (Hear! hear!)

But the question naturally arises, How can one nation aid another in solving the problems of domestic administration? Why should one country, engaged in reforming its institutions and developing its resources, look to another for aid? The answer to this lies in the peculiar circumstances surrounding the situation. China, like Japan prior to its transformation, has for thousands of years been a hermit nation, and consequently has denied herself the benefit of those policies and instrumentalities which contributed so largely to the development of Western nations—namely, the freedom of trade with foreign countries and the exchange of ideas between the peoples of neighboring states.

If I understand the situation correctly, China has been deeply impressed by the experience of Japan and entertains the hope that her old régime may be replaced by new forms of administration and new industrial appliances within one or two generations. This policy of bringing about reforms by revolutionary methods rather than by evolution and slow growth is made possible in the East by that peculiar characteristic of the Oriental which differentiates his government from those of the Western nations. In the Occident we live under a government of laws and not of men; but in the Orient people are governed by men, and not by laws. This is true of all Oriental countries. With us reforms originate with the people, while in the Orient they invariably emanate from the ruling classes. This being so, if the government of an Oriental country falls into the hands of wise and progressive men, great reforms may be brought about in a comparatively short time.

Japan's recent achievements prove this. The modernization of Japan was not brought about by the great body of the Japanese people, but by a small group of wise leaders, of whom Marquis Ito and Yamagata are representatives. And so, if Fate should decree that the destinies of China should be committed to the hands of her progressive statesmen, like Chang Chih Tung and Yuan Shi K'ai, it would be possible to inaugurate great reforms in the empire in a short period. (Applause.)

In order to accomplish this, however, China will have to imitate the policy of Japan, in adopting the forms and principles of administration found in operation in the modern nations of the West. As Japan looked to Austria for a model for her legislature, to Germany for her military tactics, to England for her methods of railroad construction, and to the United States for a legal adviser in foreign affairs, so China, if she hopes to move rapidly along the pathway of modern progress, must pursue a similar course. China also has railroads to build, a system of popular education to establish, an army and a navy to organize and equip, a monetary system to reform, and a new system of administration of justice to inaugurate.

But the fact that the number of her citizens who are educated in Western ideas is small renders it difficult, if not impossible, for China to bring about a rapid reform of her institutions. The great obstacle in the way of the

prompt execution of these reforms is the lack of properly equipped men. Furthermore, as a result of the unjust treatment that has been accorded China by Western nations in modern times, there is a strong public sentiment in China against permitting the intervention or seeking the aid of foreigners. This is a natural situation, but there is danger that the pendulum may swing too far, and the Chinese will thus deprive themselves of the benefits to be derived from the employment of foreign talent and the investment of foreign capital in the work of developing the material resources of the empire.

That the position of America in China at the present time is strong there can be no doubt. China knows that America does not want any part of her territory, and the fact that our nation saved the empire from dismemberment ten years ago is still fresh in the minds of all. It is also clear that the American people are in real sympathy with China in her efforts to reform her administration and improve the condition of her people. (Applause.)

In view of these facts, in what way can America render aid to the Chinese people in working out the problems with which they are now grappling?

I would reply to this question by saying, let us be just to China. What China wants at the hands of America is simply a "square" deal, and this she is entitled to. (Cheers.)

Despite the traditional friendship that has existed between the two peoples for such a long period, it is well known that in recent years our government and our people have not treated China with the degree of fairness which should characterize the conduct of a just and generous nation like our own. This is evidenced by the unfair and harsh administration of the exclusion laws by our officials on the Pacific Coast—now happily mitigated—and by the lax manner in which the United States has exercised its jurisdiction over Americans who sojourn in China. It is also well known that the manner in which the concessionaires of the Hankow railroad franchise disposed of that privilege gave rise to much adverse criticism of our merchants and of our government at the hands of the Chinese people.

It was treatment of this character that brought about the boycott of 1905 and temporarily placed a cloud in the sky of our friendship. The ill-feeling engendered by these blunders, however, is rapidly disappearing and being supplanted by the traditional friendship of the two nations. This is due in a large measure to the proposed cancellation of a large part of the Boxer indemnity obligation, to the generous contributions of the American people to the famine relief fund of last year, and to the reforms already inaugurated by the Washington government in the method of exercising jurisdiction over our nationals who live in China. (Applause.)

These things all indicate a desire on the part of the American people to be fair to China. The cancellation of the surplus of the Boxer indemnity debt shows a nice sense of international obligation. The contributions of America to the famine relief fund are an unmistakable evidence of loyalty and true friendship, and the disposition of the Administration and of Congress to improve our consular service generally, and the administration of justice in

China particularly, is also a strong evidence that we mean to deal squarely with China.

Perhaps the most important evidence of good faith and reciprocity which our nation has given to China in recent years was the creation by Congress, by act of June 30, 1906, of the United States Court for China. No one will contend for a moment that the jurisdiction over American citizens in China, which China granted to our government by the treaties of 1843 and 1858, hitherto has been exercised in a manner worthy of the dignity and honor of the nation. Those treaties imposed the most imperative obligation upon the United States to see to it that justice be administered according to the very highest American standards, and the failure on the part of our government to appoint consular officers competent to bring this about and to extend an adequate body of laws to China resulted in a lax and inefficient administration of justice, which had the natural effect of making the treaty ports of China favorite resorts for irresponsible and criminal classes of Americans. Perhaps the best statement of the reason for the creation of the court is one made by the Hon. Elihu Root, who is now and was at the time the court was created our Secretary of State. He says:

"There was a reason for the creation of the court, and an urgent reason, in the existence of conditions in Shanghai, and to a less degree in other treaty ports of China, disgraceful to the United States and humiliating to American self-respect. The foreign settlement of Shanghai is itself a considerable city, with many thousands of inhabitants from all the Western nations. In it there is no single tribunal which has jurisdiction for the administration of justice over all its inhabitants. The citizens of each nation are subject to the jurisdiction only of the judicial officers of their own nation, and are exempt from interference from the judicial officers of any other nation. As a result of this peculiar arrangement the vice which seems to thrive in the atmosphere of the Orient has long tended to seek shelter under the flag of the country whose administration is the most lax and ineffective. American administration in Shanghai has long been notoriously lax and ineffective, and the gamblers and prostitutes in Shanghai generally flourished under the claim of American citizenship and the protection of American indifference. To such an extent has this gone that prostitutes generally in Shanghai, and to a considerable extent in other cities, whether American or not, were called American girls, and the two expressions were practically synonymous. One of the principal causes urging the formation of the new court was the necessity for doing away with this disgraceful condition of affairs."

The act of Congress creating the court clothed it with the jurisdiction formerly exercised by the consular courts, except jurisdiction to hear small criminal and civil cases. It also provided for a district attorney, marshal and clerk, and the other machinery which goes to make up a regular United States court.

Up to the present, however, Congress has failed to extend to Americans in China a body of laws sufficiently adequate to enable the courts to exercise jurisdiction in a satisfactory manner. The principal body of laws which

are now in force in China is embraced within the meaning of the term "common law." The American law of extra-territoriality has not been developed by legislation or by judicial interpretation since the original statutes of 1848 and 1860 were enacted. Since there is no such thing in the United States as a national common law, and since Congress has not indicated what the term "common law" as used in the statutes was intended to comprehend, it is well-nigh impossible to apply the principles of law now in force in China with any degree of uncertainty. Experience has demonstrated that the law as it now stands is unsatisfactory and altogether inadequate on account of its vagueness and indefiniteness, because of many omissions, and by reason of anachronisms and harsh provisions which are repugnant to modern ideas of justice.

For example, under the common law as it now stands, there is no scale of punishments provided for the guidance of the Court in the trial of criminal causes. And in the important matter of the administration of the estates of Americans decedent in China it is well-nigh impossible to work out under the common law a system that is at all satisfactory.

Realizing this, however, Congress now has under consideration a bill which, if enacted into law, will extend to China a comprehensive and complete body of laws. This bill might properly be called the China Jurisdiction Act. The principal feature of the proposed law is that it extends to China the provisions of the codes of the State of California. The controlling arguments in favor of the adoption of the California codes are, first, that they are fairly well drawn, and, second, that the court of appeals for the United States Court for China—namely, the United States Circuit Court of Appeals for the Ninth Circuit—sits in California.

In addition to the provision extending the laws of the State of California to Americans in China, the proposed bill contains a number of special provisions, relating to the establishment of the courts, the administration of estates, extradition, etc.

If this bill becomes a law, it will fix the legal status of all Americans in China in a satisfactory manner. A New York merchant will then be able to ascertain before he makes investments in China the manner and extent to which his personal representatives and his property in China will be protected by American law and American courts. (Loud applause.)

Congress also has under consideration a bill for the construction of adequate consular buildings for the various treaty ports of China. A large Federal building is especially needed in Shanghai. This is due to the fact that Shanghai is the commercial and, in many respects, the political capital of China, and is the headquarters of the United States Court for China. It is perhaps accurate to state that the American consulate in Shanghai is the most important consular post in the entire service. At present our court and consular force are housed in a small building on a back street in Shanghai, which was formerly used as a Portuguese club. The other first-class nations have large and imposing buildings on the water front or on the Bund.

The effect of this is to cause our nation to lose "face," as we say in China, and is a severe handicap to American officials and American merchants.

It is true that our foreign trade with China is now comparatively small—our exports to that country in 1905 being only fifty-seven millions—yet it is manifest that the possibilities of our trade with China are great. The foreign trade of Shanghai at the present time is 250 millions annually. What it will be fifty years hence no man can tell, but it is safe to assume that it will increase many fold, and it is also certain that America can enjoy a large portion of this trade if she will make the necessary effort to secure it. (Applause.)

It is sincerely to be hoped that Congress in its wisdom will enact at its present session the legislation to which I have referred, and if this be done American prestige in the Far East will be greatly enhanced. American trade interests will take a long stride forward, and the relationship between America and China will be vastly improved. (Prolonged applause.)

PRESIDENT MORSE—It is always a pleasure to be reminded that our old friend and worthy honorary member, the Hon. John Barrett, has not in his devotion to the affairs of Latin America lost his interest in the Far East. (Applause.) Mr. Barrett was instructing the American people in the commercial possibilities of Eastern Asia years before this Association undertook the task. He has returned to his first love to-night and will tell you something worth listening to about the "Far East by Way of the Panama Canal." (Loud applause.)

TOAST: "THE FAR EAST BY WAY OF THE PANAMA CANAL."

HON. JOHN BARRETT—The two most difficult and yet perhaps most fascinating foreign political and commercial problems before the United States in this period of its history are the relations respectively with the Far East and with Latin America. What shall be the influence and trade of this country in these two important divisions of the world two decades from now may decide how the United States will stand with them for the next century.

The competition among nations, like that among men, is determined by the relentless rule of nature described as the "survival of the fittest." Therefore it behooves the American statesmen, the American press, and the American people in general to so study the problems and politics of the Far East and Latin America and to so settle the issues involved in our inter-relationship with them, provided always that this is done without sacrifice of national honor or of the underlying principles of our Government, that the three hundred millions of people on the other side of the Pacific and the sixty millions to the south of us shall be permanently on our side and not against us—our allies and not our enemies. If I am not mistaken, it can be said, from strong present indications, that the statesmanship and policies of the President and the Secretary of State have that ideal outcome as their principal aim and purpose, and hence they should have the hearty support of the American people regardless of party in accomplishing this great end.

The Far East and the Panama Canal as the extreme opposite limits of the Pacific Ocean suggest some most

important and yet often unappreciated facts which have direct bearing on the future position of the United States as a world power. Whether the United States shall always hold a predominant place among the nations of the world will be largely determined by the influence, prestige and trade it maintains among the countries bordering on the Pacific. In casting the horoscope of the future of the Pacific Ocean we must include not only Japan, China and the Philippines, but Australia and New Zealand and the ambitious Latin American republics bordering on that ocean from Chile to Mexico.

Placing a most conservative estimate on the present population of the countries, or the sections of such countries, directly tributary to the Pacific Ocean in Asia, Australasia, and North and South America, we have a total of at least four hundred million human beings. The present foreign trade of this Pacific periphery approximates two billion dollars per annum, or an average not exceeding five dollars per head. Now let this trade grow to the even small per capita allotment of ten dollars, and we have a commerce of four billion dollars per annum. What this may mean for commercial activity on the Pacific Ocean, for the practical use of the Panama Canal, for providing markets for American manufactures and food stuffs, and for, in short, converting the Pacific Ocean into a field worthy of the competition of all nations for control, is better appreciated when we remember that the total foreign commerce of the United States with all the world, including both exports and imports, is approximately three billions of dollars.

The per capita foreign commerce of the United States is nearly forty dollars. That of Japan is approximately ten dollars, and that of China (at a most conservative estimate of population at 250,000,000) about two dollars. If her population were placed at the usual estimate of 400,000,000, the commerce would not exceed one and a quarter dollars per capita. Looking further, we find that the foreign trade of Australia, with less than five million people, amounts to nearly six hundred million dollars, or an average of over one hundred dollars per head. In South America we find that Chile has a foreign trade of practically fifty dollars per head. What is done in Australia, Chile and the United States gives some idea of what will take place in China when it is more fully developed and the buying and selling capacity of each individual is augmented through new conditions of life and prosperity. (Applause.)

No one can study the figures of commerce and population of the countries bordering on the Pacific without coming to the conclusion that the political and social problems which it presents to the United States and the other nations of the world for solution are stupendous and even mysterious. In the face of these possibilities, it seems remarkable that anyone should question the financial and commercial as well as the strategic value of the Panama Canal. The fact that it may not be possible for a number of years after the Canal is opened to count upon sufficient tolls on shipping to pay interest on the investment is a minor issue compared to the great general benefits to commerce which it will bring to the United States and the

other nations bordering on the Pacific. If this or any other government stopped to contemplate in all its public improvements whether by the actual rules of invested capital these would pay five per cent. per annum, there would be little progress made along such lines. The millions upon millions which any organized form of society spends for the improvement of its facilities of intercourse, of its conditions of trade, of health, of education, and of general well-being and prosperity, do not get their return through fixed charges but through the widespread benefit they bring to everybody concerned. (Cheers.)

Whether we spend three hundred or even five hundred millions upon the Panama Canal is not the issue. Whether the tolls of shipping going through it twenty years after it is constructed will pay for the operating expenses is not the question. The one primary consideration is: Will it perform the function of bringing the east and west coasts of the United States into closer relation, of putting this country into intimate touch with the great west coast of South and Central America, of providing a new means of access to Japan and China, to Hawaii and Australia, and, in short, making the Pacific and Atlantic oceans one, through a channel of fifty miles, whereas heretofore they have been separated by a north and south coast line extending for nearly ten thousand miles from Alaska to Patagonia. (Loud applause.)

President Morse: Owing to the regretted absence of the Right Reverend Henry C. Potter D. D., we will pass the next toast, and call upon our esteemed friend, the Reverend Richard D. Harlan, of Washington, to say a few words to us on "Consular Education."

TOAST: "CONSULAR EDUCATION."

DR. RICHARD D. HARLAN—I can hardly undertake to take the place of the Bishop of New York; but I am very glad, in the few minutes that are left of this delightful evening, to accept the invitation, which came to me so unexpectedly at the end of the afternoon, to say a few words with reference to an enterprise which I have been authorized by the trustees of the George Washington University to bring to the attention of the American people, namely, the development at Washington of a great training school for the public service in general (in municipal, State and national politics), and for the Consular and Diplomatic Service in particular.

But I wish first of all to express my very great pleasure in the privilege you give me of joining with you in welcoming back to this country the distinguished Minister Plenipotentiary and Envoy Extraordinary of the Chinese Empire.

After his frank and straight-forward speech, we could not say of him as has been said of other men in his profession that "ne'er did true diplomat designate where he was at," or that "he did not stand quite pat on the Whereness of his At."

We know just where His Excellency stands, and we welcome him back to this country as a Minister of lasting peace and friendship between his people and ours.

I also take a peculiar pleasure in joining with you to do honor to that other of the twin stars of this occasion

whose name begins with W—Judge Wilfley. As was said of a great President, we can say of Judge Wilfley, that we take pride in him for the enemies he has made.

When we think of him out there in Shanghai as representing the brain and backbone, the courage and conscience of the American people, and their principles of ordered liberty, of Liberty under Law, I think that we ought all of us to do what we can to second the efforts now being made in Congress to do him justice, so that he may be sent back to his post with a new mandate to serve the American people, and the Chinese people, in the great work of administering justice through that important court of which he is the distinguished head. And let us not express that thought in mere applause. Doubtless many of you have already done what I now venture to suggest that all should do, and that is to write to your Congressmen, personally and as representing your influential firms, and tell them what you think ought to be done in order to strengthen Judge Wilfley's hands: (1) To add the proper vindication by Congress to the strong words of commendation that have already been expressed by the President and Secretary Root; (2) give him the body of laws which his court needs; and (3) provide a suitable building in which he and our other representatives in Shanghai may do their work. If you will impress upon your Congressmen the necessity of doing these three things, then this meeting will not have been in vain.

Commerce is the handmaid of peace, and a properly trained consul is the best missionary of American commerce which this country could possibly have. The consular system used to be the mere football of partisan politics. But in the last two years, under the leadership of President Roosevelt and Secretary Root, we have begun to change all that.

Two years ago, thanks to the energetic movement organized under the effective leadership of the New York Board of Trade and Transportation, the Lodge bill—or such portions of it as were left after the spoilsmen in Congress had riddled it with amendments—was finally passed. It is true that most of the strength was taken out of the bill before it was enacted; but, under the authority given him in the law as finally passed, President Roosevelt promptly issued an Executive Order embodying substantially all of the important features that had been amended out of the law. Acting under that Executive Order, Secretary Root has at last put the Consular Service upon the basis of merit and of proved efficiency.

But the merchants of New York and of the country at large, ought not to rest satisfied until the essential features of that Executive Order are embodied in a permanent statute substantially equivalent to the bill recently introduced into the Senate by Senator Hopkins, and into the House by Representative Lowden. I do not pretend to be competent to discuss the details of that bill; but its general principle is sound, and your influential organization, and similar bodies, ought not to rest until the permanency of statute is given to the Reform Regulations under which the Consular Service is now being administered.

In the battle for a better Consular Service, it would be difficult to overestimate the practical importance of the

role to be played by a special Training School for Consuls. A group of cotton exporters asked me the other day, "What guarantee would there be that the best graduates of such schools as yours would actually win the appointments to the Consular Service?" I concluded that the best person to answer that question was Secretary Root himself, and I passed it up to him. His luminous reply ought to be read by every exporter and importer in the land:

DEPARTMENT OF STATE, WASHINGTON,
March 17, 1908.

MY DEAR DR. HARLAN—I am very glad to hear of the progress that you are making in your plan for the new College of the Political Sciences.

I am much interested in it from the *Government* point of view. In order to break up an inveterate abuse like that which has made our Foreign Service, to so great an extent, a refuge for failure in life, broken-down politicians, unsuccessful business men, men who have outlived their careers and have no ambition—it is necessary, not merely to refuse to appoint such men. The pressure for such appointments cannot be met by a mere negative; it can be met only by an affirmative, so clearly made that it is beyond discussion.

To furnish that affirmative it is necessary to show that better men are being appointed by means of some process of selection which furnishes evidence of superior merit. We are trying to do that now by means of rules:—which prescribe a limit as to age, so that we will get young men instead of old ones; which exclude political considerations; which provide for original appointments only to the lower grades and for filling the higher grades only by promotion on the basis of efficiency in the service, and which require examination.

Success in this requires that the examination shall be of such a standard as to clearly demonstrate superior ability, and it is impossible to apply such a standard unless a considerable body of young men of the country have facilities for preparation enabling them to come up to such standard.

The standard for examination and the preparation for examination ought to be moved up together. Neither one can go up by itself, leaving the other.

We are now rejecting about half the men who apply; yet I should like to make the standard higher than it is now, and would do so if a greater number able to pass it were to apply.

The experience of other countries shows that to secure a properly trained service a special provision for training must be made. The ordinary curriculum of the colleges and academies in the United States is not adapted to preparation for such service.

I regard the kind of facilities which you are proposing to afford as of very high importance in the building up of of a foreign service of a high standard, and I think it is fair to anticipate that, other things being equal, the men who avail themselves of such opportunities for preparation will inevitably receive the appointments, subject only to the limitations of number in the service and the geographical distribution among the States.

Your proposal has the advantage of establishing a university relation between the proposed school and the other branches of university education, and this is something which I think is practically essential to the successful establishment of such a school.

Very sincerely yours,
ELIHU ROOT.

DR. RICHARD D. HARLAN,

The George Washington University.

The Consular Service, for the first time in our history, now offers itself to the ambitious young man as an interesting and permanent career.

The American people believe that the master mechanic would better be chosen from among men who have first learned their trade as apprentices. In spite of what has been said in a certain well-known quarter, the American people are rather inclined to the opinion that a good Judge must needs have been a good lawyer and an able jurist before he is appointed to the Bench. For similar reasons, they are beginning now to conclude that a Consul ought to be specially trained for *his* work; and that is the very thing that is now being attempted in many of great universities.

I am not unmindful of the superb work that is being done in the field of Political Science by that great university which is the pride and glory of this imperial city, nor of similar work that is being done by Harvard, Yale, Pennsylvania and other universities too numerous to mention.

But I think that all well-informed and disinterested men will agree that in order to supplement the work being done by these universities there ought to be—at the National Capital, in close proximity to the sources of special information, and working under some scheme of unofficial co-operation with the State Department—a great Training School for our future Consuls.

Now, it is a great mistake not to realize that most of our Senators and Congressmen would be more than glad if the universities of the land, and particularly such a Training School at the National Capital as the one which I have the honor of representing, will help to provide such an effective special training for the Consular Service as indirectly to relieve them of the burden of designating the men that are eligible for appointment to that service. Under the new regulations all that a Senator or Congressman can now do is to "designate" a man for examination, and it is "up to" the candidate to pass that examination or have himself to blame for his failure.

Now, if there were a great Training School at the capital of the nation to which a Senator or Representative might send their ambitious constituents so that they could prepare themselves for a successful examination for the Consular Service, nine-tenths of the Senators and Representatives would feel that the existence of such a school was a great boon to those Members of Congress who are often obliged to stoop to the position of being practically peddlers of the consulships assigned to their respective districts.

It would be impossible to persuade Congress to establish and support such a school. For one, I do not believe that it would be expedient for Congress to attempt to manage such a College of the Political Sciences. It remains for the business interests of this country to make it possible to develop such a Training School as I have the honor of representing at this time to the merchants of New York.

But I realize that at this point I am nearly over the danger line. It is not my intention at this time to pass the plate, but I shall probably see some of you later on.

In these hard times I can hardly expect to be a Scooper-in-Extraordinary, but I simply wish to make the modest announcement that, nevertheless, I am a Beggar Plenipotentiary and will take all that I can get.

AMERICAN COURT IN CHINA.

Stirling Fessenden, Esq., of Shanghai, recently appeared before the Sub-Committee of the House Committee on Foreign Affairs, in whose hands is the bill amending the law relating to the new American Court in China, and gave the following testimony:

Mr. Denby—Please give your full name.

Mr. Fessenden—My name is Stirling Fessenden.

Mr. Denby—Where do you reside?

Mr. Fessenden—At Shanghai, China.

Mr. Denby—Are you a member of the Shanghai bar?

Mr. Fessenden—I am.

Mr. Denby—Before what courts do you practice?

Mr. Fessenden—Principally before the United States Court for China, and the British Supreme Court, and the Mixed Court. I have also practiced in the Austrian, Norwegian, Russian, Danish, and I think German courts, and the American consular courts; in fact nearly all the consular courts, at one time or another.

Mr. Denby—How long have you been in Shanghai?

Mr. Fessenden—About five years.

Mr. Denby—You were there, then, before the establishment of the United States Court for China?

Mr. Fessenden—Yes; practicing law before that.

Mr. Denby—Will you briefly state what the judicial system of the United States was there, prior to the establishment of the United States Court for China?

Mr. Fessenden—Prior to the establishment of the United States Court for China the judicial functions were all vested in the United States consul, who acted judicially as judge of the consular court, and his jurisdiction included practically every class of case or cause of action which might arise, not only between American citizens but in any case where an American citizen was a defendant, and in fact he carried out all the judicial powers provided by the treaties with China or permitted under those treaties and covered by the United States statutes and general laws of the United States, so far as could be applied out there.

Mr. Denby—The whole being under the extra-territorial policy exercised by the United States in China?

Mr. Fessenden—Yes, sir.

Mr. Denby—Now, Mr. Fessenden, can you briefly state what the difficulties and the limitations of that system of jurisprudence were?

Mr. Fessenden—Well, to my mind, perhaps the chief difficulty was the fact that the consuls rarely, if ever, were trained lawyers, and the nature of the cases, more especially those involving commercial law, often involved very complicated and difficult points of law, which it was almost practically impossible for a man without any legal training properly to decide. Then aside from that, there was no corps of trained assistants who understood the procedure, and really no proper equipment for carrying out the functions of the court. Then it was difficult for a consul to execute all the law which really was in his hands, because there was no real machinery provided for it, and the other functions of his office, namely, the diplomatic

functions, interfered to a great extent with the consul discharging all these duties at one time.

Mr. Denby—This, of course, was quite regardless of the character of the consuls, which, in some cases, may have affected it?

Mr. Fessenden—Yes. In some cases, however, the character of the consul affected it.

Mr. Denby—Assuming that we always had good consuls, there were still inherent difficulties?

Mr. Fessenden—Yes; from the nature of the thing itself.

Mr. Denby—As to the law which these consuls administered, was that law well determined, and was it determined what laws the consuls should administer?

Mr. Fessenden—No. The only laws that the consuls had were the old rules and regulations laid down by the Minister in the old days, which had been added to from time to time in the attempt to improve them; but it really was more or less futile.

Mr. Denby—The statute gives the Minister power to amend those regulations if he chooses?

Mr. Fessenden—Yes; and in so far as they were applicable, the statute laws of the United States applied, but it was only in rare cases indeed that you could find a statute which directly applied to a cause of action which would come before a consul.

Mr. Denby—The statutes you refer to are the statutes of the United States so far as they are applicable, and the special statutes governing the case?

Mr. Fessenden—Yes; the great body of substantive law which governs the relations of man to man could only be found in the common law, and of course it has been a question which lawyers and judges and everybody else have discussed pro and con, as to what the common law of the United States is, or whether there is a tangible and definite body of law known as the common law of the United States or not.

Mr. Denby—Just on that point, did not the judge of the United States Court, Judge Wilfley, make a rather sweeping definition of the common law, stating practically, in the Roberts will case, that the common law is what was enforced in England at the time we declared our independence, and such laws as have been generally accepted throughout the United States by the various legislatures?

Mr. Fessenden—Yes.

Mr. Denby—The advent of that court helped to cure that defect considerably, did it not?

Mr. Fessenden—Yes. Before that we were in the situation, practically, of living in the twentieth century and attempting to apply the laws of the seventeenth century.

Mr. Denby—That meant that prior to the advent of the court and prior to the Roberts will case decision, particularly?

Mr. Fessenden—I do not think it was in the Roberts will case that that common law decision was made. I think it was made in another case.

Mr. Denby—It was in a case of obtaining money under false pretenses?

Mr. Fessenden—That was the Biddle case.

Mr. Denby—Yes; and that part of the decision was upheld by the Court of Appeals.

Mr. Fessenden—Yes; I think so. After reading the decision of the Appellate Court, there was some question in my mind whether they based it exactly on the same reasons as did the judge of the United States Court for China.

Mr. Denby—That leaves it still more necessary that that law shall be corrected and improved?

Mr. Fessenden—My impression is that the Appellate Court was rather inclined to go on the ground that the situation there in China was somewhat analogous to Government property here, like a post office or anything of that sort; that the general common law of the United States extended over American citizens there, as if in a sense China were regarded as United States territory, and I believe they made that a somewhat important basis of the decision. I am only stating that from recollection.

Mr. Denby—Of course the law in the United States now is that on a Government reservation or on Government property the law of the locality in which that reservation is situated, in the absence of other United States law governing it, shall be held to apply?

Mr. Fessenden—Yes.

Mr. Denby—And it would be hard to know, if we regarded China as a reservation in that sense—it would be hard to know what the law is?

Mr. Fessenden—Yes; that is where the uncertainty as to exactly what was meant by this decision arose. The Appellate Court judge in his written opinion was somewhat obscure on that point—

Mr. Denby—Leaving the matter still in some doubt?

Mr. Fessenden—Yes.

Mr. Denby—And one of the difficulties in that question is, as I understand it, that there are certain crimes and certain rights that are not touched upon at all by the United States statutes and the common law, concerning which we had no law to govern?

Mr. Fessenden—Yes. I can give you an illustration. The crime of embezzlement is not a common law crime and never was. There is perhaps more than one statute of the United States covering embezzlement on the part of Government employees, but there is no United States statute which applies to embezzlement generally, so that there was no law under which a man could be legally punished for embezzlement committed in China.

Mr. Denby—That being covered by the provision that the law governing localities should govern?

Mr. Fessenden—Yes.

Mr. Denby—It was found in China at that time that there was very great difficulty in administering substantial justice and determining questions among people, civil and criminal?

Mr. Fessenden—Yes; very great difficulty; and that became more apparent as the magnitude of American interests increased there. When the interests were very small the questions which came up were not so important; but today there are a great many business interests of very large magnitude, and cases involving very large amounts of money come up for adjudication.

Mr. Denby—And there are a great many more Americans

there capable of committing crimes than there used to be, because there are more Americans there?

Mr. Fessenden—Yes.

Mr. Denby—I do not mean to make any reflection on the character of Americans in general.

Mr. Fessenden—Yes.

Mr. Denby—Then you, as a resident in Shanghai, amenable to these laws as an attorney, were heartily in favor of the creation of the United States Court for China?

Mr. Fessenden—Absolutely.

Mr. Denby—Were you admitted to that bar at once on the formation of the court?

Mr. Fessenden—Yes; after taking an examination.

Mr. Denby—Now, Mr. Fessenden, you, of course, have made a study, as a part of your duty as a member of that bar, of the act creating the court?

Mr. Fessenden—Yes, I have.

Mr. Denby—Briefly, can you recall some of its deficiencies? I assume there were deficiencies.

Mr. Fessenden—The chief deficiency as a practical matter was the lack of any criminal code, or any civil code, either. That is, there was no definite law on all the various subjects, commercial and otherwise.

Mr. Denby—Briefly, it left the deficiencies of the law to be administered practically as before?

Mr. Fessenden—Yes.

Mr. Denby—So you have felt all along the need of a new code act of some character, have you not?

Mr. Fessenden—I have always felt that it would be impossible for any court, however constituted, and no matter how able the judge may be, to satisfactorily administer the law out there, unless he had a proper body of law to administer. As it is today, he has no proper body of law.

Mr. Denby—That is the point.

Now I call your attention to the bill H. R. 17,142, which is the bill introduced by myself, seeking to extend to China that very body of laws which is now universally held to be necessary; and with your permission we will proceed and discuss the bill, section by section, and I will ask your opinion on the various proposed changes in the law which are set forth in this bill.

First, as to the establishment of the court, have you already read the bill?

Mr. Fessenden—Yes; several times.

Mr. Denby—Now, first, as to the establishment of the court: The first section is that the jurisdiction shall be exercised through the United States Court for China. There was a court to be called the United States Court, consisting of a judge, a district attorney, a clerk and a marshal. The new portion there is that of a public administrator for China, with certain defined duties. Will you give us an opinion concerning that proposed official?

Mr. Fessenden—My own individual opinion as to that is that I do not hardly consider, from my experience, that a public administrator is really necessary. The total number of Americans in China cannot at the outside be over 4,000.

Mr. Denby—I would put it a little more than that.

Mr. Fessenden—Between 4,000 and 5,000, and the number of estates which the United States Court of China has had to administer in the year it has been in operation has been small. My impression, speaking from memory, is that it has not been at the outside more than ten or twelve.

Mr. Denby—We shall have the exact figures from the report of the court.

Mr. Fessenden—Most of the cases, in my experience, in which I have appeared in the court, are comparatively simple; that is, they simply require the appointment of an administrator, who prepares and submits an inventory.

Mr. Denby—Under bond?

Mr. Fessenden—Yes, under bond, and reports from time to time to the court, and carries out their instructions and directions; so that the actual business or work which the court has to do is comparatively small in the matter of estates, their chief work being to interpret the law and advise in its administration. But one difficulty about it is that there is no bonding company in China, so that the bonds furnished by the administrators require their obtaining their friends as sureties, which is not exactly difficult, but at times it is rather unpleasant.

Mr. Denby—Let me go a step further. The bill at present gives the United States Court for China jurisdiction in all cases involving an amount in excess of \$500, or criminal cases other than those in which sixty days' imprisonment or \$100 fine may be imposed, and those given a review by the higher court. That jurisdiction of what we might call the justice court variety is left with the Consul General at Shanghai?

Mr. Fessenden—Yes.

Mr. Denby—Do you not deem it advisable to leave that jurisdiction there, and if not, what is your objection?

Mr. Fessenden—My opinion is that it would be far better to take away all the judicial functions of the Consul General in Shanghai for this reason: That that office is in a great sense different from any other consular office in the service, owing to the peculiar conditions of extra-territoriality. The real functions of the consul there, aside from the usual consular duties, include those of a diplomat, really. Shanghai is the great commercial centre of all the northern half of China, and even a greater area than that.

Mr. Denby—It is the greatest commercial port in the Orient?

Mr. Fessenden—Yes. It is the greatest commercial port in the Orient, and the Consul General there is brought into official and diplomatic relations with the different consular and diplomatic representatives of some seventeen foreign nations and the Chinese, and where so many nations live in a single community like that and in a country so far distant from their own there are all sorts of difficult diplomatic questions arising in regard to the internal conditions of that settlement which affect American interests, commercial, legal and otherwise, all these things being outside the usual duties of a consul. Then there is another reason that I regard as equally important, and that is that our consulate should be regarded by the Chinese to be of as high rank in every respect as that of any other foreign nation, because the Chinese pay particular attention to appearances and conventionalities and all that sort of thing, which they class under the head of "face pidgin." The other nations, like England, Germany and France, the greater nations, have placed all the minor judiciary powers, which correspond very largely to our magistrate's court or police court, in the hands of a vice consul or assessor, or at least a minor official connected with the consulate.

Mr. Denby—The public administrator's duties under this bill largely consist, in addition to his administration of estates, in his performance of that minor judicial function. Is it your opinion that it should not be vested in the public administrator, or vested in a United States official—the vice consul or some other one?

Mr. Fessenden—In my opinion it would be better to put it in the hands of a vice consul entirely.

Mr. Denby—For what reason particularly?

Mr. Fessenden—Well, under the provisions of this bill it would appear that this so called public administrator, as I understand, would act also as assistant judge, aside from being public administrator and judge of the consular court.

Mr. Denby—He may even act under this bill as an independent judge on circuit, when the judge in chief cannot go?

Mr. Fessenden—Yes; and it seems to me, from my ex-

perience out there, that that particular plan would put almost all the work on this one man or official. It seems to me it would put two-thirds of the entire work which really belongs to the court in the hands of this one man, leaving a chief judge with double the salary who is not doing anywhere near the amount of judicial work of this minor judge; and in addition to that, taking all the judicial work of that consulate over any given period, it does not amount, in my judgment, to more than enough to really occupy the time of one judge more than enough to keep him busy. It is true that since the establishment of that court out there the court has been busy and full of work; but that work, in my judgment, has been incidental to the establishment of a court under the peculiar conditions under which this court was established, and due to the fact that they had no code of laws and were obliged to spend days and days of study and work in the simplest cases.

Mr. Denby—To try to get a law to fit the crime?

Mr. Fessenden—Yes; to try to get a law to fit the crime; whereas if we had a proper code we could do away with all that; and in my judgment one man could do all the probate work and all the other work of the court with ease with the exception of these minor police court cases, etc., which ought to be put into the hands of a vice consul, or commissioner, or some minor official.

Mr. Denby—With an appeal to the other court in certain cases?

Mr. Fessenden—Yes. I can safely say I have probably tried more cases in that court than any lawyer there, except the district attorney; and, speaking very frankly, it does not seem to me that the disposition of the work made by this bill is entirely just or fair or required by conditions.

Mr. Denby—That is a fair statement. In your observation of matters in Shanghai and the working of the consulate general in Shanghai what would you say of the work thrown upon the Consul General by his judicial plus the other duties? I think you covered that partially already.

Mr. Fessenden—As I say, I think it is unjust to the Consul General himself, and I think it is prejudicial to the consular service to require a man whose sole attention should be given to these more important questions which I have mentioned to be obliged to be bothered and troubled with the minor duties of a small magistrate's court. I mean it is beneath the dignity of the position, to begin with.

Mr. Denby—Can you give us any idea of the amount of time the consul is obliged to give to this function?

Mr. Fessenden—I could not give an accurate opinion as to that; but, taking the actual cases which come before the Consul General and the number of people he is obliged to see in connection with them, and the incidental bother, I should say that more than one-half his time is devoted to that one minor branch of the work.

Mr. Denby—Which, considering that he is the chief consular officer in Asia, is entirely wrong and absurd?

Mr. Fessenden—Yes. That is my opinion, that it is absolutely absurd that that condition should be allowed to exist there.

Mr. Denby—Who sits as assessor in the mixed court when a citizen of the United States is a party to the proceeding?

Mr. Fessenden—Usually some man attached to the staff of the United States consulate.

Mr. Denby—Not the Consul General?

Mr. Fessenden—Not the Consul General. No Consul General could, without absolutely ruining the prestige of the office and his own personal dignity, sit in the mixed court, because as a matter of fact and in the eyes of the Chinese the Consul General greatly outranks the Chinese magistrate who presides in that court.

Mr. Denby—Give briefly an account of the mixed court and its functions.

Mr. Fessenden—The mixed court is a Chinese court which has jurisdiction over the Chinese in what is known as the international concession. That is, more accurately

speaking, it is really called the Anglo-American settlement, because the French have a mixed court in their settlement. This court has jurisdiction over all criminal and civil matters in which Chinese residents in that districts are defendants.

Mr. Denby—The court is primarily a native court, presided over regularly by a native magistrate?

Mr. Fessenden—Yes; always. It is customary, whenever the interests of a foreigner are involved, to have an assessor from the consulate of his nationality sit on the bench with the magistrate, but that assessor has no power or authority whatever beyond what moral suasion he can bring to bear on the magistrate himself.

Mr. Denby—He simply watches the proceedings?

Mr. Fessenden—Yes; he simply watches the proceedings, with no power to issue an order or exercise any influence.

Mr. Denby—Who pays that magistrate?

Mr. Fessenden—The Chinese Government, according to my impression.

Mr. Denby—Is the constitution of that court a treaty matter?

Mr. Fessenden—I am not clear, but I think it is either a treaty matter or a matter arranged by the foreign ministers at Peking and afterwards sanctioned in a way that would have the same effect as a treaty.

Mr. Denby—Now, I will not ask you, Mr. Fessenden, anything about the salaries of these minor officials mentioned here, or any officials, because that is largely a matter of personal opinion.

Mr. Fessenden—I do not care to express an opinion on that. But there is one point, before you go on, that I would like to mention, and that is, that I was a member of the executive committee of the American Association in China when the memorial which was presented to Congress was prepared, and this suggestion of an additional judge was made by the then president of the association and carried through by his influence, with the idea that if the additional judge should be appointed for that court, there should be some provision by which, if litigants desired it, a case involving any important point of law could be heard before two judges sitting together, and that was the real reason for the suggestion that this provision be made in the bill. That was really the controlling one. It was understood very well by those of us who were interested at the time, that if such a bill were presented and became a law, other duties might be placed in those judges' hands, and the controlling idea, as I say, was that important cases might be heard before both judges, as that might tend to counteract any deficiency growing out of a system where a jury trial does not exist.

Mr. Denby—Do you find that point covered in the bill?

Mr. Fessenden—That point is not covered in the bill.

Mr. Denby—You take it that if the public administrator and judge were created under this act as it stands, he would not be authorized to sit with the other judge, and the other judge would not be authorized to ask him to?

Mr. Fessenden—Yes; and my idea would be, if it were deemed wise to appoint another judge there, some such provision as that should be made, because the decision of a case by two judges would greatly tend to lessen the irritation existing out there when one judge is the sole judge of both the law and the facts.

Mr. Denby—Now, as to the duties of court officials, I presume you have no particular recommendation?

Mr. Fessenden—Yes; there is one point about that. That appears on page 5 beginning at the bottom of page 4.

Mr. Denby—Line 25, page 4?

Mr. Fessenden—Yes. In the detection of crime and the investigation of criminal cases, and so forth, it gives the power to the district attorney to subpoena witnesses to appear before him, and to administer oaths, and compel them to testify, and to practically adjudge anyone to be guilty of perjury who, in a proceeding of that sort, does not tell the truth. I think myself that it may be possible that the district attorney perhaps needs somewhat greater powers

for the investigation of crime than he has; but if that is done I am strongly of the opinion that it is not right or proper to put this thing solely in the hands of one individual; that is, the power of issuing subpoenas, and the power to examine, and practically the power of deciding, whether the witness has told the truth or not.

Mr. Denby—And the power of prosecuting for perjury?

Mr. Fessenden—Yes. It is all in the hands of one man. I have no personal feeling about it, because the district attorney is a personal friend of mine; but I do think that the probabilities and possibilities of misuse of a thing like that, though not from intention, should prompt one to be careful in drawing such a provision.

Mr. Denby—Possibly it may be misused overeasily?

Mr. Fessenden—Yes, overeasily; and matters of peculiarity of temperament, or intellect, or prejudice would place him in the position of abusing his power very greatly and there would be no redress.

Mr. Denby—In other words, you think that is too broad?

Mr. Fessenden—Yes, too broad and too strong; and so far as I know, the only reason for its adoption is that they think they need more power. A provision similar to this has been in force in the Philippines, and the position taken is that the conditions in Shanghai are so bad that they require the same drastic methods as in the Philippines. I do not agree with that. I know the conditions in Shanghai have been bad, but not so bad as this bill would seem to indicate.

Mr. Denby—The conditions in China are getting better, in your opinion?

Mr. Fessenden—They are getting better.

Mr. Denby—What change would you suggest in that?

Mr. Fessenden—I would point out that although there is no system in force in China similar to our grand jury system, even today the district attorney can lay an information at any time he sees fit, when in his judgment he can present evidence, and of course that gives him the power to subpoena witnesses in court, to try the very case in which he has laid this information.

Mr. Denby—But the case must be in open court in that case?

Mr. Fessenden—Yes. But my suggestion would be that if, in the judgment of the committee, the power should be extended in this direction, the provision should be to the effect that the district attorney must conduct this examination before either a vice consul, or a consul, or some other official.

Mr. Denby—Or the judge of the United States Court?

Mr. Fessenden—Yes; so that the whole power of subpoenaing or administering oaths and examining and deciding the results of examination should not be in the hands of the prosecuting officer alone.

Mr. Denby—Your idea is that this function is supposed to correspond to a certain extent to that of a grand jury?

Mr. Fessenden—Yes.

Mr. Denby—But that in the case of a grand jury there are restrictions from the mere presence of the jury and the other officers of the court, whereas in accordance with your views this looks very much like a star chamber proceeding?

Mr. Fessenden—Yes.

Mr. Denby—And while you would not like to take away the power the district attorney holds, or the power given him under this bill, you are looking to the proper exercise of that power and would compel it to be done under certain restrictions?

Mr. Fessenden—Yes.

Mr. Denby—But your amendment would not take away from him any power?

Mr. Fessenden—No.

Mr. Denby—Your suggestion is that he must exercise his power in the presence of a court or some functionary?

Mr. Fessenden—Yes. It removes the star chamber feature and the appearance of an inquisition, but it would leave to him the same powers as are provided in this section.

Mr. Denby—I think your comments on that are fair and seem to be pretty sound. Have you thought over the form of a proposed amendment?

Mr. Fessenden—No; but I think that my suggestion that it be made before a consular official who has the power to administer an oath, or before one of the judges, would cover it.

Now, we come to a point, Mr. Fessenden, on which I know a violent difference of opinion exists at Shanghai itself. This bill provides for assessors, and for the method of selecting them, and for the powers which they shall have. I would like you to read that over carefully and give your opinion of any features that you would like to comment upon. What is your opinion touching the provision for assessors—the stipulation that their findings shall not govern the judge, but that he shall be the sole judge of facts as well as of law; and the further provision that if they dissent from him, their dissent shall be forwarded as a part of the record to the Court of Appeals in case of appeal. In your opinion that is sufficient as it stands, is it, or do you think the assessors should have jury powers? If you do not care to give an opinion on that, never mind.

Mr. Fessenden—My opinion is that the provision as expressed in the bill ought to work very well, because I go on the assumption that a judge sitting on the bench would not voluntarily go against the findings of fact of the assessor unless there was some very excellent reason for it, and the moral effect of the findings of fact by the assessor would, of course, weigh considerably with any judge.

Mr. Denby—Is not the argument somewhat similar to the argument which leads to giving to the courts in this country the power to set aside the finding of a jury when it considers it necessary to do so, so that you think that that provision with respect to assessors would be satisfactory?

Mr. Fessenden—I think it ought to be tried, anyway; I think it is as good an arrangement as you could probably get.

Mr. Denby—You would rather see that in the bill, or see the assessors vested with full jury powers?

Mr. Fessenden—I think that would be as good as that.

Mr. Denby—I will ask you to state why it seems particularly desirable that the laws of the State of California, where not inapplicable, shall be extended to China?

Mr. Fessenden—There are two reasons in my mind. One is that in the opinion of a good many lawyers, who have examined the laws of California, it is held that those laws are reduced to a very definite form and shape and are not so voluminous and complicated as the laws of some of the other States.

Mr. Denby—They were written by Justice Field, were they not?

Mr. Fessenden—Yes; and besides that our Appeal Court is in California, and our United States Circuit Court there is more familiar with California law and practice and procedure; and as we are just beginning, it is perfectly easy for us to conform our practice in a measure to that, so that there will be a sort of similarity between the two courts, in a sense.

Mr. Denby—Have you any objection to our comments to make on the proviso of Section 6, that the judge shall have authority from time to time to modify and supplement the rules of procedure? You will notice in that connection that his modification or supplementing shall only have the force and effect of law upon the approval of the Secretary of State. In other words, he is not left with plenary powers to make the modifications as he wants to.

Mr. Fessenden—No. I think the provision is necessary, there being no established procedure for that court that you could really call an established procedure. It is necessary to evolve that as time goes on, and as the conditions there are very peculiar, eventually the procedure of that court will be a practice *sui generis*. It belongs to itself, and it must be a matter of experiment from time to time.

Mr. Denby—Is there anything in the appeal proviso, Section 7, on which you have comments to make?

Mr. Fessenden—Yes. There is one on page 14. I make the suggestion on the assumption that an additional judge shall be appointed there. It says:

"Provided, however, That there shall be no review of the findings of fact in actions of whatever nature originally involving a value not exceeding five hundred dollars or a penalty of one hundred dollars fine or sixty days' imprisonment, or both, if heard without assessors, or, in which, whatever the value or penalty involved, being heard with assessors, the judge and a majority of the assessors shall have agreed in the findings."

I suggest that if this additional judge is appointed, if a case of that nature is tried before a single judge he may appeal to the full bench and go no further. That is, if he is dissatisfied, let the litigant have the case submitted again to two judges sitting together. I think they have a provision or custom of that sort in the British court. There is a strong feeling in the community that they should not be shut off from appeal in all cases, because they have always had the right of appeal. I do not think any great harm would be done if you let that stand.

Mr. Denby—If, on the other hand, the bill does not provide for the creation of a new judge, but if the power to try these minor cases is left with an official of the consulate general, would you still believe in leaving an appeal with the United States Court for China?

Mr. Fessenden—Yes; I think so, for this reason: Because out there, under the peculiar conditions of extra-territoriality, difficult points of law and questions of fact frequently arise that are very important and serious, and I think that should be left open in that way.

Mr. Denby—But you would not want to carry the appeal beyond the United States Court for China, would you?

Mr. Fessenden—No, I do not think so, so long as in all these minor actions you could have assessors to find the facts. If you gave them assessors, no appeal; without assessors, then an appeal.

Mr. Denby—Now, as to jurisdiction of consular courts in relation to the removal of actions; you notice that it states the consular courts shall have concurrent jurisdiction?

Mr. Fessenden—Yes; I noticed that.

Mr. Denby—Would you make that exclusive?

Mr. Fessenden—There would probably be cases of such magnitude that parties would prefer they should go into the United States Court for China in the first instance. You have provided for that, I think. It would seem to me that it might possibly be better to substitute the word "exclusive" for "concurrent" in line 14, it being of course understood that an appeal will lie from the decision of the consular court to the United States Court for China in all cases. I do not see any reason for giving a concurrent jurisdiction, which apparently means that a man may bring his action in any court he wishes. If you are going to give concurrent jurisdiction, you might just as well have no consular court, practically.

Following up the same line of argument, I would suggest, if the committee concurs, that the phrase "concurrent jurisdiction" should be changed to "exclusive jurisdiction," and that in lines 11 to 15, on page 15, the words "or on its own motion and for reasons to be made of record" be stricken out.

Now, coming to bankruptcy and patents and trademarks, there is one thing that I want to offer as a suggestion. I think the provision itself is all right, although at the outset there may be difficulty in administering all these things under the peculiar conditions. But I want to suggest this to you: As the bill is drafted, it seems to me upon the application of any foreigner as against an American the court would be obliged to enforce the laws applying to trademarks, and so forth. As you are well aware, this whole matter of trademarks is a subject of treaty, and was taken up by Germany, England, Japan, France and the

United States, I believe, in 1903 or thereabouts, and they covered this whole trademark business; but these treaties, as I understand, have not yet been ratified entirely, so that all the provisions of trademarks which they cover have not been put in force. Now, I suggest that the United States courts be given power to enforce the law regarding trademarks in their discretion in favor of foreigners who give us a reciprocal protection.

Mr. Denby—I think that is a good point.

Mr. Fessenden—I will cite an illustration. The Japanese have shown a marked tendency to appropriate American trademarks and to refuse to extend any protection to the citizens of any other nation who apply for protection against infringement by the Japanese. I think it would not be wise for the American courts to protect a Japanese subject, for instance, as against an American, when an American subject does not get like protection in a Japanese court against infringement of an American trademark by Japanese. I think that inasmuch as this is a matter of treaty out there, the condition that exists there should be borne in mind; and I cite you an actual example which will illustrate what I mean. I traveled the whole length of the Imperial Railway from Ching Wan Taow to Tientsin shortly after the British-American Tobacco Company had sent their advertising car along that route and placed their advertisements along the line of the railroad track. Shortly after that a Japanese tobacco company, traversing the same route, painted out the name of the British-American Tobacco Company from the advertisement and inserted their own name, and up to the present time I have still to learn that the British-American Tobacco Company could get any redress.

It is a well-known fact in the business community in the East that just before the Japanese trademark law came into operation certain Japanese individuals filed with the Japanese Government American trademarks as their own, among them being, as reported, those of the Singer Sewing Machine Company and the Columbia bicycles and other firms, and compelled the real owners of those trademarks to buy them back from the individuals who registered them, and no redress could be obtained from the Japanese courts.

Mr. Denby—That was in Japan?

Mr. Fessenden—Yes.

Mr. Denby—In order to get their registration in they had to buy them back from those fakers?

Mr. Fessenden—Yes. No single business question in the East has given us quite so much difficulty as this trademark question, and although a strong attempt has been made to regulate it by treaty, the provisions of the treaty have not come into effect, because it was reported that the Japanese, and possibly others, are not really acting with a bonafide intention of submitting to reciprocal protection. That is what it amounts to. Therefore I think the court should be given discretion as to whether it should enforce the laws of the United States in such cases.

Mr. Denby—On page 21, line 5, this clause appears, that: "Real property in China belonging at the time of his death to a citizen of the United States dying after the date when this act shall become of force shall be deemed to be personalty, and shall be subject to the law herein provided for the administration and devolution of an estate of personalty."

That section seems to be a very necessary and important one.

Mr. Fessenden—So far as I can see, it seems to be a very excellent one. That is my opinion.

Mr. Denby—Mr. Fessenden, is it not true that one of the great difficulties in administering estates in China, which are possessed of realty, is to determine what law shall govern?

Mr. Fessenden—Precisely.

Mr. Denby—The rule in the United States, of course, is that the law of the site of realty shall govern, but in these instances the law of the site of the realty is Chinese law,

complicated and difficult to administer. That is the reason, is it not, why it is advisable to put in this section?

Mr. Fessenden—Yes, sir. I do not see that any possible harm could come from regarding real property in that way, because the British practice for years out there has been to disregard the law of real property in matters of dower and transmission of decedents' property. They have never followed the law at home, because it is practically impossible to do that.

Mr. Denby—The realty remains realty while the parties are living?

Mr. Fessenden—Yes.

Mr. Denby—When it comes to the administration of estates of decedents, it becomes personalty, and this is a very good provision?

Mr. Fessenden—Yes, sir.

In the next paragraph, beginning on line 13, in regard to the detention of American ships pending trials, a serious question arises—whether the end in view justifies the broad power given. I would like just to call the attention of the committee to the great extent of the power given and the trifling character of the ordinary offenses committed on those vessels. Another consideration is that, as sometimes happens, employees on a vessel have a grudge against the owners or the officers of a ship, and this provision might put it in their power to serve their grudge to their heart's content without danger or cost to themselves and to embarrass the innocent owners of the ship.

Now, I think this extradition provision is very good and very important. I do not know just how it would always work, but I would imagine it would work well.

Mr. Denby—You have read that extradition clause, have you, and find it all right in a general way?

Mr. Fessenden—Yes. It will have to be tried before it becomes absolutely perfect; but it will work out, I think.

Mr. Denby—Now as to nationality, on page 28. What suggestion do you make as to that clause?

Mr. Fessenden—I consider that section 14 is unnecessary, and that the law as it stands is sufficient, and sufficiently covers the subject matter of that section. This is a radical change of established law, as to which, in my judgment, no conditions exist warranting it. It says:

"Section 14. Nationality.—In actions brought in the courts of the United States in China the petition or information or like pleading must allege that the defendant is a citizen of the United States or under the protection of the United States, and this allegation will be presumed to be true and need not be proved except when the defendant, under oath, denies that he is a citizen of the United States or under the protection of the United States. In criminal actions, wherein it is proved that the accused is commonly reputed to be a citizen of the United States or under the protection thereof, a plea of foreign nationality on the part of the defense shall be required to be proved affirmatively."

You see, the Consul General and other officials object to the principle involved.

Mr. Denby—You say they object to it?

Mr. Fessenden—Yes.

Mr. Denby—You think that clause or section might come out bodily?

Mr. Fessenden—Yes.

Mr. Denby—Then we will pass on to section 15, as to rules of court. You approve of that substantially, I understand?

Mr. Fessenden—I do.

Mr. Denby—That does not change the existing law.

Mr. Fessenden—So far as section 15 is concerned, I see no objection. This is the rule now in effect.

Mr. Denby—Now, Mr. Fessenden, speaking generally, you believe, do you not, that the enactment of this bill is not only advisable, but you may say absolutely necessary for the proper administration of justice of our courts in China?

Mr. Fessenden—Yes, sir. The bill with the suggestions I have made is a good bill, and is necessary.

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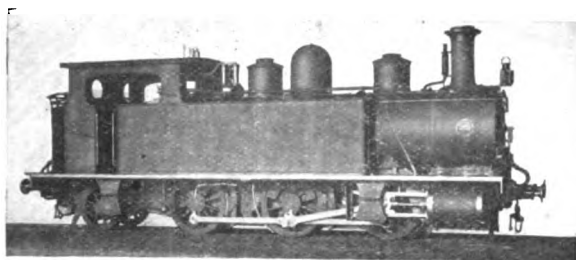
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JOHN FOORD, PUBLISHER,
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New York City.

THE Constitution of the Association and a list of its members will be found in the present number of the JOURNAL. The information thus supplied may serve as an aid in the somewhat necessary work of increasing the membership of the Association. It will hardly be disputed that this organization has done a great work on very modest resources, and it must be evident to all who pay the slightest attention to the tremendous changes which are taking place in Eastern Asia that there are more complex and delicate problems before the Association than any with which it has had to deal in the past. The partial stagnation of our Far Eastern commerce, particularly in regard to the chief article of our export trade, where it is not the result of over-supply, is merely an incident in the readjustment of that trade to new conditions. It is of vital importance to every manufacturer and merchant interested in our commerce with China and Japan that these conditions should be so shaped as to place Americans on a footing of at least equal opportunity and equal favor with their competitors of other nations. Such obstacles to this as may from time to time emerge in the sphere of our domestic politics or external policy, it is the special business of this Association to meet and endeavor to remove. It must be obvious that they can be effectively dealt with only by organized effort, were it for no other reason than that they usually spring from the action of organizations alien to the promotion of good relations between the United States and the peoples of the Far East. No organization in this country brings to the defense and maintenance of these relations any such influence or prestige as belongs to the American Asiatic Association, and as the scope of its work must necessarily broaden, it is fitting that its membership should increase. As the fiscal year ends with this month, no better opportunity could be taken than the present to bring in new members, and it is to be hoped that the enthusiasm of the members of the Association, which has never failed to respond to any previous appeal, will be sufficiently aroused to bring in a substantial quota of recruits.

THE joint resolution carrying out the President's recommendation by providing for the remission of a portion of the Chinese indemnity originated in the Senate. Its terms were that the President be authorized "to consent to a modification of the bond for twenty-four million four hundred and forty thousand seven hundred and seventy-eight

dollars and eighty-one cents, dated December fifteenth, nineteen hundred and six, received from China pursuant to the protocol of September seventh, nineteen hundred and one, for indemnity against losses and expenses incurred by reason of the so-called Boxer disturbances in China during the year nineteen hundred, so that the total payment to be made by China under the said bond shall be limited to the sum of eleven million six hundred and fifty-five thousand four hundred and ninety-two dollars and sixty-nine cents and interest at the stipulated rate of four per centum per annum, and that the remainder of the indemnity to which the United States is entitled under the said protocol and bond may be remitted as an act of friendship." The resolution was passed by the Senate in this form and was referred, on reaching the House, to the Committee on Foreign Affairs. At the end of February, this committee made a report recommending that the resolution be so amended as to increase the amount to be paid to the United States by \$2,000,000 to be reserved for the payment of such judgments as may be made by the Court of Claims in favor of such claimants as may be able to convince that tribunal that full equitable indemnities were not allowed to them under the rulings of the American Commission which had original jurisdiction in this matter. The House Committee were impressed with the fact that while the work of this commission was done with painstaking care, as was also the work of review by the Department of State, the rules which the commission adopted for its guidance were somewhat narrow and technical, and that in some instances more equitable allowances should have been made. A majority of the House agreed with the committee in this conclusion, and the Senate having promptly concurred in the amendment of its original resolution, the indemnity remission bill, as elsewhere printed, has now become a law.

WE have endeavored to reproduce in this number all the items of legislation relating to Far Eastern affairs as they stood at the adjournment of the first session of the sixtieth Congress. It will be observed that the effort to secure adequate appropriations for the provision of consular buildings in China and Japan has, as yet, yielded no definite result. A somewhat unsatisfactory substitute for the bill introduced by Mr. Perkins under which the sum of \$1,373,643 was proposed to be appropriated for purposes indicated by the Department of State, appears in the form of a report from the House Committee on Foreign Affairs. This proposes the immediate expenditure of \$500,000 to secure consular and court buildings at Shanghai and Yokohama. The committee's bill has, however, this obvious merit that it vests in the Secretary of State discretion to acquire in foreign countries such sites and buildings as may be appropriated for by Congress for the use of the diplomatic and consular establishments of the United States, provided only that not more than one million dollars shall be appropriated for this purpose in any one fiscal year. In other words, the provision of consular buildings or of residences for our ministers or ambassadors abroad would not come up as new legislation, but the amount which Congress deemed necessary for this purpose would form part of the Diplomatic and Consular Appropriation Bill. Senator Cullom endeavored to get provision made

for the Far Eastern consulates this year by inserting the amount among these appropriations, but the point of order that this was new legislation defeated his effort. It will thus be seen that the report made by Mr. Lowden from the House Committee on Foreign Affairs, which will be found on another page, may mark a very important advance toward the provision of Consular and Embassy and Legation buildings worthy of the dignity of the United States. The bill thus reported is on the House calendar, and favorable action may reasonably be expected for it at the next session of Congress.

It will be observed that Congress has shown a proper amount of liberality in providing for the representation of the United States at the International Exposition to be held at Tokyo in 1912. For this purpose the sum originally proposed was entirely inadequate, but the bill as passed authorizes an expenditure of \$1,500,000 to provide for the erection of suitable buildings and the making of an appropriate exhibit of arts, industries, manufactures, and products of the soil and mines and, as far as practicable, of the functions of the General Government of the United States. The disbursement of this money is to be under the control of three commissioners general and a secretary, whose salaries and traveling expenses are fixed on a liberal scale. The Secretary of War is authorized to furnish free transportation on Government transports from San Francisco to Japan and return, of all Government exhibits, and for such officials or employees connected with the commission or in charge of any Government exhibits.

It is eminently proper that preparations for American participation in the Tokyo Exposition should be accompanied by a satisfactory readjustment of our Convention with Japan in regard to trademarks, and with some new security for the protection against Japanese infringement of the inventions, designs, trademarks and copyrights of American citizens in China and Korea. The new treaties, having this end in view, will be found elsewhere and call for but little comment, except possibly this: Registration in Japan is a condition precedent for the protection of inventions, designs, trademarks and copyrights intended for use in China by citizens of the United States. But the existing conditions under which any of these may be registered in Japan favor fraudulent imitation. In the first place, unless it can be shown that there is a market in Japan for the article covered by the invention, design or trademark, it is not entitled to registration, and a market in China may obviously exist without the possibility of the article being salable in Japan. In the next place, though Japan is said to be seriously considering the question of making prior use the basis of title to inventions, designs or trademarks, she has not yet done so, and there is no evidence that under the new treaties there will be any compulsory restitution of titles wrongfully appropriated by citizens of Japan by registering American patents, designs or trademarks which the real owners had failed to place on record. It would greatly tend to stimulate the interest of American manufacturers in the Tokyo Exposition if they could be quite sure of protection against any danger from the imitation or sophistication of their products by a people whose ingenuity is apt to outrun their scrupulousness. This could readily be done by a brief amendment to the Japanese law dealing with patents, trademarks and copyrights, and it seems not at all improbable that such an amendment will be forthcoming.

Exports of Domestic Cotton Cloths, Mineral Oils, and Wheat Flour from the United States to China and Hongkong, during the nine months ending March 31, 1907 and 1908.

EXPORTS TO CHINA.

Months. 1906.	Cotton Cloths.		Mineral Oils.		Wheat Flour.	
	Yards.		Gallons.		Barrels.	
July.....	16,895,213	\$1,070,858	6,554,814	\$514,067	40,024	\$155,473
August.....	11,542,141	762,060	2,966,586	121,993	14,582	50,534
September.....	15,389,513	1,016,379	3,992,695	189,198	49,824	158,516
October.....	8,796,507	555,740	2,929,800	128,200	218,590	750,955
November.....	7,367,251	531,273	4,026,954	407,633	45,975	165,757
December.....	2,895,000	201,658	6,781,682	536,188	86,603	271,864
1907.						
January.....	1,613,462	112,456	7,181,252	489,166	80,567	265,564
February.....	3,556,507	250,293	5,732,280	485,951	115,062	382,467
March.....	4,447,000	295,627	11,660,410	937,693	306,946	1,042,870
Total.....	72,902,594	\$4,796,344	51,260,851	\$3,755,110	958,173	\$3,244,000
1907.						
July.....	3,863,460	\$272,205	11,456,360	\$980,855	86,448	\$310,426
August.....	4,807,901	392,629	2,875,430	239,930	102,862	385,654
September.....	1,859,085	136,873	6,802,922	557,972	41,289	147,457
October.....	1,965,401	141,000	8,978,444	512,315	33,026	123,769
November.....	1,481,290	112,653	2,133,690	232,572	6,291	23,413
December.....	1,298,319	96,945	2,070,050	110,435	4,165	17,198
1908.						
January.....	1,558,137	117,654	4,130,529	290,075	25,991	100,328
February.....	1,323,320	86,016	5,557,246	344,315	41,968	164,104
March.....	5,208,069	323,061	15,878,620	1,475,370	112,510	405,197
Total.....	23,359,982	\$1,629,036	59,883,346	\$4,743,839	454,550	\$1,677,546

EXPORTS TO HONGKONG.

July.....	50,027	\$6,228	15,063	\$ 2,346	65,248	\$229,073
August.....	100,392	9,345	423,404	44,580	94,848	352,466
September.....	73,674	10,041	2,291,031	200,285	93,980	359,384
October.....	63,879	8,109	1,681,916	168,713	98,187	364,904
November.....	22,621	2,927	21,599	2,591	92,545	349,077
December.....	69,227	9,089	1,479,169	149,565	103,487	362,374
1907.						
January.....	26,890	4,052	.....	.....	56,708	193,828
February.....	46,467	7,610	1,956,000	200,490	101,949	387,496
March.....	66,397	7,630	100,000	10,250	40,509	147,965
Total.....	519,574	\$65,031	7,829,270	\$759,610	747,161	\$2,746,567
1907.						
July.....	222,044	\$30,804	1,500,000	\$159,750	97,292	\$355,580
August.....	11,628	2,615	1,775,960	207,984	51,144	205,970
September.....	76,096	10,227	.....	.....	99,184	367,031
October.....	47,261	6,708	.....	.....	56,102	215,526
November.....	39,334	4,344	.....	.....	134,630	503,094
December.....	41,695	6,094	1,600,000	72,000	121,972	458,258
1908.						
January.....	33,055	6,586	.....	.....	78,140	298,671
February.....	16,555	2,691	.....	.....	44,743	171,538
March.....	16,403	2,746	3,389,710	227,055	27,396	105,350
Total.....	504,071	\$72,545	8,265,670	\$666,789	710,603	\$2,681,018

DEPARTMENT OF COMMERCE AND LABOR,
Bureau of Statistics.

WASHINGTON, D. C., April 30, 1908.

Imports of Tea and Silk into the United States for the nine months ending March 31, 1906, 1907 and 1908.

TEA.

Imported from	1906		1907.		1908.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
United Kingdom.....	6,425,061	1,379,015	6,186,496	1,393,635	7,671,755	1,783,989
British North America....	1,579,630	378,200	1,761,089	422,310	1,864,420	463,142
Chinese Empire.....	33,188,266	4,557,720	27,019,432	3,745,372	26,671,656	3,926,657
East Indies.....	5,104,215	730,441	5,079,455	756,818	6,111,837	1,006,983
Japan.....	36,696,662	5,927,554	35,985,276	5,810,933	45,129,389	7,696,809
Other Asia and Oceania ..	354,707	61,404	531,356	93,915	364,066	59,647
Other countries	148,185	34,383	275,250	61,566	174,182	70,547
Total.....	83,496,726	13,068,777	76,838,354	12,284,549	87,987,305	15,007,774

RAW, OR AS REELED FROM THE COCOON.

SILK.

Imported from	1906		1907.		1908.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
France.....	393,020	1,136,633	328,031	1,269,424	303,660	1,255,299
Italy.....	2,587,938	10,330,018	2,840,314	12,384,702	2,050,066	9,647,470
Chinese Empire.....	2,102,531	6,112,003	2,412,770	8,249,029	1,901,423	7,044,648
Japan.....	6,139,842	22,913,163	8,198,479	34,459,445	7,306,723	33,007,028
Other countries	85,749	316,746	89,485	326,942	56,838	262,259
Total.....	11,309,080	41,108,563	13,869,079	56,689,542	11,618,710	51,216,704
Waste .....lbs...free..	2,394,673	983,267	1,421,199	823,634	1,055,019	775,762
Total unmanufactured	42,103,282	57,536,732	51,992,758			

THE CHINESE MINISTER IN BOSTON.

ADDRESS OF HON. RICHARD OLNEY AT THE BANQUET GIVEN BY THE MERCHANTS' CLUB OF BOSTON AT THE ALGONQUIN CLUB HOUSE TO HIS EXCELLENCY WU TING-FANG, ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY OF CHINA TO THE UNITED STATES APRIL 23, 1908.

I assume, Mr. President, that there is no danger of saying too often or too emphatically that the distinguished diplomat who honors us with his presence this evening, and who recently left us, to the great regret of Americans generally, is now back again to our great satisfaction. His cordial welcome in this country is not due entirely to his own person qualities (laughter), although they have made him many friends and admirers in all parts of the country. The truth is that his country and his people are interesting us and all the Western world now as they never were before. Until very recently the people of the United States believed the front door of the republic to be on the East, with the back door on the Pacific and West. They are now beginning to see that what we really have is two front doors—one on the East and one on the West—and that it is fairly debatable which of the two deserves our chief interest and attention. Our Atlantic door opens towards Europe, towards the civilization from which our own has been derived, with which our own corresponds in all substantial particulars, and any change in which, any step forward or backward, is sure to be reflected in our own. Yet, in spite of all that Europe is to us, we realize that the Pacific and the countries beyond are to become in the near future the theatre of events of the very greatest moment to us and to all the nations of the West.

In the case of our National Executive, and more or less of our Republican and Democratic Congressmen, the newly awakened interest in the Orient amounts to a perfect obsession. It conjures up the spectre of a threatening and tremendous war between the East and the West for the mastery of the Pacific, and for various other things. Witness the grand 20,000-mile parade of our fleet—an ordeal as exhaustive to the ships as the Marathon run to the runners (laughter and applause)—a challenge to searchers for "scraps" resembling nothing in the world so much as the proverbial chip on the Irish shoulder at a Donnybrook fair. Witness further a fervent Executive message upon the perils and calamities of peacefulness with China as the awful example, and an equally fervent oration by Representative Hobson upon the perils and calamities of war, with numerous battleships as the only preventive. It seems to be forgotten that nothing is better adapted to bring about a fight than to assure the other fellow that you are spoiling for it, and that nothing is more provocative of quarrel than to say that nothing under heaven can stop it. It seems to be forgotten that the incital of means of doing often incites to ill deeds done, and that to have a big fleet and let it rest without a fight is to the true hero a solecism, an aggravation, almost a sin. (Laughter.) Now the "yellow peril"—another name for the Washington obsession (laughter)—as a serious menace cannot exist, is inconceivable, without China; yet, by virtue of her ethical code, her geographical situation and her immemorial habit, China is the most pacific of states. (Applause.) Lacking warlike aggressiveness her "deified inactivity," as it is sometimes called, is proverbial, and she is wholly unlikely to be "a yellow peril" unless goaded to it by great and persistent provocation, such

as the Western nations have given to her in the past, and the continuance of that injurious and humiliating treatment in the future may lead to resentment, may lead to retaliation.

Without undertaking to discuss so large a subject, let me call your attention to a few salient facts that lie directly on the surface. James Russell Lowell, in his imitable way, once discussed what he called a certain condescension towards us on the part of foreigners. The like condescension, magnified, intensified, and manifested in all sorts of ways—political, legal and social—has always characterized the bearing of the Western nations towards the Eastern. We of the West have always assumed that our civilization is superior, and that our fighting qualities entitle us to treat the Eastern peoples as so many negligible factors. In so many marked ways, in themselves of the greatest gravity as far as the interests of China are concerned, our condescension has been carried to the point of contemptuous arrogance. Take the instance of the "open door." China's door is her own, and she has as much right to keep it open or shut as England to keep hers wide open, or as we have to keep ours tight shut. (Applause.) Yet in the interests of their trade, and to prevent any one of them besting the other, the Western powers prescribe the open door for China without a thought of care for her welfare or wishes, and, curiously enough, plume themselves on their magnanimity in pursuing that policy instead of helping themselves to slices of Chinese territory. What was the opium war—the famous opium war—but the forcing of China's open door in the interest of British traders and for the dissemination of poison in the face of China's efforts to save her people from degrading vice. Another illustration of the same sort is found in the Western attitude towards permissible intercourse between the Western and Eastern peoples. What is the situation? The facts are that, while, for their own merchants, missionaries and citizens of every sort the Western powers invariably insist upon equality of right and privilege with native citizens everywhere in the East, they claim and use the right to absolutely bar out of their dominions all Orientals at pleasure. Of course, that any such attitude in Europe, in North and South America, in Australia, and even in Africa, is logically unfair and opposed to both international law and international comity is unquestioned. It is now up to the Western powers to elect between two courses, and to reverse their old time policy, follow the Golden Rule, and do as they would be done by. If, however, they persist in claiming the freedom of the earth for their own citizens while penning up Eastern citizens within their own countries, nothing but absolute brute force can make their position either respected or respectable. (Applause.) If the Western powers, practicing these policies or others like them, are to treat the Oriental countries as so many fields for commercial exploitation and their inhabitants as inferiors not entitled to respect, the inevitableness of war with the East sooner or later becomes credible.

It would seem, however, as if the Christian peoples of the West ought to take second thought in this matter and revise policies so inherently inequitable and indefensible. It would seem also, without reference to the merits of those

policies, that the West, from motives of expediency alone, might be expected to drop those policies merely because racial and continental wars are too heavy a price to pay for them. Our war prophets and advocates of huge armaments as a war insurance may be fairly called upon to consider whether there is not a simpler, more human and more effective way of covering our war risks than vicious policies supported by overwhelming military force. Why may we not try policies founded in reasonableness, equitableness and morality, which for those reasons alone commend themselves to the judgment and conscience of men to whatever races and nationalities they may belong. (Loud applause.)

The theory of irrepressible conflict between West and East, terminable only by irremediable bloodshed, savors only of specialism and visionary theories. It is easier to believe that knowledge and righteousness may lead us to hope that the inevitably increasing interest of the Western and Eastern peoples will compel them to know one another better and to treat each other with mutual tolerance, appreciation and respect, and that as the outcome they will grow to realize that there is room enough in the world for both of them, and that war is simply relapsing into savagery and is apt to produce evils greater than those it was designed to cure. (Prolonged applause.) I think the mention of an additional circumstance may not be out of place. In view of the new and closer intercourse that is to come, and is sure to come between the peoples of the East and West, it will be of the best augury for the future that both of them may be represented by statesmen of the class to which the Chinese Minister belongs (applause)—that is, by statesmen whose thorough acquaintance with the languages, the culture and the institutions of both West and East, peculiarly qualify them to remove the misunderstandings and allay the prejudices which more than all other real grievances and all other causes combine to impel the races and the nations into deadly and bloody conflict. (Prolonged applause.)

RESPONSE OF MR. WU TING-FANG.

It is just eight years since I had the pleasure of visiting this important city, which is known, as I have been informed, as the Hub of America, and it affords me great gratification to be here again. You may have noticed that since my return to this country I have not failed to speak of the wonderful changes that have been and are taking place in China, changes almost in every sphere of life—political, educational and social. It seems to me that this evening I could not speak to you more appropriately or more sympathetically than on the change in the position of the merchant in the social scale in China.

Prior to the advent of the modern era our merchant occupied a humble, if not a condemned, position in our society. The people of China were formerly divided into four grades or classes. First and foremost came the scholars, the literati, who devoted their time and attention to learning and philosophy, the men from whose ranks the Emperor recruited his helpers and counsellors in his rule of the people; next came the farmers, who enjoyed the respect and consideration of society for their industry and toil, and

from whom the other three classes received their supply of food and clothes; thirdly, came the mechanics and artisans, who by their skill and ingenuity transformed the raw materials into fabrics of a thousand colors and forms; and lastly, at the bottom of the social ladder, the merchant had his position. The merchant was commonly known as one whose sole business and interest in this life was to drive a hard bargain, to profit himself at the expense of others—in other words, to “do” a person, and to “do” him first, last, and always. The reason why he was so much despised and looked down upon was that men of his class were known to be very grasping and selfish, and their sole aim was to raise the prices of rice and other necessities of life by crafty and crooked means, to the detriment of the community. I may say in passing that if a “corner” had been resorted to in those days, no doubt the manipulator would have been classed in this disreputable group of men.

With the beginning of intercourse with the world, the social system of our country, however, has been revolutionized, and we have a striking exemplification of the saying that those who are the last shall be the first. The explanation is not far to seek; in the first place, the merchant class have grown wealthy. Where before the exchange of commodities was only local and inter-provincial, now the trade has become national and international; where before the business of individual merchants amounted to only hundreds and thousands of dollars, now it is worth tens and hundreds of thousands. Joint stock companies and corporations were unknown to our merchants in former days, but now heavily capitalized banks, insurance companies, steamship firms, etc., flourish in all the important cities, and we lack only a trust or so to make ourselves thoroughly up to date.

With the control of capital comes power. You have a saying that money makes the mare go, but we say wealth can move the gods, and when money talks, it talks in no uncertain voice. China, you know, has drawn up a program of reforms which she tries her best to carry out, but reforms require the expenditure of huge sums of money. When schools are to be established it is to the merchant that we turn for funds; when government bonds are placed on the market, it is among the merchants that we find the largest purchasers; when public works of importance and utility are undertaken, again it is the merchant that generously loosens his pursestrings, and so on *ad infinitum*. Thus, on account of his money power, the merchant in China has forged his way to the foreground of society, and no undertaking of any importance, no measure of any gravity, can be proposed without his co-operation and support.

Indeed, his class are considered so important by the Imperial Government that a few years ago a special department was created in Peking, with a prince at its head as the president, for the express purpose of establishing a close relation with them and guarding their interests, and I was senior vice president. Thus the social ladder has by tacit consent and necessity been changed, and the merchant class, no longer condemned or despised, now usually ranks after, if not equally with, the literati. Merchants are considered now so respectable that it is not deemed beneath the dignity of a high official to associate with them in business or in

society. It is a common thing to see a son of a learned scholar or even a scion of the nobility engaged in commercial pursuits, and, on the other hand, you often meet with officials holding important posts who are members of the mercantile class.

But it is not only on account of his money power that the merchant has made himself a place, and an honorable place, in Chinese society. By tradition and training an immensely shrewd and practical class of people, our merchants by being thrown into close touch and daily intercourse with the foreign merchants of every nationality in our treaty ports have had their native wit sharpened and their eyes opened to the admirable points in Western civilization. They constitute, one may say, the most broad-minded division of our people. At first only impressed with the material side of Western civilization, with its commodious and substantial houses, with its horses and carriages, with its delicious champagnes and fragrant cigars—with the thousand and one comforts and luxuries of modern civilization, our merchants have gradually learned to appreciate the intellectual, and in some instances the moral, equipment of their Western confreres. The merchant princes, therefore, with a generosity and broadmindedness that call for our admiration, take a delight in establishing and encouraging schools, having for their object the training of youths who propose to adopt a commercial career.

One of the most interesting conferences that have taken place in China, one unique in the history of our land, was the Merchants' Conference that met in Shanghai last year. Delegates representing every chamber of commerce in China attended, and even far-off Singapore, Penang and Nagasaki sent representatives to participate in the conference. The assembly lasted two days, and many important questions were discussed, including the provisions to be submitted to the Government when the Commercial Code is drawn.

Now, what is the moral to be drawn from this picture of the revolution of position of the merchant class? It means the great and rapid development of trade, both domestic and foreign, of China. The present figures in the statistical publications of our Customs Service can give no certain indication of the future expansion and growth. When our merchants are equipped with modern knowledge and training, and when the facilities for communication are still further improved and increased, and when, by the construction of railways and the establishing of manufactories, the purchasing power of the laboring class is largely augmented, and when the demands of our masses for comforts and luxuries, in the modern sense of the words, advance by leaps and bounds, no one with the wildest of imagination can foretell the dimensions of the future trade of China.

For years the balance of trade has been against China, and no country in the world can stand indefinitely the pouring in of goods and the flowing out of gold and silver. Imports must be paid with exports, or sooner or later the foreign trade of that country will come to a stop. China, besides adopting measures to promote domestic trade, which will indirectly result in increased foreign trade, is also paying attention to improved methods in the rearing

of the silkworm and sericulture in general, to the raising of tea and other branches of agriculture. Again, you all know the natural wealth of my country is unbounded. German experts have calculated that the coal deposits in only one province will last the consumption of the world for 2,000 years. Gold and silver mines are also found in abundance, so it requires only its development to make China one of the wealthiest nations in the world.

The standard of living has risen tremendously in my country, as all who are paid on the silver basis can testify. What with cigars and champagnes and foreign style of cuisine and carriages and railway sleeping cars and a thousand and one other luxuries formerly unknown to us, life to the up-to-date Chinese has become much more costly than before. Just think what this would mean to the foreign trader. If the purchasing power of every Chinese is increased by 10 cents only—and you must remember we have a population of about 400,000,000—the foreign trade would be increased by \$40,000,000.

It is my fond hope that the United States will get a large share of this trade, but in order that this hope be realized the present friendly relations between the two nations must be maintained, which I have no doubt will be, and all causes of friction be removed. You produce and manufacture the best of goods, and with your inventive genius and machinery facilities you are able to offer your goods on the market at low prices. But you know that it is human nature for a nation to trade with the most friendly country. China does not want unreasonable advantages and privileges. We want only fair and equal treatment, and I feel sure that your nation, so scrupulously conscientious, will not grudge us that. May China and the United States, the one on the Western and the other on the Eastern shores of the Pacific ocean, continue the best of friends, and may the development of the trade of China with the United States, which I hope will increase every year, bring the two nations still more closely together.

I am pleased to say that an American gentleman present at this banquet has just handed to me in Chinese characters the saying of a pupil of the great Confucius 2,600 years ago. We have had Latin quoted to us here this evening by ex-Governor Macmillan, which was very interesting, but being a dead language and not often used, I fear is not intelligible to all of us. But I hope you will excuse me if I read to you the Chinese quotation in a language spoken by 400,000,000 of people, "sz hai chi nei, chia hsung ti yeh," which means we are brothers and sisters within the four seas. That bit of wisdom, written so long ago, expresses the situation in which the nations find themselves to-day. We are different peoples in the sense that we speak different languages. We may differ in color, in religion, in habit and in temperament, but we are, after all, brothers and sisters within the four seas, as indicated by the Chinese quotation. That is true here in Boston, and it has been shown by the most cordial reception I have received at the hands of the Merchants' Club. It speaks well for this club that at its annual banquet like this you have an acting Governor of the State, a mayor and an ex-Secretary of State to take part in its celebration. It is no doubt a real happy family, and I congratulate you, and I wish you all prosperity.

REMISSION OF THE CHINESE INDEMNITY.

The following passed the House and Senate on May 23:

JOINT RESOLUTION to provide for the remission of a portion of the Chinese indemnity.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized to consent to a modification of the bond for \$24,440,788.81, dated December 15, 1906, received from China pursuant to the protocol of September 7, 1901, for indemnity against losses and expenses incurred by reason of the so-called Boxer disturbances in China during the year 1900, so that the total payment to be made by China under the said bond shall be limited to the sum of \$13,655,492.69 and interest at the stipulated rate of 4 per cent. per annum, and that the remainder of the indemnity to which the United States is entitled under the said protocol and bond may be remitted as an act of friendship, such payments and remission to be at such times and in such manner as the President shall deem just: Provided, That within one year from the passage of this resolution any person whose claim upon the Chinese indemnity, 1900, was presented to the United States commissioners or to the Department of State and disallowed in whole or in part may present the same by petition to the Court of Claims, which court is hereby invested with jurisdiction to hear and adjudicate such claim, without appeal, and to render such judgments *de novo*, or in addition to any allowance or allowances heretofore made, as, in each case shall be fully and substantially compensatory for actual losses and expenses of the claimant caused by the anti-foreign disturbances in China during the year 1900, excluding merely speculative claims or elements of damage: And provided also, That the sum of \$2,000,000 be reserved from the Chinese indemnity, 1900, for the payment of such judgments, the same to be paid by the Treasurer of the United States as and when they shall be certified to the Secretary of the Treasury by the said court, and any balance remaining after all such claims have been adjudicated and paid shall be returned to the Chinese Government in such manner as the Secretary of State shall decide, and the Secretary of the Treasury is hereby authorized and directed to so return the same: And provided further, That all evidence furnished by the claimants, and statements made by them to the said commissioners or to the Department of State, shall be transmitted by the said Department to the said Court of Claims and considered together with such other additional testimony as may be presented by either side, and the Government of the United States shall defend the said claims in the said court by such attorney or attorneys as may be designated for such service by the Attorney General of the United States: Provided further, That in no case shall the Court of Claims award a principal sum to any claimant which, together with the principal sums said claimant may have already received by decision of the United States commissioners and the Department of State, shall exceed the amount originally claimed by said claimant.

THE JAPANESE EXPOSITION OF 1912.

The following is the bill as amended by the House and adopted by the Senate which provides for the representation of the United States at the Exposition at Tokyo in 1912:

A Bill to Provide for Participation by the United States in an International Exposition to be Held at Tokyo, Japan, in 1912.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President be, and he is hereby, authorized to accept the invitation extended by the Imperial Japanese Government to the Government of the United States to participate in the great National Exposition to be held in Tokyo, Japan, from April 1 to October 31, 1912. In accepting said invitation it is hereby declared to be the purpose of the Government of the United States to participate in said Japanese National Exposition by erecting suitable buildings and making an appropriate exhibit of arts, industries, manufactures and products of the soil and mines and, as far as practicable, of the functions of the General Government of the United States and an exhibit of such other articles as the President of the United States may direct: Provided, That such participation, buildings, exhibits and all expenses connected therewith, including salaries, clerical and other services and transportation of persons and exhibits shall not exceed \$1,500,000.

Sec. 2. That the President be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint three commissioners-general who shall, under the direction of the Secretary of State, take such steps as are necessary to ascertain the general plan and scope of the said National Exposition, the character, size and cost of the buildings to be erected by the United States, and the extent and character of the exhibit authorized hereunder that would best serve the interests of the United States and its citizens, and would be best adapted to illustrate the growth and development of the country and the character of our people. That thereafter, and as soon as practicable, said commissioners shall report fully to the President and to Congress the result of such investigation, together with their recommendations and the estimated cost of said participation in said exposition within the foregoing authorization; and it shall also be the duty of the commissioners-general to report to the President for transmission to Congress at the beginning of each regular session a detailed statement of all expenditures incurred hereunder. That one of said commissioners-general shall receive as compensation for his services the sum of \$8,000 per annum; that the other two commissioners-general shall receive as compensation for their services from and after January 1, 1909, \$2,000 per annum for the first year and \$5,000 per annum thereafter; together with the actual traveling expenses of all of said commissioners-general, including sleeping car service and a per diem in lieu of subsistence of \$5 when actually traveling in the discharge of their duties as said commissioners-general. That the President shall also appoint a secretary at a compensation of \$5,000 per annum, together with his actual traveling expenses, including sleeping car service and

per diem in lieu of subsistence of \$5 when actually traveling in the discharge of his duties as such secretary, who shall act as disbursing agent and who shall perform such duties as may be assigned to him from time to time by the commissioners-general, and who shall render his accounts at least quarterly to the proper accounting officers of the Treasury of the United States, and shall give bond in such sum as the Secretary of the Treasury may require. And the said commissioners-general, subject to the approval of the Secretary of State, shall appoint from time to time such clerical and other assistants as may be necessary and as may hereafter be appropriated for in connection with the preparation of the plan and other necessary services as may be required in connection with the participation herein authorized.

Sec. 3. That upon the request of the Secretary of State the Secretary of War is hereby authorized to furnish free transportation on Government transports from San Francisco to Japan and return of all Government exhibits and for such officials or employees connected with the commission or in charge of any or all Government exhibits.

Sec. 4. That the sum of \$50,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of paying the salaries and all other expenses herein authorized and incurred in ascertaining the general plan of said National Exposition and the preparation and report to Congress of the plan and extent of our proposed participation therein and the estimate of the amount necessary to meet the expense thereof during the fiscal year 1910, to be immediately available.

CONSULAR REORGANIZATION.

The following is now part of the statute of law of the United States:

An Act to amend an Act entitled "An Act to provide for the reorganization of the consular service of the United States," approved April 5, 1906.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the classification of consuls-general and consuls in section two of an Act entitled "An Act to provide for the reorganization of the consular service of the United States," approved April 5, 1906, be, and the same is hereby, amended so as to read as follows:

"CONSULS-GENERAL.

"Class one \$12,000; London, Paris.

"Class two, \$8,000; Berlin, Habana, Hongkong, Hamburg, Rio de Janeiro, Shanghai.

"Class three, \$6,000; Calcutta, Cape Town, Constantinople, Mexico City, Montreal, Ottawa, Vienna, Yokohama.

"Class four, \$5,500; Antwerp, Barcelona, Brussels, Canton, Frankfort, Marseilles, Moscow, Panama, Rotterdam, Seoul, Sydney (Australia), Tientsin.

"Class five, \$4,500; Auckland, Beirut, Boma, Buenos Ayres, Callao, Coburg, Dresden, Genoa, Guayaquil, Halifax, Hankau, Mukden, Munich, Singapore, Vancouver, Winnipeg, Zurich.

"Class six, \$3,500; Adis Adaba, Bogota, Budapest, Guatemala, Lisbon, Monterey, Smyrna, Stockholm, Tangier.

"Class seven, \$3,000; Athens, Christiania, Copenhagen.

"CONSULS.

"Class one, \$8,000; Liverpool.

"Class two, \$6,000; Manchester.

"Class three, \$5,000; Amsterdam, Bremen, Dawson, Belfast, Havre, Johannesburg, Kobe, Lourenço Marquez, Lyon,

"Class four, \$4,500; Amoy, Birmingham, Chefoo, Cienfuegos, Fuchau, Glasgow, Kingston (Jamaica), Newchwang, Nottingham, Saint Gall, Santiago, Southampton, Veracruz, Valparaiso.

"Class five, \$4,000; Bahia, Bombay, Bordeaux, Colon, Dublin, Dundee, Harbin, Leipzig, Milan, Nanking, Naples, Nuremberg, Para, Pernambuco, Plauen, Reichenberg, Santos, Stuttgart, Toronto, Tsingtau, Victoria, Warsaw.

"Class six, \$3,500; Alexandria, Apia, Barmen, Barranquilla, Basel, Berne, Bluefields, Bradford, Chemnitz, Chinking, Cologne, Dalny, Durban, Edinburgh, Fiume, Geneva, Georgetown, Guadalajara, Mannheim, Montevideo, Nagasaki, Odessa, Palermo, Port Elizabeth, Prague, Quebec, Rangoon, Rheims, Rimouski, Rome, St. Petersburg, Saloniki, Sherbrooke, Vladivostok.

"Class seven, \$3,000; Aix la Chapelle, Aleppo, Barbados, Batavia, Belgrade, Burslem, Calais, Calgary, Carlsbad, Colombo, Corinto, Dunfermline, Florence, Frontera, Ghent, Hamilton (Ontario), Hanover, Harput, Huddersfield, Iquitos, Iquique, Jerusalem, Karachi, Kehl, La Guaira, Leghorn, Liege, Madras, Malaga, Managua, Melbourne, Nantes, Nassau, Newcastle (New South Wales), Newcastle (England), Port Antonio, Punta Arenas, Port au Prince, Riga, Sandakan, Progreso, Seville, St. John (New Brunswick), St. Michaels, St. Thomas (West Indies), San Jose, Sheffield, Swansea, Sydney (Nova Scotia), Tabriz, Tampico, Tamsui, Trieste, Trinidad.

"Class eight, \$2,500; Acapulco, Aden, Algiers, Antung, Batum, Belize, Bergen, Breslau, Brunswick, Cardiff, Chihuahua, Ciudad Juarez, Ciudad Porfirio Diaz, Cognac, Cork, Curaçao, Erfurt, Gibraltar, Gothenburg, Hamilton (Bermuda), Hull, Jerez de la Frontera, Kingston (Ontario), Leeds, Limoges, Madrid, Magdeburg, Malta, Maracaibo, Martinique, Matamoros, Mazatlan, Mersine, Nice, Nogales, Nuevo, Leredo, Orillia, Owen Sound, Plymouth, Port Limon, Prescott, Puerto Cortez, Rosario, Roubaix, St. Johns (Newfoundland), St. Etienne, San Luis Potosi, Sarnia, Sault Sainte Marie, Stettin, Swatow, Tamatave, Tegucigalpa, Teneriffe, Trebizond, Tripoli, Valencia, Windsor (Ontario), Yarmouth, Zanzibar.

"Class nine, \$2,000; Aguascalientes, Asuncion, Bagdad, Bristol, Campbellton, Cape Gracias, Cape Haitien, Cartagena, Ceiba, Charlottetown, Cornwall, Durango, Ensenada, Fernie, Fort Erie, Gorée-Dakar, Grenoble, Guadeloupe, Hermosillo, Hobart, La Paz, Manzanillo, Maskat, Messina, Moncton, Niagara Falls, Patras, Port Louis, Puerto Cabello, Puerto Plata, Rouen, Saigon, St. Johns (Quebec), St. Pierre, St. Stephen, Salina Cruz, Saltillo, Sierra Leone, Sivas, Stavanger, Suva, Tahiti, Tapachula, Turin, Turks Island, Venice."

Sec. 2. This act shall take effect on the first day of July, 1908.

Approved, May 11, 1908.

CONSULAR AND EMBASSY AND LEGATION BUILDINGS.

April 20, 1908.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. Lowden, from the Committee on Foreign Affairs, submitted the following report. (To accompany H. R. 21491.)

The Committee on Foreign Affairs, after full and careful consideration of the many bills introduced for the purchase or erection of consular, legation and court buildings abroad, respectfully recommend to the House the adoption of the following bill:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State be, and he is hereby, authorized to acquire in foreign countries such sites and buildings as may be appropriated for by Congress for the use of the diplomatic and consular establishments of the United States, and to alter, repair and furnish the said buildings, suitable buildings for this purpose to be either purchased or erected as to the Secretary of State may seem best, and all buildings so acquired for the diplomatic service shall be used both as the residences of diplomatic officers and for offices of the diplomatic establishment: Provided, that hereafter not more than one million dollars shall be appropriated for the purposes above set forth in any one fiscal year.

Sec. 2. That the sum of one million dollars is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, for the purchase, erection, repair, alteration and furnishing of embassies, legations and consulates, the said sum to be expended within the purposes of this act, at the discretion of the Secretary of State; not to exceed one-half thereof to be expended to secure consular and court buildings at Shanghai and Yokohama and not to exceed one-half thereof to be expended to secure embassy buildings at Berlin and Mexico City.

INTERNATIONAL INVESTIGATION OF OPIUM EVIL.

Message from the President of the United States, Transmitting a Letter from the Secretary of State Recommending an Appropriation for the Participation of the United States in the Coming Investigation of the Opium Question in the Far East by a Joint International Commission.

May 11, 1908.—Read; referred to the Committee on Foreign Affairs and ordered to be printed.

To the Senate and House of Representatives:

In laying before the Congress the accompanying letter from the Secretary of State, I heartily recommend that appropriation be made as therein requested for the participation of the United States in the coming investigation of the opium question in the Far East by a joint international commission.

The cordial reception of this proposal by the Govern-

ments concerned is a cause of gratification to the American Government and people. The high aim of this international project, placing as it does considerations of human welfare above all others, is a fine example of what is best in modern civilization and international good will and co-operation. Such an undertaking cannot but appeal most strongly to the American people, and I am happy to lay before the Congress this opportunity to enable the United States to do its full share in the work.

THEODORE ROOSEVELT.

The White House, May 11, 1908.

The President:

In September, 1906, in view of indications that the Imperial Chinese Government was ready to make serious efforts to eradicate the opium evil, the Department of State, by your direction, entered upon correspondence with the Governments of Great Britain, France, Germany, Japan, the Netherlands and China to learn whether they would favor a joint investigation of this subject so important to humanity, particularly to all nations having any direct or indirect responsibility for the welfare of those Oriental peoples among whom opium is used.

As the result of a full exchange of views with the Governments interested I am happy now to have the honor to report that the proposal of the United States has been accepted by all the above-mentioned Governments and also in principle by the Government of Portugal. It has been deemed wise that the investigation be by joint commission; that each Government shall in the first instance prosecute an investigation in its own territories, and that attention shall be given to the commercial and agricultural as well as the other scientific aspects of the subject.

No government having expressed particular preference as to the date and place of meeting of the commissioners, and the Government of the United States having found itself invited to determine this point, our diplomatic representatives at the capitals concerned have been instructed to request the governments to which they are accredited to send their commissioners to meet together at Shanghai, China, on January 1, 1909, the idea being that it will be found convenient for the commissioners of the various governments to make their investigations during the intervening months, and then to confer together at Shanghai for an exchange of views, which, it is hoped, will result in valuable reports and joint recommendations to the governments with a view to general and effective action.

The action thus inaugurated by the United States is in conformity to the established policy of our Government, expressed in the treaty which China concluded November 17, 1880, by which the Governments of China and the United States mutually agreed that "citizens of the United States shall not be permitted to import opium into any of the open ports of China, to transport it from one open port to any other open port, or to buy and sell opium in any of the open ports of China."

This treaty was followed by the act of Congress of February 23, 1887, prohibiting citizens of the United States

from engaging in the opium trade with China under heavy penalties.

In 1903 a commission was appointed by the civil government of the Philippines to investigate the opium traffic in those islands and the methods of prevention. After an exhaustive inquiry this commission reported on the 15th of June, 1904, and on the basis of their report a law was enacted providing for a progressive restriction of the importation and sale of opium under special authority of the following provision of the act of Congress "To revise and amend the tariff laws of the Philippine Islands," approved March 3, 1905.

"Provided, however, That the Philippine Commission or any subsequent Philippine legislature shall have the power to enact legislation to prohibit absolutely the importation or sale of opium, or to limit or restrict its importation and sale, or adopt such other measures as may be required for the suppression of the evils resulting from the sale and use of the drug; And provided further, That after March 1, 1908, it shall be unlawful to import into the Philippine Islands opium, in whatever form, except by the Government, and for medicinal purposes only, and at no time shall it be lawful to sell opium to any native of the Philippine Islands except for medicinal purposes."

The report of this commission offers an excellent groundwork for the further investigation to be made by this Government.

While the policy of the United States has been clear and positive, to prevent American citizens from having any part in imposing the evils that follow the use of opium upon the people of China and in using all possible means to prevent the use of opium in the Philippines, there is reason to believe that sufficient attention has not been given to prevent the importation of the drug into the United States. The importation of opium into the United States in the year ending June 30, 1907, amounted to 728,530 pounds. While the international investigation now proposed relates to opium in the Far East, an incidental advantage of the investigation may be to point out the necessity, and the best method, of restricting the use of opium in the United States.

The commercial aspect of the subject involves such complicated and widespread trade relations that an effective treatment of it seems impossible unless it be by the concurrent action of the great commercial nations, together with those peoples of the Orient among whom the abuse is most prevalent.

To enable this Government to appoint not more than three commissioners and a secretary and disbursing officer, and to include traveling expenses, stationery, printing and other incidental expenses connected with the investigation and the meeting of the commissioners, I have the honor to recommend that the Congress be asked to appropriate the sum of \$20,000, or so much thereof as may be necessary.

Since the investigation should begin at once and the commissioners are to meet January 1, 1909, it is very important that such appropriation be made immediately available.

Respectfully submitted.

ELIHU ROOT.

Department of State, Washington, May 7, 1908.

TRANSFER TO BANK OF INDO-CHINA OF CERTAIN LOT OF LAND AT PEKING, CHINA.

Message from the President of the United States, Transmitting a Communication from the Secretary of State Submitting a Draft of a Bill Providing for the Transfer to the Bank of Indo-China of a Certain Lot of Land Located at Peking, China.

To the Senate and House of Representatives:

I transmit herewith for the consideration of the Congress a communication from the Secretary of State submitting a draft of a bill providing for the transfer to the Bank of Indo-China of a certain lot of land located at Peking, China, and now the property of the United States, said transfer being in consideration of the transfer to the United States by the Bank of Indo-China of three lots of land located in the said city.

THEODORE ROOSEVELT.

The White House, April 24, 1908.

The President:

I have the honor to inclose herewith, with the recommendation that it be submitted to the Congress of the United States for enactment, draft of a bill providing for the transfer to the Bank of Indo-China of a certain lot of land located at Peking, China, and now the property of the United States, said transfer being in consideration of the transfer to the United States by the Bank of Indo-China of three lots of land, located in the said city.

A memorandum giving the reasons why the exchange is desired, and a plat showing the relative locations and dimensions of the several lots, are inclosed herewith.

Respectfully submitted.

ELIHU ROOT.

Department of State, Washington, April 23, 1908.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State be, and he is hereby, authorized to transfer to the Bank of Indo-China a certain lot of land situated at Peking, China, and now belonging to the United States, said lot being designated as XYZ on the plat on file in the Department of State entitled "Plat showing the property situated at Peking, China, to be exchanged between the United States and the Bank of Indo-China," and marked with file No. 3565/45-47; said lot XYZ being described by metes and bounds, as follows:

Starting from the point "o" of lot "C," thence north 81° 58' west 54 feet to the point "p," the place of beginning in describing lot "XYZ;" thence south 4° 36' west 72 feet to a point "r;" thence north 77° 56' west 67 feet to the point "a;" thence north 12° 4' east 10 feet to the point "t;" thence south 77° 56' east 50 feet to the point "u;" thence north 12° 4' east 7 feet to the point "v;" thence south 85° 24' east 6 feet to the point "w;" thence north 4° 36' east 54 feet to the point "y;" thence south 81° 58' east 10 feet to the point "p."

The said lot to be transferred to the said Bank of Indo-China in exchange for certain lots of land situated at Peking, China, and now belonging to the said bank, said lots being designated as A. B. and C on the said plat described by metes and bounds, as follows:

LOT A.

The starting point marked "a" on the plat is in the intersection of the west side of the west wall of the house built and formerly owned by H. G. Squires, and being situated upon the south line of Legation street, Peking, China, and the west side of the west wall being 128 feet 6 inches, more or less, east of the east side of the main entrance to the compound of the Banque de l'Indo Chine, and 191 feet 6 inches, more or less, west of the intersection of the north line of Canadal street with the south line of Legation street, with the south face of the present wall running east and west on the south line of Legation street, said wall being the boundary wall on the north side of the property of the Banque de l'Indo Chine.

Beginning with the point "a," thence south 2° 52' west 96 feet to the point "b;" thence west 1° 44' north 4 feet 6 inches to the point "c," this being the northeast corner of the house now occupied by the comprador of the Banque de l'Indo Chine; thence north 2° 52' east 96 feet to the point "d;" thence east to the starting point "a."

LOT B.

Starting from "a," thence south 2° 52' west 114 feet to the point "e," which is the place of beginning in describing lot "B;" thence east 4° 36' south 20 feet to the point "f;" thence south 11° 30' west 36 feet to the point "g;" thence west 4° 36' north 5 feet to the point "h;" thence north 11° 30' east 2 feet to the point "j;" thence west 12° 38' north 9 feet to the point "k;" thence north 2° 32' east 32 feet to the point "e."

LOT C.

Starting from the point "h," thence south 8° 2' west 44 feet to the point "l," which is the place of beginning in describing lot "C;" thence south 8° 2' west 16 feet to the point "m;" thence west 8° 2' north 20 feet to the point "n;" thence north 8° 2' east 16 feet to the point "o;" thence east 8° 2' south 20 feet to the point "l."

The Banque de l'Indo Chine at Peking desires to exchange a small area of its land adjoining the legation premises for an area of about equal extent now the property of the United States. The idea of the exchange is simply to straighten boundary lines and for greater convenience.

In submitting the original proposition for exchange Mr. Rockhill said:

"I think the exchange desirable and recommend it. It would straighten out the line of our property; no expense of any kind would be incurred; and no buildings of ours would be relinquished. The ground which we would give in exchange is now in some back yards, which would be of better shape by the exchange."

The bill has been incorporated as an amendment in the diplomatic and consular appropriation bill and has become law.

PROTECTION OF TRADE-MARKS.

A Treaty Between the United States and Japan, Signed at Washington on May 19, 1908, for the Protection in China of Inventions, Designs, Trade-Marks, and Copyrights of American Citizens and Japanese Subjects.

The President of the United States of America and His Majesty the Emperor of Japan being desirous to secure in China reciprocal protection for the inventions, designs, trade-marks and copyrights of their respective citizens and subjects have resolved to conclude a convention for that purpose and have named as their Plenipotentiaries, that is to say:

The President of the United States of America, Robert Bacon, Acting Secretary of State of the United States; and

His Majesty the Emperor of Japan, Baron Kogoro Takahira, Shosammi, Grand Cordon of the Imperial Order of the Rising Sun, His Ambassador Extraordinary and Plenipotentiary to the United States of America;

Who, after having communicated to each other their Full Powers, found to be in good and due form, have agreed upon and concluded the following articles;

ARTICLE I.

Inventions, designs and trade-marks duly patented or registered by citizens or subjects of one High Contracting Party in the appropriate office of the other Contracting Party shall have in all parts of China the same protection against infringement by citizens or subjects of such other Contracting Party as in the dominions and possessions of such other Contracting Party.

ARTICLE II.

The citizens or subjects of each of the two High Contracting Parties shall enjoy in China the protection of copyright for their works of literature and art as well as photographs to the same extent as they are protected in the dominions and possessions of the other party.

ARTICLE III.

In case of infringement in China by a citizen or subject of one of the two High Contracting Parties of any invention, design, trade-mark or copyright entitled to protection in virtue of this convention the aggrieved party shall have in the competent territorial or consular courts of such Contracting Party the same rights and remedies as citizens or subjects of such Contracting Party.

ARTICLE IV.

Each High Contracting Party engages to extend to the citizens or subjects of the other Contracting Party the same treatment in China in the matter of protection of their commercial names as they enjoy in the dominions and possessions of such Contracting Party under the convention for the protection of industrial property signed at Paris March 20, 1883. "Hong" marks shall be considered to be commercial names for the purpose of this convention.

ARTICLE V.

Citizens of possessions belonging to the United States and subjects of Korea shall have in China the same treat-

ment under the present convention as citizens of the United States and subjects of Japan respectively.

ARTICLE VI.

It is mutually agreed between the High Contracting Parties that the present convention shall be enforced so far as applicable in any other country in which either Contracting Party may exercise extraterritorial jurisdiction.

All rights growing out of the present convention shall be recognized in the insular and other possessions and leased territories of the High Contracting Parties and all legal remedies provided for the protection of such rights shall be duly enforced by the competent courts.

ARTICLE VII.

Any person amenable to the provisions of this convention who possesses at the time the present convention comes into force merchandise bearing an imitation of a trade-mark owned by another person and entitled to protection under said convention shall remove or cancel such false trade-mark or withdraw such merchandise from market in China within six months from the date of the enforcement of this convention.

ARTICLE VIII.

Unauthorized reproductions by the citizens or subjects of one High Contracting Party prior to the operation of this convention of the works of literature and art as well as photographs of the citizens or subjects of the other Contracting Party published after the 10th day of May, 1906, and entitled to protection in virtue of this convention shall be withdrawn from sale or circulation in China within one year from the date of the enforcement of this convention.

ARTICLE IX.

The present convention shall be ratified and the ratifications thereof shall be exchanged at Tokyo as soon as possible. It shall come into force together with the convention relative to the protection of inventions, designs, trade-marks and copyrights in Korea, ten days after such exchange of ratifications.

In witness whereof, the respective Plenipotentiaries have signed the present convention in duplicate and have thereunto affixed their seals.

Done at the City of Washington the 19th day of May in the nineteen hundred and eighth year of the Christian era corresponding to the 19th day of the 5th month of the 41st year of Meiji.

(Signed)

ROBERT BACON.

(Signed)

K. TAKAHIRA.

A Treaty Between the United States and Japan, Signed at Washington on May 19, 1908, for the Protection in Korea of Inventions, Designs, Trade-Marks, and Copyrights of American Citizens and Japanese Subjects.

The President of the United States of America and His Majesty the Emperor of Japan being desirous to secure in Korea due protection for the inventions, designs, trade-marks and copyrights of their respective citizens and sub-

jects have resolved to conclude a convention for that purpose and have named as their Plenipotentiaries, that is to say:

The President of the United States of America, Robert Bacon, Acting Secretary of State of the United States; and

His Majesty the Emperor of Japan, Baron Kogoro Takahira, Shosammi, Grand Cordon of the Imperial Order of the Rising Sun, His Ambassador Extraordinary and Plenipotentiary to the United States of America;

Who, after having communicated to each other their Full Powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE I.

The Japanese Government shall cause to be enforced in Korea simultaneously with the operation of this convention, laws and regulations relative to inventions, designs, trade-marks and copyrights similar to those which now exist in Japan.

These laws and regulations are to be applicable to American citizens in Korea equally as to Japanese and Korean subjects. In case the existing laws and regulations of Japan referred to in the preceding paragraph shall hereafter be modified, those laws and regulations enforced in Korea shall also be modified according to the principle of such new legislation.

ARTICLE II.

The Government of the United States of America engages that in case of the infringement by American citizens of inventions, designs, trade-marks or copyrights entitled to protection in Korea, such citizens shall in these respects be under the exclusive jurisdiction of the Japanese courts in Korea, the extraterritorial jurisdiction of the United States being waived in these particulars.

ARTICLE III.

Citizens of possessions belonging to the United States shall have in respect to the application of the present convention the same treatment as citizens of the United States.

ARTICLE IV.

Korean subjects shall enjoy in the United States the same protection as native citizens in regard to inventions, designs, trade-marks and copyrights upon the fulfillment of the formalities prescribed by the laws and regulations of the United States.

ARTICLE V.

Inventions, designs, trade-marks and copyrights duly patented or registered in Japan by citizens of the United States prior to the enforcement of the laws and regulations mentioned in Article I hereof shall without further procedure be entitled under the present convention to the same protection in Korea as is or may hereafter be there accorded to the same industrial and literary properties similarly patented or registered by Japanese or Korean subjects.

Inventions, designs, trade-marks and copyrights duly patented or registered in the United States by citizens or subjects of either High Contracting Party or by Korean subjects prior to the operation of the present convention

shall similarly be entitled to patent or registration in Korea without the payment of any fees, provided that said inventions, designs, trade-marks and copyrights are of such a character as to permit of their patent or registration under the laws and regulations above mentioned, and provided further that such patent or registration is effected within a period of one year after this convention comes into force.

ARTICLE VI.

The Japanese Government engages to extend to American citizens the same treatment in Korea in the matter of protection of their commercial names as they enjoy in the dominions and possessions of Japan under the convention for the protection of industrial property signed at Paris March 20, 1883.

"Hong" marks shall be considered to be commercial names for the purpose of this convention.

ARTICLE VII.

The present convention shall be ratified and the ratifications thereof shall be exchanged at Tokyo as soon as possible. It shall come into force ten days after such exchange of ratifications.

In witness whereof, the respective Plenipotentiaries have signed the present convention in duplicate, and have thereunto affixed their seals.

Done at the City of Washington the 19th day of May in the nineteen hundred and eighth year of the Christian era corresponding to the 19th day of the 5th month of the 41st year of Meiji.

(Signed)
(Signed)

ROBERT BACON.
K. TAKAHIRA.

FREE ENTRY RAILWAY SUPPLIES.

Under the act of Congress of February 6, 1905, the privilege of free entry of construction and equipment materials was conceded in connection with the establishment of a railway system for the Philippines. The granting of franchises by the Philippine Commission to two companies followed, one operating in the island of Luzon as an extension of the existing line known as the Manila Railway Company, and the other operating in the Visayan group under the name of the Philippine Railway Company. Work began toward the end of 1906, and construction has been actively prosecuted by both companies throughout the year, with imports to the value of nearly two and a half million dollars granted free entry under the terms of their franchises during 1907. Owing to the exceptional character of these imports and the large proportions they are destined to assume for the limited contract period, they have not been included in the strictly commercial returns of the islands, but in the following table the value of these imports is given for the year, distributed according to the railway company and the country of origin:

Imported from—	Philippines Railway Company.	Manila Railroad Company.	Total.
United States.....	\$662,281	\$413,690	\$1,075,971
United Kingdom.....	16,203	888,242	904,445
Germany	2,349	.....	2,349
Belgium	3,428	.....	3,428
Hongkong	51,453	45,127	96,580
Australasia	102,158	270,130	372,288
Other Countries.....	877	.....	877
Total	\$838,749	\$1,617,189	\$2,455,938

PHILIPPINE FOREIGN COMMERCE IN THE CALENDAR YEAR 1907.

Commercial returns of the Philippines for the calendar year 1907, exclusive of gold and silver and Government free entries, show imports to the value of \$30,453,810 and an export trade of \$33,097,867. The favorable trade balance dating from 1905 is thus continued, with a credit of \$2,644,057 in favor of the islands for the year. Imports exceed by \$4,050,042 those of 1906 and indicate a complete recovery from the depression of that period. In fact, import activity is the most striking feature of the year's figures—foreign purchases reaching a greater value, if the abnormal element of rice be excluded—than ever before under American occupation. Increased export values are also recorded, amounting to \$454,975 more than those of the previous year, and approximate closely to the maximum established in 1905.

The increased import total for the year is very widely distributed and indicates generally improved commercial conditions. The largest and most noteworthy gains, however, are to be found in the textile and fibre trade, and the relative importance of these imports is shown by the fact that they constitute a third of all foreign purchases in 1907. The leading feature, alike in this large branch of the insular trade and in the large increase for the year, is found in cotton and manufactures, which show a further expansion of practically \$2,000,000 in a trade that has made uninterrupted annual gains from the depression of 1903, and which in 1907 reaches the unprecedented value of \$9,000,000. In the supply of these imports the United Kingdom maintains her prestige of past years, being credited with slightly more than half, while the United States becomes a remote second, with a value of \$1,016,752 in consequence of largely increased sales of cotton cloths following the tariff amendment of February 26, 1906, and Spain, with her strong position in the knit goods market, becomes of third rate importance in the cotton trade as a whole. Miscellaneous vegetable fibre imports amount to \$559,076, in which is included a gain of over \$200,000, while the silk trade increases from \$357,061 to \$505,961, and wool imports show a value of \$181,834 in the generally improved textile and fibre demand of the year.

Practically another third of the islands' import trade for 1907 is embraced under the general head of foods, drinks and food animals. While this ten million dollar total shows some increase over the figures for the previous year, it is by no means so great as that noted in textiles, fibres and clothing. Rice is the single item of largest value under this group, and the total of \$4,166,744 for the year includes an increase of \$174,831. This, however, arises from the prevalence of exceptionally high prices during the greater part of the year, and, as a matter of fact, the quantity imported continues, the annual decline dating back to 1903, though the reduction in 1907 is relatively slight. French East Indies is even more exclusively than heretofore the source of supply.

Wheat flour is a related item that shows an increase coincident with the declining imports of rice, and reaches a

value of slightly over two million dollars in 1907. This trade was a virtual monopoly of the United States down to 1904, but American flour has rapidly lost ground since, and amounts to but \$391,151 for the year, while the Australasian product, with the advantage of a shorter haul and a lower price, has found a steadily increasing market in the islands from a nominal value of \$1,185 in 1903 to \$649,704 in 1907.

In a total meat trade of \$886,924 Australasia also figures prominently in consequence of a monopoly of the fresh meat supply, and contributes half of the total for the year, while China is credited with about a quarter of a million dollars in cured meats, lard and other meat products. In the related cattle trade, which figures largely as a fresh meat supply, and amounts to \$1,119,638 in 1907, China furnishes 90 per cent., while practically all of the quarter of a million dollar egg trade is of Chinese origin. Dairy products, amounting to \$478,585, show a small increase, and are made up chiefly of condensed milk from the United Kingdom and the United States, butter from Australasia, and cheese from Netherlands and the United Kingdom.

Imports of vegetables to the value of \$561,116 in 1907 are practically the same as in the previous year. The three hundred thousand dollar potato and onion trade is credited to Japan, while canned vegetables to the value of \$93,963 come chiefly from Spain and the United States. Total fish imports amount to \$370,671, and show a notable increase in consequence of larger purchases of Spanish and American canned goods. The United States is credited with canned salmon to the value of \$93,328, while Canada appears as a new factor in this distinctively American field.

Coffee and cocoa, though classed as insular products, are produced in quantities inadequate for local consumption, and are items of import to the value of \$343,288 in 1907. These imports show an eighty thousand dollar increase, and are chiefly from British East Indies, while a fairly constant tea trade of about \$40,000 annually is of conspicuously Chinese origin.

Imports of alcoholic liquors amount to \$548,602. Increased trade is to be noted in both wines and distilled spirits, but a further shrinkage of \$70,000 is found in the steadily declining beer imports of several years past, for which local production is the leading cause assigned. The two hundred thousand dollar wine trade of the year is of Spanish origin. Distilled spirits to a somewhat greater value are largely of British and American origin, while the United States furnishes half of the reduced malt liquor total of \$114,793.

Among the miscellaneous imports constituting the remaining third of the islands' foreign purchases in 1907 not embraced under the heads of textiles and fibres and of foodstuffs and beverages, the metal trade is easily of the foremost importance. Iron and steel makes up the great bulk of values under this group and amounts to \$2,296,294, with an increase of about a quarter of a million dollars over the figures for 1906. Seventy per cent. of this trade for the

year is credited to the United Kingdom and the United States, with a somewhat larger proportion from the former. Analysis of the figures in detail shows that the preponderance of the British trade lies in the larger and cruder forms of these metals, whereas the three-quarters of a million dollars credited to the United States is found chiefly in schedules of machinery and the more advanced forms of manufacture. Germany, with imports valued at \$382,248, is the only other contributor to this trade of much importance and is credited with the largest increase of the year. In the cruder schedules where the United Kingdom figures most prominently Germany contributes only nominal values, but competes in the supply of higher class manufactures. Brass and copper amounting to more than a quarter of a million dollars is the most prominent remaining feature in the metal trade. Two-thirds of this total is about equally divided between the United States and the United Kingdom, while Germany is the most conspicuous minor contributor, as in the case of iron and steel.

Imports of mineral oils reached the exceptionally low value of \$521,896 in 1906, but this is more than compensated for in the unprecedented total of \$931,494 in 1907. In this large increase the United States more than doubles the figures of the previous year and is credited with \$690,142. Russian oil, formerly dominating the market, disappears entirely from the trade, and Dutch East Indies, with a value of \$153,241, shares but slightly in the year's increase, while British East Indies appears as a new factor in the field with a value of \$75,225. The coal trade increases from \$426,751 to \$513,680, of which Australasia contributes \$484,221, and Japanese values decline to even smaller proportions than in 1906. North Borneo coal figures to a small extent in the year's total.

Marked activity in the leather trade is a feature of the figures for 1907. Total leather imports amount to \$613,561 and are larger by \$200,000 than in 1906. The greatest gain is found in boots and shoes, but larger values also appear under unmanufactured as well as miscellaneous manufactures. That the boot and shoe trade of the islands has been largely lost to Spain is further emphasized by the year's returns, Spanish sales declining slightly in spite of the much increased total. Of total boot and shoe imports, valued at \$419,749, the United States is credited with \$301,181, and contributes about the same proportion of the unmanufactured leather trade.

Under paper and manufactures a total value of \$548,904 is found for 1907, and an increased trade of more than \$100,000 is distributed throughout the various schedules. The United States takes the foremost place as in previous years, with credits amounting to \$155,604, while France, Spain, Germany and Austria-Hungary are minor contributors in the order named.

The lumber trade furnishes one of the most notable exceptions to the general import activity of the year, boards, deals and planks showing a reduction of more than \$160,000 in value. These imports were abnormally large in 1906, but the total of \$209,522 in 1907 is much smaller than that for a number of years past. Increased activity in local production has its bearing on this trade, as also does the new administrative policy of increased use of native woods

in public construction. The United States is the heavy loser in these much reduced purchases, and Australasia takes the lead in the lumber trade for the year.

Opium imports show a slight recovery from the very small value of 1906, resulting from increased taxation and restrictive legislation. Of the total of \$446,049 for 1907, British East Indies is credited with \$390,273 and Persia with almost the whole of the balance. By act of Congress the importation of opium into the islands is prohibited after March 1, 1908, except by the Government and for medicinal purposes. Further legislation by the Philippine Commission looking toward this ultimate suppression of the opium traffic was enacted in October, 1907, and imports during the months of November and December shrink to less than \$3,000 in value.

In the larger export total for the year, showing a net increase of \$454,975 over the returns of 1906, the most noteworthy and hopeful feature is to be found in the larger marketing of the various minor products of the islands, such as maguay and other subordinate fibres, ilang-ilang and cocoanut oils, fish, shells, etc. In fact, the four great insular staples—hemp, sugar, copra and tobacco—show only a nominal net gain of \$13,314, though constituting 95 per cent. of the total exports for the year. In sugar and tobacco substantially reduced values are to be noted; hemp is credited with a relatively unimportant gain in the face of heavily reduced prices, while phenomenally high prices account for the considerable increase in copra values.

The hemp trade shows a substantial recovery from the reduced quantity exported in 1906, following the disastrous hurricane of September, 1905, 115,395 tons being exported in 1907, as compared with 102,439 tons in 1906. The quantity is, however, still below that of preceding years, while the average price falls considerably below the compensating high figure of 1906. The average price per ton in 1906 was \$191, as compared with \$171 in 1907, while a very steady decline is to be noted in the monthly figures from \$182 in January to \$146 in December. The result of these adverse market conditions on the export trade for the year is to show but a nominal increase of \$76,861 in spite of a considerably increased quantity, with indications of a somewhat less prosperous state for the great industry than in the previous year. The United States and the United Kingdom are credited with 90 per cent. of these exports, of which American purchases are slightly smaller in quantity, but in consequence of higher prices the value of hemp exports to the United States, amounting to \$9,316,539, considerably exceeds that finding a British market.

Owing to unprecedented prices, copra ranks second in importance in the islands' export trade and sugar drops to third place. Copra exports amount to \$4,784,151, and upon a slightly reduced quantity an increase of \$410,449 in value is to be noted. Export quantities show but slight change during the past three years, but the annual price per pound grows steadily from 2.6 cents to 3.7 cents, and suggests the great possibilities of this Philippine product in view of the increasing foreign demand for this vegetable oil base. In the related export item of cocoanut oil a value of \$101,765 is recorded for the year as compared with \$66,286 for 1906.

While cocoanut oil is of general local use and domestic production, manufacture on an export scale is of very recent date, and the growth of this trade in the past two years points to the possibilities of this new export industry as a business investment, as a benefit to the islands, and as a modifying factor in the copra export trade. Copra finds its chief market in France, as in the past, with Spain and Germany as minor purchasers of leading importance, while the United States is credited with a value of \$197,558, the largest during American occupation. The greater part of the oil is taken by the United Kingdom, as was the case in 1906.

Sugar exports are slightly reduced in quantity, and this, combined with a lower price, accounts for a reduction of \$358,421 in the value of 1907. Of the total, amounting to \$4,195,671, the China-Hongkong market takes the larger part, as in previous years, the United States is credited with \$403,851, and the United Kingdom and Japan with smaller sums.

In the tobacco trade, exports show a decline of \$115,575 and amount to \$2,727,429. In the manufactured schedules increases are found, but these are more than offset by a reduction in the abnormally heavy leaf exports of 1906. Spain and Austria-Hungary continue to be the largest leaf purchasers of the million and a half dollar total, while the million dollar cigar trade, though credited to forty-one different countries, is appropriated to more than 75 per cent. by Hongkong, British East Indies, Australasia, China and the United Kingdom. The United States is credited with no purchases of leaf tobacco during the year, but with cigars to the value of \$24,200.

Exports of maguey fibre show increases both in quantity and price in 1907 and amount to \$297,158. American purchases amount to \$198,233 and for the first time the United States becomes the leading market for this product. In view of the general interest in its cultivation manifested throughout the archipelago, the active measures taken by the Insular Bureau of Agriculture for the introduction of improved varieties and the steady improvement in the price of these exports, it seems probable that this type of fibre may become another important fibre asset of the Philippines, and that the islands may come to share in the prosperity it has already brought to Yucatan through the supply of the heavy demands of the American market.

In the trade of the United States with the Philippines in 1907 imports of American goods show an increase of \$589,652 over the reduced values of 1906 and amount to \$5,067,538, though they are still more than half a million dollars less than in the banner year 1905. Of the above total more than 60 per cent. is found in the cotton and the iron and steel trade, and in the items of mineral oils, wheat flour and boots and shoes. The most conspicuous gains for the year appear in imports of cotton goods, mineral oils and boots and shoes; the heaviest loss is in the lumber trade, while agricultural implements and wheat flour suffer to a less extent. Exports to the United States in

1907 are less by about a million and a half dollars than in the previous year, in consequence of larger British participation in the hemp trade. Purchases of Philippine sugar suffer but a slight decline, while maguey and copra find a substantially larger American market.

THE SHIPPING LAWS OF THE PHILIPPINES.

An act to repeal an act approved April 30, 1906, entitled "An act to regulate shipping in trade between ports of the United States and ports or places in the Philippine Archipelago, between ports or places in the Philippine Archipelago, and for other purposes," and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That until Congress shall have authorized the registry as vessels of the United States of vessels owned in the Philippine Islands, the Government of the Philippine Islands is hereby authorized to adopt, from time to time, and enforce regulations governing the transportation of merchandise and passengers between ports or places in the Philippine Archipelago.

Sec. 2. That on and after the passage of this act the same tonnage taxes shall be levied, collected and paid upon all foreign vessels coming into the United States from the Philippine Islands which are required by law to be levied, collected and paid upon vessels coming into the United States from foreign countries.

Sec. 3. That the provisions of law restricting to vessels of the United States the transportation of passengers and merchandise directly or indirectly from one port of the United States to another port of the United States shall not be applicable to foreign vessels engaging in trade between the Philippine Islands and the United States.

Sec. 4. That the Philippine Commission shall be authorized and empowered to issue licenses to engage in lighterage or other exclusively harbor business to vessels or other craft actually engaged in such business at the date of the passage of this act and to vessels or other craft built in the Philippine Islands or in the United States and owned by citizens of the United States or by inhabitants of the Philippine Islands.

Sec. 5. That such of the navigation laws of the United States as are in force in the Philippine Islands in regard to vessels arriving in the Philippine Islands from the mainland territory and other insular possessions of the United States shall continue to be administered by the proper officials of the Government of the Philippine Islands.

Sec. 6. That the act entitled "An act to regulate shipping in trade between ports of the United States and ports or places in the Philippine Islands, between ports or places in the Philippine Islands, and for other purposes," approved April 30, 1906, and all laws and parts of laws in conflict with the provisions of this act, are hereby repealed.

Approved, April 29, 1908.

COTTON GOODS IN THE ORIENT.

PAPER READ BEFORE AMERICAN COTTON MANUFACTURERS' ASSOCIATION, RICHMOND, VA., MAY 20-21, 1908, BY

JOHN FOORD, SECRETARY AMERICAN ASIATIC ASSOCIATION, NEW YORK.

Mr. President and Gentlemen of the American Cotton Manufacturers' Association:

If regard be had merely to the statistics of exports, we should be driven to the conclusion that the market for American cotton textiles in the Far East is disappearing. For the calendar year 1905 we exported to China 563 million yards of cotton cloth, valued at \$33,514,818; for 1906 the quantity was 271 million yards, valued at \$16,704,823; while in 1907 the quantity dropped to 38 million yards, valued at \$2,678,528. The proportion borne by the Chinese demand to our entire export trade in cotton textile was 70 per cent. in 1905, 52 per cent. in 1906, and 18 per cent. in 1907. But the real proportions of demand for consumption are not at all reflected in the export statistics. What may be called the normal consumption in the Chinese market of plain cotton cloths, bleached and unbleached, of foreign make, does not exceed 700 million yards per annum. But in 1905 the combined English and American export of these fabrics amounted to 1,165 million yards. In addition to this, India and Japan contributed at least 56 million yards. Here was an obvious excess over actual requirements of fully 520 million yards. In the following year the excess was less marked, and in 1907 the English export was cut in two, while ours almost disappeared. But the total for three years was, nevertheless, at least 200 million yards in excess of the highest estimate that can be placed on the present capacity of the Chinese market to absorb plain cotton cloths of foreign manufacture at existing prices.

The virtual cessation of demand from the Chinese market for American cotton textiles during the last eighteen months is thus merely the natural result of the too confident optimism of 1905 as reflected in the suddenly inflated exports of that year and the first half of 1906. It is true that American trade has suffered a good deal more than the English from the overstocking of the market for cotton piece goods, but this is largely due to the fact that it was on the rapid recovery of the consuming markets in North China that the faith of the native dealers in the proportions of the future demand was based.

Of course, Japanese competition has had its effect in producing a diminished demand for American cotton in Manchuria. A Japanese syndicate has been at work there, with all the advantages that cheap freights, use of Government money at 4 per cent., and a stable rate of exchange secured by the use of Japanese currency, could give it. According to a native Japanese newspaper, the relative position of Japanese and American cottons in the Manchurian market has been reversed, and the product of Osaka mills had been for eight months coming into southern Manchuria at the rate of a million and a half yards a month. Considering the productive capacity of Japan, this is a fairly large trade, but whether it represents a competition which is likely to keep on growing belongs to the realm of conjecture.

On the other side of the account there is some evidence that the markets of Southern and Central China, heretofore all but monopolized by English goods, are being invaded by

the lighter weights of American cloth. There have been scattering sales, some of them of considerable amount, made in this field during the last eight years, but it is only recently that indications have been forthcoming of a permanent lodgment for American textiles having been effected there. According to a recent trade circular issued in Shanghai: "There is little doubt that Lancashire has now an active competitor in America for the finer qualities of gray shirtings; within the last month orders have been placed in America for which Lancashire manufacturers have not had an opportunity of quoting, and this at a time when many looms in Lancashire are reported to be idle. Throughout the long period of good trade manufacturers in Lancashire have been independent of the demand from China which did not run on the style of makes suitable also for India; in the last few years American manufacturers have been cultivating the trade in finer goods; and as the pure goods made in the States are in many cases preferred to the Lancashire makes, a portion of that trade has already virtually been transferred. As in the case of drills and sheetings, if Lancashire wants to retain its old hold on the China trade it will now be necessary to make goods in imitation of established American makes."

How large a field may thus be presented for American enterprise is illustrated by the figures of English exports to China for the last three years. In 1905 there was exported from the United Kingdom to China and Hongkong 370,474,000 yards of gray cotton piece goods and 231,585,700 yards of bleached, making 602,059,700 yards in all. For the same year there was exported from the United States 562,732,721 yards, of which but a small fraction were bleached goods. For 1906 the figures were for the United Kingdom, 245,386,600 yards of gray and 183,016,300 yards of bleached goods—428,402,900 yards in all, against 271,199,275 yards for the United States. For 1907 the figures were 181,941,100 yards of gray and 152,728,400 yards of bleached goods—334,669,500 yards in all for the United Kingdom, against 39,443,859 yards for the United States. In other words, while our exports for 1907 have dwindled to 6.8 per cent. of those of 1905 and 14.2 per cent. of those of 1906, the English show a total for 1907 equal to 55.6 per cent. of those of 1905 and 78 per cent. of those of 1906. These figures afford the best possible demonstration that the great English markets of Central and Southern China have remained comparatively unaffected by the causes which have brought about the virtual stagnation of trade in North China, to the obvious detriment of American exports, but to the equal detriment of less than half of the English exports.

Just how far the beginning that has been made in substituting for the heavily sized product of Lancashire mills the pure goods represented by our finer qualities of gray shirtings may hold out the promise of a greatly expanded trade, you are better able to judge than I can profess to be. If past experience may be taken as a guide, there is every reason to be hopeful of the future. Twenty years ago our interest in the cotton piece goods trade with China was very slight, being, with the exception of one or two qualities of standard drills, confined to the export of surplus domestic goods, which were, for the most part, of too high a standard of quality for general Chinese use. In the ten years between

1887 and 1897 the export to China of plain gray and white goods of American make increased from 1,874,274 pieces to 4,143,971 pieces, a gain of fully 121 per cent. While in 1887 our proportion of the entire trade was only 12.13 per cent., it had risen by 1897 to 15.02 per cent. in value. Were it possible to cite our Chinese exports of 1905, as a normal trade, we should have the very satisfactory comparison of an advance in ten years from \$2,775,000 to \$33,514,918. But as we must take the average of the last three years to represent what may be called the normal dimensions of the trade, we must be content with the figure of \$14,224,542. But a trade that shows an increase in ten years of 512 per cent. must at least be regarded as having in it great possibilities.

It has always been difficult to gauge the potentialities of the Chinese market, and it cannot be said that new conditions make it any easier. But with the awakening of China the possibilities of the immediate future assume a new significance. As Judge Wilfley has remarked, this awakening is a fact of world-wide importance, because to raise the standard of living in China to the average standard of the United States would be equivalent, so far as our markets are concerned, to the creation of five Americas. To raise the standard of living in China 50 per cent. would, commercially speaking, add 200,000,000 to the world's population.

It is difficult for us to realize what the abolition of the old classical examinations as a test of fitness for public office means for China. Dr. Arthur H. Smith, who knows China as perhaps no other foreigner does, says in regard to this subject:

"But the greatest of all the many changes in China is the definite abolition by Imperial edict (September, 1905) of the old style examination and the introduction of Western learning, an innovation which, whether as regards its radical nature in overturning the precedent of nearly two millenniums, the many millions whom it affects, or its future results, may, when completed, justly be reckoned among the most remarkable and decisive intellectual revolutions in the history of mankind."

There met in Shanghai last year a conference of native Chinese merchants, the most remarkable assemblage of its kind ever brought together in China. It lasted for two days, discussing a multitude of questions of common interest, including the preparation of the new Commercial Code. Speaking in Boston the other day, Mr. Wu Ting-fang, the Chinese Minister in Washington, directed attention to the peculiar significance of this gathering and to the demonstration it afforded of the enormous increase in the respect and consideration enjoyed by the merchant class in China. Compared with the status of former times, the change in social position and civic influence amounts to nothing short of a revolution. In the judgment of Mr. Wu this is but one of many signs that portend the great and rapid development of the trade, both domestic and foreign, of China. He insists that the present figures in the statistical publications of the Imperial Maritime Customs can give no certain indication of the future expansion and growth of Chinese commerce. To quote his own words: "When our merchants are equipped with modern knowledge and training, and when the facilities for communication are still further improved and increased, and when, by the construction of railways and the establishment of factories, the purchasing power of the laboring class is largely augmented, and when the demands of our masses for comforts and luxuries in the modern sense of the words advance by leaps and bounds, no one with the wildest of imagination can foretell the dimensions of the future trade of China."

Mr. Wu was certainly well within the mark when he referred to the unbounded natural wealth of his country; to the fact that German geologists have calculated that the coal deposit in only one province of China is sufficient to supply the consumption of the world for two thousand years; that there are gold and silver mines in abundance, and that material development is all that is required to make China one of the wealthiest nations in the world. Mr. Wu also pointed out, as others have done before him, that if

the purchasing power of every Chinese should be increased by only ten cents per annum the ability to purchase foreign products, of which the most necessary and the most generally desired are the products of your cotton looms, would be increased by \$40,000,000.

So far as the relations between the two countries are concerned, the United States was probably never in a better position to cultivate commercial relations with China on a basis of mutual respect and confidence. There certainly never has been a time in the history of the intercourse between the Chinese Empire and this Republic when there were so few matters of controversy requiring diplomatic treatment, or when each was so thoroughly impressed with the desirability of cultivating the friendship of the other. The proposed return of about half of the amount of the indemnity exacted after the Boxer troubles can hardly fail to impress the Chinese mind with a high respect for the American sense of justice. In his Boston address Mr. Wu probably gave fair expression to the Chinese view of our commercial and industrial capacity when he said that we produce and manufacture the best of goods, and that with our inventive genius and mechanical facilities we were able to offer our goods on the market at low prices. There can be no question that for the staple industry whose representatives I am addressing the Chinese market contains enormous undeveloped possibilities. There are millions of dollars' worth of trade hanging on a turn of a fraction of a cent, and not a large fraction at that. It is like the few feet of elevation which changed, in historic times, the direction of the flow of our great continental river and gave a new turn to the development of North America. Just how the resistance of the obstinate fraction is to be overcome you are much better able to judge than I am, and I cannot profess to teach you anything which you or your representatives do not know in regard to the economies which are possible in the handling of the great export trade in cotton textiles with China.

I can only emphasize the fact, strongly insisted upon by every representative whom China sends to these shores and by every American who knows anything of the Chinese people, that all they demand is fair and equal treatment, which they have not always received at our hands. Even to-day, with a much more liberal and discriminating administration of the Chinese exclusion acts, the exempt classes of Chinese still find reason to complain of being subjected to a humiliating ordeal of examination on visiting this country. Here is the natural place of education for the young Chinamen who will, but a few years hence, be in control of the destinies of their country. But, while knowing and appreciating that fact, the higher classes in China shrink from sending their sons to American schools and colleges because of the absurd difficulties which our laws have placed in the way of their admission. The English are wiser in their generation than we are in this matter, and have formed an organization for the special purpose of facilitating the coming of Chinese students to their shores. Further, by way of familiarizing the Chinese with the United Kingdom and with the British Empire, a series of round-the-world tours has been arranged for, the first of which started last month from Hongkong. If the itinerary of this party of Chinamen includes the United States, it will involve a departure from the published program which proposes a transit to England by way of Canada, returning by the Continent and Egypt. Arrangements have been made for a visit by the successive groups of Chinese tourists to the industrial centres and principal factories of Great Britain, and, like the movement to attract Chinese students to pursue their education in the United Kingdom, the scheme is frankly in the interests of British trade. Thus, while I have no suggestion to offer you in the technical details of your business, not even in regard to the proper packing of a bale of cotton domestics, I would respectfully invite your attention to the fact that other nations are engaged in making friends with their Chinese customers in ways that we seem disposed to neglect, or at least we have not yet thought of attempting.

THE AMERICAN ASIATIC ASSOCIATION CONSTITUTION.

ARTICLE I.

NAME.

The name of this Association is The American Asiatic Association.

ARTICLE II.

OBJECTS AND PURPOSES.

The objects and purposes of this Association are:

1. To foster and safeguard the trade and commercial interests of the citizens of the United States, and others associated therewith, in the empires of China, Japan and Korea, and in the Philippine Islands, and elsewhere in Asia or Oceania;

2. To secure the advantages of sustained watchfulness and readiness for action, attainable by union and permanent organization, in respect of such Asiatic trade, and as well in matters of legislation, or treaties affecting the same;

3. To promote the creation and maintenance of a consular service of the United States in Asia and in Oceania which shall be founded upon the principles of uniform selection for proved fitness, of regular promotion, security of tenure during good service, and adequate compensation;

4. To provide for convenient ascertainment and distribution of information affecting the interests of its members;

5. And, generally to promote a beneficial acquaintance and association of those having interests and pursuits in common concerned with such trade or commerce.

ARTICLE III.

MEMBERSHIP.

Sec. 1. Any person of full age, who is or may become interested in the trade now or hereafter to be conducted by the United States in or with the empires of China, Japan and Korea, or elsewhere in Asia or Oceania, shall be eligible to membership in the Association. Corporations and firms are eligible for membership in the same manner as individuals, and shall be respectively entitled to one vote each at any meeting of the Association, as if they were individual members.

Sec. 2. After the first enrollment, applicants for membership in the Association shall be proposed by one member and seconded by another member in writing.

Sec. 3. Membership shall be acquired only upon approval and election by a majority of the Executive Committee, and upon payment of the current dues. If an applicant for membership shall fail to pay such current dues within sixty days of notice of election addressed to him by mail at such place as may be given as his address in the application for membership, his election shall be void.

HONORARY MEMBERSHIP.

Sec. 4. The Association may, by a majority vote of the members at any regular meeting or at any special meeting called for the purpose, admit to honorary membership in the Association such person or persons as shall have rendered eminent political, diplomatic or military service in the advancement or protection of American Asiatic trade or commerce, and such honorary members shall not be chargeable with any dues.

ARTICLE IV.

OFFICERS AND EXECUTIVE COMMITTEE.

Sec. 1. The officers of the Association shall be a President, seven Vice Presidents, a Secretary and a Treasurer, who shall be elected at the annual meeting or at any special meeting duly called for the purpose, and shall hold their respective offices for one year or until the next annual meeting thereafter, and until their respective successors are elected.

Sec. 2. The officers of the Association shall be ex-officio members of the Executive Committee.

Sec. 3. There shall be an Executive Committee consisting of twelve members.

Sec. 4. The members of the Executive Committee shall be elected at the annual meeting or at any special meeting called for that purpose, and shall be divided into three equal classes, which, selected by lot, shall hold office, in the case of the first until the next ensuing annual meeting, in the case of the second until the second next ensuing annual meeting, and in the case of the third until the third next ensuing annual meeting, or until their successors are chosen.

Sec. 5. Members of the Executive Committee to replace any outgoing class for a term of three years, and to fill vacancies, if any, in the other classes, shall be elected at the annual meeting, but the Committee may itself fill such vacancies, if any exist, pending the annual meeting.

ARTICLE V.

PRESIDING OFFICERS.

The President or, in his absence, one of the Vice Presidents shall preside at all meetings of the Association.

ARTICLE VI.

TREASURER.

The Treasurer shall collect all dues and claims of the Association, and shall deposit its funds in a proper depository to be selected by the Executive Committee; he shall keep the accounts of the Association and report thereon at each regular meeting of the Executive Committee and of the Association. Such accounts shall be audited by the Executive Committee annually. He shall pay all bills when certified as correct, as prescribed by the Executive Committee, and shall also notify persons elected to membership of their election, and sign all checks of the Association unless otherwise provided by the Executive Committee. The Treasurer shall further perform such other duties as may from time to time be prescribed by the Association or the Executive Committee.

ARTICLE VII.

SECRETARY.

The Secretary shall give notice of all meetings of the Association and of the Executive Committee, and shall keep the minutes of such meetings. He shall conduct the correspondence, and keep the records of the Association. He shall furnish the Treasurer the names of all persons elected to membership, and shall be the keeper of the seal of the Association.

ARTICLE VIII.

DUTIES OF EXECUTIVE COMMITTEE.

Sec. 1. The Executive Committee shall adopt a proper seal for the Association, and shall have general charge of its affairs, funds and property. It shall have full power and it shall be its duty to carry out the purposes of the Association according to the Constitution and By-Laws.

Sec. 2. The Executive Committee shall have power to fill all vacancies which may occur in the offices of the Association for any unexpired term of such office, and also to fill all vacancies in the membership of the Executive Committee until the next annual meeting or until an election may be held to fill any such vacancy. Six of the members of the Executive Committee, including its ex-officio members, who reside or carry on business in the City of New York, may constitute a quorum for the meetings of such Committee.

ARTICLE IX.

MEETINGS.

Sec. 1. There shall be an annual meeting of the Association in the City of New York on the third Thursday in October in each year, beginning with the year 1898, at such hour and place as the Executive Committee may designate.

Sec. 2. At all meetings of the Association ten members shall constitute a quorum for the transaction of business. If no quorum be present, the presiding officer may adjourn the meeting to any other day thereafter.

Sec. 3. Special meetings of the Association may be called at any time by the Executive Committee. Upon the written request of five members the President or, in his absence, the Vice President shall call a special meeting of the Association. The request for a special meeting and also the notice of any special meeting shall state the object for which the meeting is called.

Sec. 4. Notice of all meetings, whether annual or special, shall be mailed to each member of the Association at least three days prior to the meeting, at the address which such members shall furnish to the Secretary for that purpose.

ARTICLE X.

ANNUAL DUES.

Sec. 1. The annual dues for membership in the Association shall be ten dollars, payable annually in advance on the first day of July in each year.

Sec. 2. Should the dues of any member remain unpaid for the space of two months, the Treasurer shall cause him to be notified by mail of the fact, and if such member then fails to pay such dues within two months after such notice shall have been deposited in the mail, his name may be stricken from the rolls by the vote of a majority present at any meeting held thereafter, but such defaulting member may at any time thereafter be restored to membership by a like majority vote of the Association at any meeting of the same, and on payment of all such dues as may then be in arrear.

ARTICLE XI.

CENSURE, EXPULSION, ETC.

Any member may be censured, suspended or expelled for a violation of this Constitution or of any rule or By-Law established thereunder, or for any conduct which in the opinion of the Association is improper and prejudicial to the welfare and reputation of the Association, by a vote of three-fourths of the members of the Association present at any regular meeting thereof, provided ten days' previous notice in writing of such meeting has been given to the member whose case may be thus under consideration, together with a statement of the charge which has been made against him.

ARTICLE XII.

RESIGNATIONS.

Resignations of membership shall be made to the Secretary in writing, and shall be duly accepted, provided such member shall be in good standing and shall not be in default of any current annual dues at the time of offering his resignation.

ARTICLE XIII.

AMENDMENTS.

This Constitution may be amended at any annual meeting of the Association or at any special meeting called for the purpose by a two-thirds vote in the affirmative, a

quorum being present and voting. Notice of proposed amendments shall be furnished to the Secretary at least fifteen days before the meeting at which it is proposed to consider them, and the Secretary shall cause such notice to be printed and sent to the address of each member at least ten days before such meeting.

ARTICLE XIV.

BY-LAWS.

By-Laws not inconsistent with this Constitution may be proposed and adopted at any regular meeting of the Association, or at any special meeting called for the purpose of considering the same, but the terms or nature of such By-Laws must be set forth in the notice to be given of any meeting at which they are so to be considered.

HISTORY.

The Association had its origin in a conference of merchants and other interested in the defense and maintenance of the commercial rights and privileges possessed by the United States in China, held at 59 Wall street, New York, on Thursday, January 6, 1898. It was resolved that a committee of five be appointed by the chair to confer with the appropriate committee of the Chamber of Commerce, and, if deemed desirable, to communicate with other commercial bodies throughout the country in relation to the methods to be adopted to conserve the rights of citizens of the United States in the Chinese Empire. The committee thus appointed consisted of Mr. Everett Frazar, of Frazar & Co.; Mr. S. D. Brewster, of Deering, Milliken & Co.; Captain E. L. Zalinski, of the Bethlehem Iron Company; Mr. Clarence Cary, of Cary & Whitridge, and Mr. John Foord, of the *Journal of Commerce and Commercial Bulletin*. This committee conferred with the Committee on Foreign Commerce and the Revenue Laws of the Chamber of Commerce, and submitted to it a petition, together with other data bearing on the trade and treaty rights of American citizens in China.

The petition set forth that the movements of European powers then recently occurring, and likely to occur within the territory of the Chinese Empire, did affect and might ultimately prove highly detrimental to the trade privileges enjoyed there by American citizens. It was therefore urged that the Chamber of Commerce of the State of New York should take such immediate action in the premises as might be deemed expedient and proper, to the end that the situation might be brought to the attention of the Department of State at Washington, and that the important commercial interests of the United States, together with the existing treaty rights of her citizens in China, might be duly and promptly safeguarded.

Through its chairman, Mr. Gustav H. Schwab, the Committee on Foreign Commerce and the Revenue Laws submitted a report to the Chamber of Commerce on February 3, 1898, in which, after detailing the proportions which American trade with China had then attained, and advertising to the possibilities of its expansion, attention was directed to the fact that the steps taken by European powers to occupy Chinese territory were calculated to substitute the laws of foreign governments for those of the Chinese Empire to the probable restriction of American trade. Accompanying the report, there was submitted a memorial to the President of the United States urging that such steps be taken as might be necessary for the prompt and energetic defence of the existing treaty rights of our citizens in China, and for the preservation and protection of their important commercial interests in that empire.

The report and memorial were adopted, and the latter, signed by the officers of the chamber, was sent to the President of the United States. The reply was transmitted by the then Secretary of State, Mr. John Sherman, and contained the following statement: "This Government hav-

ing been the first to bring about the opening of the ports of China to foreign commerce, and the commercial relations of the United States with the Chinese Empire having been of large and growing importance during the forty years since its treaties with that empire went into effect, this department necessarily feels a deep interest in conserving and expanding the volume of trade with that country."

The Chambers of Commerce of Philadelphia, Boston, Cleveland and San Francisco were also communicated with, and those of Philadelphia, Boston and San Francisco took action by sending similar communications to the President.

The American Asiatic Association was formerly organized at a meeting held in New York on June 9, 1898, with an enrolled membership of a little over fifty. The activity of the organization has been duly recorded in its Journals, which, published at first at irregular intervals, are now issued monthly.

In compliance with a suggestion addressed by the Executive Committee of the Association to certain representative American merchants in Shanghai, "The American Association of China" was provisionally organized at a meeting held in the Municipal Board Room on December 16, 1898. Its primary objects were declared to be "the furtherance of American trade and other interests in China, and the defense of American rights."

A similar suggestion led to the organization of The American Asiatic Association of Japan on June 26, 1899.

The Association has addressed itself, in a variety of ways, to the education of official and public sentiment in the United States in regard to the magnitude of the industrial and commercial interests involved in the maintenance of our existing treatise with China. Frequent occasions have been found to address the President of the United States and the Secretary of State, in personal interviews as well as by letter and memorial, in regard to questions affecting the relations between the United States and the Empire of China. The representatives of the Association have uniformly been accorded, both at the White House and the Department of State, the most respectful attention, and their advice has been welcomed in all matters relating to commercial intercourse between this country and China and Japan.

The general scope of this phase of the activity of the Association may be indicated in the following points of the memorial presented to President Roosevelt on December 18, 1901: (1) The importance of preserving the territorial integrity of the Chinese Empire and of opposing all attempts to place under foreign control the three eastern provinces known as Manchuria; (2) the desirability of repealing the tea duty as an aid to the increase of Chinese exports; (3) the necessity of establishing the validity of the transit passes issued to clear imported merchandise from the payment of inland taxation; (4) the propriety of extending to the enterprise of the Commercial Pacific Cable Company all the encouragement that could be given to it by the Executive branch of the Government; (5) approval of the efforts then being made to establish an American Asiatic bank in China

and the Philippines, and (6) the urging of action on the part of the Government of the United States for the purpose of hearing and determining the claims of American citizens arising out of the loss of life and property during the recent disturbances in China.

The Executive Committee of the Association took an active part in discussing with the Department of State the terms of the new treaty of commerce with China, and did their best to make the terms of that convention more definite, in certain important respects, than those of the antecedent British treaty.

The official representatives of the Association have neglected no opportunity to oppose the offensive application of the provisions of the Chinese Exclusion Acts, and have, at the direction of the collective membership of the Association, thrown all its influence on the side of liberalizing the entire body of that legislation. President Roosevelt's recommendations on this subject have had the very earnest and active support of the Association. The President promptly followed up some remonstrances addressed to him by representatives of the Association in regard to the unnecessary severity of the administration of the Chinese exclusion laws by issuing directions to the Department of State and the Department of Commerce and Labor calculated to remove some of the grievances of which complaint had been made.

The Association was prompt to recognize the value of the co-operation of Japan in establishing the principle of the open door for commerce in the Far East, and the victories of the arms of Japan over the power whose aggressive policy contained the most serious menace to equality of commercial opportunity were hailed by the Association as triumphs for the cause which it had consistently championed.

The Association has never ceased to advocate a reform of the currency system of China, and has used every effort to promote the kind of international agreement under which that reform can be most readily effected. This and other necessary aids to the promotion of American trade in the Far East remain, however, among the objects to which the future activity and influence of the Association must be directed.

Meanwhile, the sphere of influence within which the work of such an organization as this can be most profitably exerted is that of public education. The magnitude of the problems involved in the relations between the United States and the countries of Eastern Asia is too imperfectly appreciated by the great body of the American people to make possible the adoption of any stable and coherent Asiatic policy on the part of their Government. It will be the steadfast endeavor of this Association to bring about the substitution for a policy of makeshift and of temporary compromise by a policy calculated to stand the test of time and to place the United States, as compared with other nations having important Asiatic interests to conserve, in a position befitting its national dignity and its rank as the greatest of Pacific powers.

HONORARY MEMBERS.

Hon. William W. Rockhill, Envoy Extraordinary and Minister Plenipotentiary of the United States to China.
Hon. John Barrett, Director of the International Bureau of American Republics.
J. Edward Simmons, President of the Chamber of Commerce of the State of New York.
Louis Klopsch, Editor of the *Christian Herald*, New York.

MEMBERS.

Abbeville Cotton Mills, Abbeville, S. C.
Adams, Francis A., New York.
American Lithograph Company, New York.
American Locomotive Works, New York.
American Trading Company, New York.
Amory, Browne & Co., New York.
Anderson Cotton Mills, Anderson, S. C.
Ansonia Clock Company, New York.
Appleton, Herbert, New York.
Arnhold, Karberg & Co., New York.
Ault & Wiborg Company, Cincinnati, Ohio.
Avis & Co., Wm. A., New York.
Babcock, L. Hollingworth, New York.
Baily & Co., Joshua L., New York.
Baldwin, Wm. D., New York.

Baldwin, Wm. H., New York.
Barber & Co., New York.
Baring & Co., New York.
Barlow, Peter T., New York.
Bash, A. W., New York.
Batcheller, Geo. Clinton, New York.
Bear Mill Manufacturing Company, New York.
Belton Mills, Belton, S. C.
Bemis, W. E., New York.
Bennett, Sloan & Co., New York.
Birdseye, H. W., New York.
Bliss, Fabvan & Co., New York.
Borden's Condensed Milk Company, New York.
Bowring & Co., New York.
Brandenstein & Co., N. J., San Francisco, Cal.

Breyfogle, Wm. L., Lake George, N. Y.
 Brice, W. K., New York.
 Briesen, R. von, New York.
 Burke, O. P., New York.
 Burnham, Williams & Co., Philadelphia, Pa.
 Busk & Jevons, New York.
 Buttfeld, W. J., New York.
 Browne & Co., New York.

Camera, L., Jardine, Matheson & Co., Shanghai, China.
 Capelle, Herman Company, The, New York.
 Capen's, A. M., Sons, New York.
 Carl, Francis A., Shanghai, China.
 Carleton, I. Osgood, New York.
 Carlowitz & Co., New York.
 Carter, Macy & Co., New York.
 Cary, Clarence, New York.
 Cary, John C., Lockhart, S. C.
 Catlin & Co., New York.
 Caughey, Clemens J., New York.
 Chartered Bank of India, Australia and China, New York.
 Chase & Sanborn, Boston, Mass.
 Cheshire, Fleming D., Shanghai, China.
 China and Japan Trading Company, New York.
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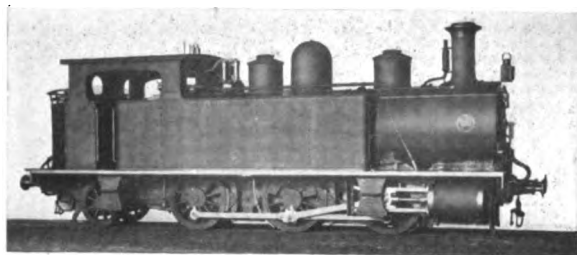
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THE report of Mr. J. L. Chalmers, Acting Statistical Secretary of the Imperial Customs, on the foreign trade of China for 1907 will be read elsewhere in this number. The condensed summary of the experience of the year contained in the first three sentences of this document will be found to cover most of the essential facts of the case, as follows: "The year has been one of slow recovery from the effects of the very general scarcity of 1906, amounting to famine over large areas, of the overtrading of 1905 and 1906, and, in Manchuria, of the late war. That the recovery is not more apparent in the year's statistics is perhaps mainly due to the high price of food prevailing in every part of the Empire, and the same cause produced many of the local risings which characterized the year, with effects on trade more or less unfortunate. The various crops of 1907, with few exceptions, are reported to have been fair or excellent in almost all the provinces; but the full benefit of the good harvest could only be felt as the year drew to a close." The shrinkage of imports, reflected in the returns of a decrease in the collection of import duties, affects mainly the imports of cotton goods, and those of American origin have suffered most severely. As a matter of fact the net import of American piece goods in 1907 (578,647 pieces) was nearly equalled by the quantity re-exported abroad (519,598 pieces). On the gross value of the imports of the year there has been an increase over 1906 of over 6,000,000 taels, but this is due to the exceptionally large importation of flour, rice and railway plant. The first two came in to supply necessities created by the agricultural failures of 1906, and the last named item of import bears testimony to the activity of railway construction in China. Its increase over the value of the previous year is, however, only Hk. Tls. 1,364,822, the excess under the head of foodstuffs being equal to Hk. Tls. 30,356,000. Reduced by the deduction of these amounts, representing exceptional and non-duty paying importations, the sum of the ordinary import trade of the year is found to be about Hk. Tls. 385,000,000, against exports to the value of Hk. Tls. 264,000,000.

COMING down to the share of the United States in this trade, we encounter, in a somewhat aggravated degree, the familiar disparity between the returns of our own Bureau of Statistics and those of the Imperial Maritime Customs. The two sets of figures compare as follows:

AMERICAN RETURNS OF CHINESE TRADE.

Exports	\$23,097,310 = Hk. Tls. 29,237,101
Imports	34,424,684 = Hk. Tls. 44,841,375
Totals	\$57,521,994 Hk. Tls. 74,078,476

CHINESE RETURNS OF AMERICAN TRADE

Exports	\$21,012,151 = Hk. Tls. 26,597,660
Imports	28,953,744 = Hk. Tls. 36,903,476
Totals.....	\$49,965,895 Hk. Tls. 63,501,136

REMEMBERING that the exports of the American table are the imports of the Chinese table, it will be perceived that China credits us with nearly \$6,000,000 more of export value than do our own custom house valuations. On the other hand, while we credit China with having sent to these shores goods valued at nearly \$34,500,000, China claims to have exported to the United States goods valued at only \$21,000,000. In the American returns there is a balance of trade in favor of China of over \$11,000,000, while in the Chinese returns there is a balance of trade in our favor of nearly \$8,000,000. The total of the year's trade as shown in the one set of returns is \$7,000,000 greater than that shown in the other, or, measured by Haikwan Taels the American figures indicate a total trade for 1907 of 74,000,000, while the Chinese figures indicate a trade of only 63,500,000. The fact that the Chinese figures include Hawaii does not in the least help to explain these differences, and a reference to the trade done through Hongkong still less so. Our own figures record the Hongkong trade as follows:

Exports	\$9,444,501
Imports	2,704,119
Total.....	\$12,148,620

EVIDENCES of effective Japanese competition in the China trade are not particularly striking. It is true that the total of Japanese imports and exports for 1907 is Hk. Tls. 96,808,886, against Hk. Tls. 94,357,287 in 1906, while both in the British and American totals there is shown a decrease. But, under the head of cotton goods, where the competition of Japan is supposed to be keenest, the total imports for 1907 amount to only 840,401 pieces, against 733,436 pieces in 1906. Compared with the British total of 8,224,951 pieces in 1907, the Japanese contribution is relatively insignificant. The import of Japanese cotton yarn has fallen off 13.76 per cent., and the total imports of all articles from Japan for the year show a decline as compared with 1906 of about Hk. Tls. 3,600,000. Taking the returns of the three years 1905-07 it will be found that the importations of British cotton goods reach a total of 32,500,000 pieces, against an American total of 21,600,000 pieces and a Japanese total of 2,350,000 pieces. After deducting the chief item of railway plant imported at Dairen, other imports there for the first six months of 1907 count for less than Hk. Tls. 3,000,000, so that as the customs report has it, "the hopes—now declared to have been exaggerated or premature—of an increasing Manchurian trade, must be considered disappointing."

It will be observed from a report of speeches delivered by the Director of the Japanese Patent Office and by the Minister for the Department of Agriculture, which we reproduce in this number, that no exception can be taken to the attitude of the higher officials of Japan in regard to a strict observance of the principles of fair dealing in the markets of the Far East. The Patent Office recognizes that its first duty is

to maintain order in mercantile and manufacturing activities and to promote business morality. The Minister of Agriculture frankly declares that among Japanese business men there are some who act on the mistaken notion that, as the object of commercial and industrial activities is to make profits, any means to achieve this object is legitimate whether it be fair or foul. Thus they do not hesitate to imitate foreign products or to steal foreign trademarks. It is, accordingly, in the judgment of this important member of the Government, "high time to take measures to raise the moral standard of our business men, and to put a stop to all dishonest dealing." There can be no question about the earnestness with which the Japanese Government is addressing itself to a reform of the national practice in regard to trademarks and patents, and there is equally none that it is fully alive to the fact that the preservation of the good name of Japan among the nations imperatively demands a conscientious observance of both the letter and the spirit of her treaty obligations no less than of the generally accepted principles of commercial morality.

A GENEROUS recognition of this fact was made in the speech of the Chairman of the Shanghai Branch of the China Association at its annual meeting last April. Mr. Anderson's very sensible and instructive address will be found reproduced elsewhere, and no part of it is more suggestive than his citation of the opinion of a gentleman who occupied an important position in the service of Japan. This public official said that those people who distrusted Japan's adhesion to the open door policy did not give the Japanese credit for common sense or for being clear headed; they knew that claims to preferential rights in trade would alienate friendly nations and would give rise to complications and that, as Japan could compete for the trade of China on favorable terms without any preference, owing to her proximity and her plentiful supply of cheap labor, they would rely upon their natural and not upon artificial advantages.

As a contribution to a settlement of the much discussed question of providing a new and more binding form of contract between buyer and seller in the various departments of the dry goods business, the new rules and regulations which have been formally approved by the board of managers of the Silk Association of America will be found of interest and value. Satisfactory progress is being made in the preparation of some similar form to govern transactions between manufacturers, or their agents, and exporters in the cotton piece goods trade. The general recognition of the necessity for this which was manifested at the recent Convention of Southern Manufacturers at Richmond, has given a new impetus to the efforts consistently made by the Cotton Goods Export Association to bring about an agreement on this point. As Mr. I. Osgood Carleton justly remarked at the third annual meeting of the association, whose proceedings are elsewhere reported: "The conditions of business in China are changing; the volume of business must increase with the rapid development of this vast Empire. If we do not get together and adopt regulations defining the duties and obligations of both buyer and seller, we may wake up some day and find the foreign buyers have got together and laid down rules which we must comply with or see our trade diverted to England and Germany."

Exports of Domestic Cotton Cloths, Mineral Oils, and Wheat Flour from the United States to China and Hongkong, during the ten months ending April 30, 1907 and 1908.

EXPORTS TO CHINA.

Months. 1906.	Cotton Cloths.		Mineral Oils.		Wheat Flour.	
	Yards.		Gallons.		Barrels.	
July.....	16,895,213	\$1,070,858	6,554,814	\$514,067	40,024	\$155,473
August.....	11,542,141	762,060	2,966,586	121,993	14,582	50,534
September.....	15,389,513	1,016,379	3,992,695	189,198	49,824	158,516
October.....	8,796,507	555,740	2,929,800	128,200	218,590	750,955
November.....	7,367,251	531,273	4,026,954	407,633	45,975	165,757
December.....	2,895,000	201,658	6,781,682	536,188	86,603	271,864
1907.						
January.....	1,613,462	112,456	7,181,252	489,166	80,567	265,564
February.....	3,556,507	250,293	5,732,280	485,951	115,062	382,467
March.....	4,447,000	295,627	11,660,410	937,693	306,946	1,042,870
April.....	6,346,106	446,784	10,059,622	735,590	253,943	849,248
Total.....	79,248,700	\$5,243,128	61,320,473	\$4,490,700	1,212,116	\$4,093,248
1907.						
July.....	3,863,460	\$272,205	11,456,360	\$980,855	86,448	\$310,426
August.....	4,807,901	392,629	2,875,430	239,930	102,862	385,654
September.....	1,859,085	136,873	6,802,922	557,972	41,289	147,457
October.....	1,965,401	141,000	8,978,444	512,315	33,026	123,769
November.....	1,481,290	112,653	2,133,690	232,572	6,291	23,413
December.....	1,298,319	96,945	2,070,050	110,435	4,165	17,198
1908.						
January.....	1,558,137	117,654	4,130,529	290,075	25,991	100,328
February.....	1,323,320	86,016	5,557,246	344,315	41,968	164,104
March.....	5,208,069	323,061	15,878,620	1,475,370	112,510	405,197
April.....	7,237,119	407,477	5,743,270	626,554	54,389	192,578
Total.....	30,507,101	\$2,036,513	65,626,616	\$5,370,393	508,939	\$1,870,124

EXPORTS TO HONGKONG.

1906.						
July.....	50,027	\$6,228	15,063	\$ 2,346	65,248	\$229,073
August.....	100,392	9,345	423,404	44,580	94,848	352,466
September.....	73,674	10,041	2,291,031	200,285	93,980	359,384
October.....	63,879	8,109	1,681,916	168,713	98,187	364,904
November.....	22,621	2,927	21,599	2,591	92,545	349,077
December.....	69,227	9,089	1,479,169	149,565	103,487	362,374
1907.						
January.....	26,890	4,052	.....	.....	56,708	193,828
February.....	46,467	7,610	1,956,000	200,490	101,949	387,496
March.....	66,397	7,630	100,000	10,250	40,509	147,965
April.....	83,997	11,462	900,000	96,987	67,685	248,286
Total.....	603,571	\$76,493	8,729,270	\$856,597	814,846	\$2,994,863
1907.						
July.....	222,044	\$30,804	1,500,000	\$159,750	97,292	\$355,580
August.....	11,628	2,615	1,775,960	207,984	51,144	205,970
September.....	76,096	10,227	.....	.....	99,184	367,031
October.....	47,261	6,708	.....	.....	56,102	215,526
November.....	39,334	4,344	.....	.....	134,630	503,094
December.....	41,695	6,094	1,600,000	72,000	121,972	458,258
1908.						
January.....	33,055	6,586	.....	.....	78,140	298,671
February.....	16,555	2,691	.....	.....	44,743	171,538
March.....	16,403	2,746	3,389,710	227,055	27,396	105,350
April.....	74,647	10,113	.....	.....	66,290	256,889
Total.....	578,718	\$82,658	8,265,670	\$666,789	776,983	\$2,937,607

DEPARTMENT OF COMMERCE AND LABOR.

Bureau of Statistics.

WASHINGTON, D. C., May 28, 1908.

Imports of Tea and Silk into the United States for the ten months ending April 30, 1906, 1907 and 1908.

		TEA.					
		1906		1907.		1908.	
Imported from		Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
United Kingdom.....		7,042,188	1,518,107	6,847,721	1,570,229	8,174,834	1,902,663
British North America....		1,739,659	418,454	1,940,114	463,664	2,039,160	508,768
Chinese Empire.....		36,406,049	4,826,913	29,521,627	4,039,673	26,844,110	3,951,632
East Indies.....		6,200,704	880,380	5,652,843	861,172	6,305,866	1,036,896
Japan.....		36,719,242	5,931,617	36,118,299	5,834,427	45,253,560	7,720,464
Other Asia and Oceania ..		373,439	64,307	587,532	101,340	377,228	61,798
Other countries		186,311	46,752	320,386	71,954	181,022	73,396
Total.....		88,667,592	13,686,530	80,988,522	12,942,459	89,175,880	15,255,617
RAW, OR AS REELED FROM THE COCOON.		SILK.					
Imported from		Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
France.....		445,151	1,617,808	410,265	1,611,052	335,528	1,334,458
Italy.....		2,920,799	11,661,668	3,101,872	14,129,981	2,367,927	10,763,661
Chinese Empire.....		2,461,588	7,190,581	2,724,959	9,399,676	1,973,821	7,207,461
Japan.....		6,729,840	25,161,134	8,715,492	36,954,913	7,765,618	34,610,700
Other countries		93,780	346,250	112,226	432,506	56,910	262,553
Total.....		12,651,158	46,007,441	15,054,814	62,528,128	12,499,804	54,178,833
Waste .....lbs...free..		2,520,512	1,045,129	1,699,707	1,013,262	1,130,511	829,262
Total unmanufactured		.....	47,064,022	.....	63,565,043	.....	55,008,387

REPORT OF THE FOREIGN TRADE OF CHINA FOR 1907.

By the Statistical Secretary of the Imperial Maritime Customs.

1°. GENERAL.—The year has been one of slow recovery from the effects of the very general scarcity of 1906, amounting to famine over large areas, of the overtrading of 1905 and 1906, and, in Manchuria, of the late war. That the recovery is not more apparent in the year's statistics is, perhaps, mainly due to the high price of food prevailing in every part of the empire, and the same cause produced many of the local risings which characterized the year, with effects on trade more or less unfortunate. The various crops of 1907, with few exceptions, are reported to have been fair or excellent in almost all the provinces; but the full benefit of the good harvest could only be felt as the year drew to a close. The Yangtze Valley, as a rule so important a contributor to the necessities of distant provinces, was for the greater part of the year shut off as a source of food, and, in turn, laid other districts under contribution; and the cost of rice rose and remained high in the provinces accustomed to obtain supplies from Yangtze ports, although large importations from Indo-China, where splendid harvests were reaped, did much to relieve the scarcity. In the import trade caution has been the leading characteristic. Speculation on a future market, the chief error of recent years, has been largely avoided. Operations have been generally of the hand-to-mouth kind, and importers and dealers have been waiting for some movement among the great population upon which everything depends, some strong and sudden demand which should clear off accumulated stocks and open the way for fresh ventures. And this abstinence, called for by the overburdened state of the China market, was aided by the Manchester prices for cotton goods, which remained uninvitingly high during the

greater part of the year. The strain on the mercantile community has been continuous and severe, but at least one good result emerges with promise for the future. Stocks were reduced in Shanghai by the end of the year to a figure not greatly exceeding the normal, except in the case of fancy cotton goods, while in Hongkong they were low, and in most other centres almost depleted. Yet the demand was really more active than it seemed to the unfortunate holders of large stocks, the legacy from previous years. Taking the quantities of foreign products retained in the various districts—that is, the net foreign imports, our only gauge of consumption—and making due allowance for large importations of railway plant, of flour, and of rice, it will be seen that a very healthy and general demand existed, by which old stocks as well as much of the year's fresh importations were absorbed.

Progress has been made in the settlement and development of Manchuria. Antung, opened in March, with Tatungchow as a subsidiary port, forms an outlet for a region rich in wild silk, beans and timber. An office of the Maritime Customs was opened at Dairen in July, and the advantage which that port, as a port of free entry, had possessed over Newchwang was thus ended; while it is worthy of remark that the excessive quantities of cotton goods imported at Dairen in anticipation of the opening, and unable to find a market, entailed loss exceeding the duty saved. The opening of Harbin early in the present year completes the circle of customs stations, and will prevent untaxed competition by way of Vladivostok and the Russian frontier. Another grievance has been removed by the equalization of railway rates from Dairen and Newchwang

to Kwanchengtze. The ice-free position of Dairen, at the end of the South Manchurian Railway, and within easy distance of Japanese and Chinese ports, is sufficient to secure for it a large share of Manchurian business without preferential arrangements; and Newchwang, on the other hand, in addition to its long established connection, has the advantage of being nearer the heart of Manchuria. Regulations were put into effect at the end of the year by which foreign and native goods arriving at Tientsin, Newchwang, Antung or Dairen, and having paid duty, may be sent on under exemption certificates, protecting them from all further taxation to any one of seventeen Manchurian trade marts, stretching as far north as Hailar and Aigun.

The trade passing through the customs at the six ports in Manchuria and Chihli, namely, Antung, Tatungkow, Dairen, Newchwang, Chinwangtao, and Tientsin, for the years 1905 to 1907, is shown by the following figures:

	1905. Hk.Tls.	1906. Hk.Tls.	1907. Hk.Tls.
Net foreign imports...	105,731,690	82,495,009	87,570,549
Net native imports....	44,633,664	45,175,672	25,620,570
Exports	29,804,302	38,146,663	39,839,872

Total Hk.Tls. 180,169,656 165,817,344 153,030,991

To the figures for 1907 the Dairen Trade Report, quoting from statistics compiled by the Japanese authorities, enables us to add the value of the imports and exports at Dairen during the first half of the year, as follows:

	Hk.Tls.	Hk.Tls.
Customs total for six ports, 1907.....		153,030,991
Imports at Dairen, January to June, 1907	6,980,050	
Exports at Dairen, January to June, 1907	5,737,634	
		12,717,684

Total Hk.Tls. 165,748,675

This total, which includes over Hk. Tls. 4,000,000, the value of railway plant imported at Dairen, does not compare favorably with the preceding years, and, in view of the new ports at work and the hopes—now declared to have been exaggerated or premature—of an increasing Manchurian trade, must be considered disappointing. It will be noted, however, that in the recorded trade of these two northern maritime provinces the principal decrease as compared with the figures of 1906 was in native imports, which declined by Hk.Tls. 19,500,000. Ordinary foreign imports remained about the same, and exports slightly increased. Antung and Tatungkow contribute nearly Hk.Tls. 5,000,000 to the total, exports and foreign imports being each over Hk.Tls. 2,000,000. At Dairen the value of ordinary foreign imports for the whole year was about Hk.Tls. 13,400,000; of native imports, Hk.Tls. 183,600; and of exports, Hk.Tls. 8,968,000. At Newchwang the value of foreign imports was Hk.Tls. 10,587,235, showing a decrease of Hk.Tls. 3,000,000 as compared with the value in 1906, and the value of exports was Hk.Tls. 15,711,583, giving an increase of Hk.Tls. 1,000,000; but native imports show a remarkable falling off of about Hk.Tls. 10,000,000. The total net trade of Tientsin and

Chinwangtao is less by Hk.Tls. 19,000,000, of which more than half is assignable to native imports.

In Shantung both ports return decreased totals as compared with those of 1906; but as Chefoo fell off by Hk.Tls. 6,000,000, and Kiaochow by less than Hk.Tls. 2,000,000, the result for the year is an equal division of the trade of the provinces, the difference in favor of the older port being only Hk.Tls. 8,624. The question seems to be simply one of transport to and from the interior, and unless Chefoo obtains the railway she desires there is little doubt that the rival port, already abreast of her, will soon leave her hopelessly behind.

Turning from the North to the Yangtze the outlook is much brighter. In Szechwan, Hupeh and Hunan good cereal harvests were reaped, and there were, in consequence, large down-river movements by junks. On the other hand, cotton proved a failure in Hupeh. Eastern Szechwan was disturbed by an insurrection at Kaihsien in June, and by other minor disorders; and exceptionally heavy autumn rains having so swelled the rivers as to render their navigation unsafe, the Upper Yangtze traffic was seriously hindered for some months. Throughout the Lower Yangtze Valley—that is, from Hankow downward—agricultural prosperity was the rule, combined with freedom from serious disturbance. The following figures exhibit the trade of the ten ports on the Yangtze from Chungking to Chinkiang:

	1905. Hk.Tls.	1906. Hk.Tls.	1907. Hk.Tls.
Net foreign imports...	106,237,097	96,714,791	110,239,450
Net native imports....	23,170,656	23,256,838	28,065,027
Exports	118,104,228	108,668,735	115,476,892

Total Hk.Tls. 247,511,981 228,640,364 253,781,369

There is here no evidence of depressed trade; on the contrary, the total for 1907 is the highest recorded for this section of the empire, and exceeds that of 1906 by Hk.Tls. 25,000,000. At Chungking imports fell by over Hk.Tls. 2,000,000, and at Ichang exports gained Hk.Tls. 2,500,000 as compared with the preceding year's figures. Shasi, Yochow and Changsha show relatively large increases, especially Changsha, whose trade in both branches was augmented by Hk.Tls. 2,000,000, or 40 per cent. Hunan seems to have been specially favored in its agricultural conditions. Hankow records a gain of Hk.Tls. 18,000,000, divided between foreign imports (Hk.Tls. 8,677,000), native imports (Hk.Tls. 2,543,000), and exports (Hk.Tls. 6,709,000); and the total of its retained foreign imports (Hk.Tls. 45,157,000) shows the good service which this port, the centre of a prosperous population, was able to perform in working off Shanghai stocks, albeit at low prices. At Kiukiang trade was large in all branches, and the same was true of Nanking; but at Wuhu a gain in imports was more than balanced by a reduction of Hk.Tls. 3,500,000 in exports, and Chinkiang suffered a similar decrease in exports without the corresponding gain in imports. Abundant as was the rice harvested, the high prices prevailing restricted exportations from these two grain centres.

At Shanghai the volume of net trade was reduced from Hk.Tls. 168,736,329 in 1906 to Hk.Tls. 137,058,239 in 1907, or

19 per cent. The excess of imports of foreign goods over re-exports, which in 1906 was Hk.Tls. 74,972,150, and in 1905 was Hk.Tls. 92,207,173, fell back in 1907 to little more than the average of the five years preceding, with a total of Hk.Tls. 46,328,982. Exports declined from Hk.Tls. 78,996,881 in 1906 to Hk.Tls. 73,737,546.

The healthy condition of trade in Chekiang is evinced by an increase of Hk. Tls. 5,943,485 at Ningpo and of Hk. Tls. 3,388,000 at Hangchow, where it would seem that the railway loan agitation in the latter half of the year was without injurious influence on business.

Crops in Fukien were good, and the trade of the ports of Foochow and Amoy was well maintained, showing a total increase of Hk.Tls. 2,555,000, principally in foreign imports at Amoy.

Kwangtung and Kwangsi were also fortunate in their general climatic conditions, but there were local risings. Piracy was active on the Canton River, and the trade routes in the region lying between Nanning and Pakhoi were made unsafe by brigands. Nanning, situated on a tributary of the West River in Southern Kwangsi, was voluntarily opened to trade in March. Excluding Kiungchow and Lungchow, the ports of the two provinces supply the following statistics of net trade:

	1905. Hk.Tls.	1906. Hk.Tls.	1907. Hk.Tls.
Net foreign imports...	81,816,142	84,043,497	102,952,587
Net native imports....	57,086,082	48,946,279	40,861,580
Exports	82,513,270	81,818,235	98,296,728
Total	Hk.Tls. 221,415,494	214,808,011	242,110,895

In the net trade of all ports there was a rise in net foreign imports from Hk.Tls. 414,184,061 in 1906 to Hk.Tls. 422,838,531 in 1907. Net native imports at all ports declined from Hk.Tls. 158,276,129 to Hk.Tls. 137,552,030. The entire exports, including in their sum the total of native imports, increased from Hk.Tls. 370,171,996 to Hk.Tls. 391,050,384.

2°. REVENUE.—The total revenue of the year was Hk.Tls. 33,861,346, showing a decrease of Hk.Tls. 2,207,249, or 6.12 per cent., as compared with the collection of 1906; a decrease of Hk.Tls. 1,249,658, or 3.56 per cent., as compared with that of 1905; and an increase of Hk.Tls. 2,368,190, or 7.52 per cent., as compared with the corresponding total for 1904. Import duties, exclusive of opium, fell off by Hk.Tls. 1,233,289, or 8.52 per cent., as compared with the figures for 1906. This decrease on import duties is not in keeping with the rise in the value of direct imports, but it has to be remembered that direct imports in 1907 included unusually large quantities of non-dutiable goods. Export duties are less than in 1906 by Hk.Tls. 187,741. The total collection of duty and likin on foreign opium was Hk.Tls. 6,009,933, against Hk.Tls. 5,953,972 in the previous year. Native opium paid much less revenue through the Maritime Customs than in the two preceding years, the figures being: For 1905, Tls. 1,145,532; for 1906, Tls. 1,726,628; and for 1907, Tls. 977,668; and of the collection of 1907, owing to the fact that the Tungshui regulations were not universally operative as originally intended, Tls. 150,196 are still included in the revenue table. Transit dues fell off by Hk.Tls.

200,000 inward and Hk. Tls. 10,000 outward. Tonnage dues show the slight decrease of Hk. Tls. 5,427.

Reinforced as they were by three new ports, the provinces of Shengking and Chihli yielded to the Maritime Customs Hk.Tls. 404,694 less than in 1906, the loss falling chiefly under the heads of inward transit trade and coast trade. Newchwang shows a decrease in all branches, aggregating Hk.Tls. 223,007. The apparent great falling off at Chingwangtao is due mainly to the fact that the duties on cargo from and to Tientsin handled at that port are now brought to account at Tientsin, but the two ports together show a decline in revenue of Hk.Tls. 446,420. The three new ports—Antung, Tatungkow and Dairen—contributed between them Hk.Tls. 264,733. The Chefoo collection was less by Hk.Tls. 185,000; but at Kiaochow there was an increase, shared by nearly all headings, of Hk.Tls. 71,192. The total decrease of revenue for ports north of Shanghai was Hk. Tls. 518,580, or 8.21 per cent. At Shanghai the decrease was Hk.Tls. 1,816,364, or 14.17 per cent., of which the greater part (Hk.Tls. 1,621,754) fell to import duties. The Yangtze ports—Chungking to Chinkiang—contributed Hk.Tls. 56,418 less than in 1906, owing to the greatly diminished receipts from native opium. Import duties were Hk.Tls. 344,000 in excess of those for 1906; foreign opium duties and likin, Hk.Tls. 222,000; and coast trade duties, Hk.Tls. 42,611; while export duties, through the failure of rice shipments at Wuhu and Chinkiang, and in spite of the generally higher collections at other ports, show a decline of Hk.Tls. 212,000. Chekiang ports—Hangchow, Ningpo and Wenchow—collected Hk.Tls. 195,000 more than in 1906, chiefly on imports and exports; and Fukien ports have just maintained their position, with an increase of Hk.Tls. 21,021. Kwangtung and Kwangsi, while paying increased import and export duties, fell off in coast trade, opium and transit duties, and show a net increase of only Hk.Tls. 39,000. The frontier ports returned nearly the usual revenue except as regards native opium duties, the decline in which at Mengtsz caused a decrease of Hk.Tls. 63,475 in the total frontier collection.

3°. FOREIGN TRADE.—The net value of the foreign trade was Hk.Tls. 680,782,066, showing an increase of 5.27 per cent. as compared with the total of Hk.Tls. 646,726,821 in 1906.

(a) Imports.—The net value of imports—that is, of direct imports less re-exports abroad—was Hk. Tls. 416,401,369, the increase over the value in 1906 being Hk.Tls. 6,131,287. To explain a total so inconsistent with the undoubtedly depressed condition of trade in general, and with the large decrease in import duties, reference must be made to those items in the list which may be termed exceptional and which do not pay duty. The three items of flour, rice and railway plant fulfil at once both conditions. The first two, for which the agricultural failures of 1906 and the high price of food-stuffs created an opening, arrived in quantities exceeding the importations of the previous year by the value of Hk.Tls. 30,356,000, and the increase in the value of railway plant imported was Hk.Tls. 1,364,822, the combined total increase under these three heads being Hk.Tls. 31,720,822. Reduced by the deduction of this sum, the total for the year is better understood, and what may be called the ordinary import trade is found to have amounted to about Hk.Tls. 385,000,000.

The consumption of foreign opium has increased from 54,117 piculs in 1906 to 54,584 piculs. The northern ports took only 535 piculs, or little more than half their 1906 consumption. Shanghai took 214 piculs less, and the southern ports 941 piculs less; but the consumption of the ports on the Yangtze and in Chekiang increased by 2,094 piculs. The quantities of native opium passing down river through the Native and Foreign Customs at Ichang continued to increase, as the following figures show:

1902.	1903	1904.	1905.	1906.	1907.
Piculs.	Piculs.	Piculs.	Piculs.	Piculs.	Piculs.
22,098	24,888	36,856	36,311	41,887	47,670

Taken together with the increased arrivals of foreign opium in the Yangtze, these figures, so far as they go, do not indicate that the anti-opium measures have as yet borne fruit in diminished consumption. But obscurity surrounds the production and movements of the native drug and prevents any reliable conclusion being formed as to the actual progress made in this direction. Vigorous and practical steps, the effects of which will sooner or later appear, have been very generally taken to enforce the edict. Meanwhile, among the immediate effects of the reforming measures may well have been a sudden desire on the part of wealthy smokers to lay in supplies against a day when it may be more difficult to do so, and a corresponding eagerness on the part of holders to dispose of their stocks even at low prices.

So far as imports are concerned, it is in cotton goods only that depression is clearly visible. These manufactures have fallen in total value from Hk.Tls. 181,452,953 in 1905 and Hk.Tls. 152,727,845 in 1906 to Hk.Tls. 118,915,923 in 1907. In 1905 they amounted to 40 per cent. of all imports, in 1906 to 37 per cent., and in 1907 to 27 per cent. And among cotton goods the plain descriptions, together with cotton yarn, bear the brunt of the decrease. Plain shirtings, sheetings, T-cloths, drills and jeans give a total of 9,786,025 pieces, as compared with 20,247,223 pieces in 1906 and 27,724,980 pieces in 1905. Further analysis shows that by far the greater part of the decrease fell upon goods of American origin, of which the chief were sheetings and drills, and in which previous over-importation was most marked. The importations of the principal makes of plain goods are comparatively shown as follows:

	1904.	1905.	1906.	1907.
	Pieces.	Pieces.	Pieces.	Pieces.
British	8,109,020	13,548,025	10,785,227	8,224,951
American ...	3,703,548	12,566,093	8,544,165	578,647
Japanese	607,313	780,580	733,436	840,401
Indian	183,461	650,636	85,003	67,905

The net import of American goods in 1907 (578,647 pieces) was nearly equalled by the quantity re-exported abroad (519,598 pieces). Fancy cottons, which include all the cotton fabrics not classed above as plain, were imported to the value of Hk.Tls. 32,378,590, showing an increase of Hk.Tls. 4,973,982 over the value in 1906, the difference being chiefly due to cotton italians and lastings. Cotton yarn has shared the fall in cottons to the extent of 267,803 piculs. Indian makes fell off by 200,000 piculs, or 10.87 per cent., and Japanese by 90,000 piculs, or 13.76 per cent.; but Eng-

lish yarn rose from 30,701 piculs in 1906 to 33,128 piculs, and the Hongkong product from 6,398 to 25,165 piculs.

In metals there was a rise in net value of Hk.Tls. 2,652,430, caused by the increase in copper ingots, slabs and ore (Hk.Tls. 3,992,746), tin slabs (Hk.Tls. 1,380,863), and twelve other items, the effect of which was modified by the fall in twenty-two items, including copper bars, rods, etc. (Hk.Tls. 447,041), unclassified copper (Hk.Tls. 1,315,786), and nail-rod iron (Hk.Tls. 403,971).

As already stated, the importations of foodstuffs were very large. Of rice, 12,765,189 piculs arrived, against 4,686,452 piculs in 1906, the Kwangtung ports alone taking 9,893,232 piculs; and of flour, there was a rise from 1,784,681 to 4,414,383 piculs, fairly distributed among the northern and southern ports and Shanghai. The trade in flour, now well started, offers illimitable possibilities, but the foreign product will have to face strong native competition. The Hankow mills alone, on the authority of the Hankow trade report, turn out 33,750,000 piculs a year, the grain from which it is made being grown chiefly in Honan.

Cigarettes of foreign make declined from Hk.Tls. 5,846,781 to Hk.Tls. 3,714,760. Aniline dyes also fell off slightly, but artificial indigo increased from 73,848 to 98,442 piculs. Kerosene oil, more than making up for the reduced importations of 1906 (128,687,690 gallons), rose to 161,284,355 gallons. The increase (32,596,665 gallons) was covered by American oil, which added over 50 per cent. to the previous year's figures; and of the two other seriously competing oils, the Borneo product fell off by 1,011,004 gallons and the Sumatra increased by 316,259 gallons. The increase in railway plant and materials has been referred to. Of the total, valued at Hk.Tls. 12,804,628, Dairen took Hk.Tls. 3,264,879; Hk.Tls. 4,574,142 went to Tientsin; Hk.Tls. 566,646 to Chinwantao; Hk.Tls. 1,687,088 to Shanghai; Hk.Tls. 831,359 to Hankow; Hk.Tls. 694,663 to Mengtsz; and Hk.Tls. 684,368 to Canton and Lappa. The import of Indian and Ceylon tea, almost the whole of which went to Hankow for mixing purposes, increased by 48,888 piculs. Sugar, with 5,723,871 piculs, declined by 821,871 piculs. The re-export at Amoy of tea imported from Formosa has again fallen off heavily, and another year like 1907 will see the total extinction of this trade, formerly so flourishing.

Regarded from the point of view or origin, imports show but little change in the relative position of 1906. The value assigned to Hongkong has increased by Hk.Tls. 11,000,000, thereby merely adding so much to an unknown and disturbing factor. All the leading European countries show slightly smaller values, and the United States shows a decrease of Hk.Tls. 7,532,733, which, in view of the almost complete suspension of its piece goods trade, is surprisingly small, and points to compensating prosperity in other directions. British Indian imports were maintained, and Japanese had a slight setback, traceable in part to Formosa tea.

(b.) *Exports.*—The value of the total exports abroad rose from Hk.Tls. 236,456,739 in 1906 to Hk.Tls. 264,380,697, giving an increase of Hk.Tls. 27,923,958, or 11.81 per cent.

The season was highly favorable to the production of tea, and larger shipments were made than have been seen since 1903. The year's exportations amounted to 1,610,125 piculs, valued at Hk.Tls. 31,736,011, an increase over the figures for

1906 of 205,997 piculs and Hk.Tls. 5,106,381. Leaf also regained some of the ground lost in recent years relatively to brick and tablet tea, the former having risen from 808,094 piculs in 1906 to 995,170 piculs, while the latter increased by only 18,921 piculs, from 596,034 piculs. Shipments for Great Britain direct—157,372 piculs—were nearly double those of the preceding year, and to the Continent of Europe, exclusive of Russia, they were 91,509 piculs, against 69,242 piculs. Shipments to Russia were also larger, and it is evident that the route via Russian Pacific ports and the Siberian Railway is gaining in favor at the expense of the older highways of trade. Indeed, so far as the old land route via Tientsin and Kiakhta is concerned, the Tientsin trade report finds reason to doubt whether any considerable portion of the tea sent that way (189,724 piculs in 1907) reaches Russian territory at all, the probability being that it is consumed mainly within the confines of China. The United States took 201,740 piculs, or 49,711 piculs more than in the preceding year.

The silk market opened with excellent prospects, based on low stocks and strong demand in European and American centres. The demand would not improbably have been able to absorb even the good crops which were universal in silk-producing countries had not the financial difficulties in America caused its collapse on both sides of the Atlantic. The value of silk and silk products exported from China in 1907 was Hk.Tls. 89,084,034, or 25 per cent. more than their value in the preceding year. All descriptions shared in the increase, with the exception of wild raw silk, which lost 1,659 piculs, and unclassified products, slightly reduced. White raw silk rose from 27,224 piculs in 1906 to 28,556 piculs; yellow silk, from 11,886 to 13,465 piculs; and white filatures, from 45,821 to 50,296 piculs, approaching to within 300 piculs of the record total of 1902. Waste silk, with 107,859 piculs, was 20,000 piculs in excess of any previous year's shipments and 33,635 piculs in excess of those of 1906. Silk piece goods and Shantung pongees both rose considerably, the first by 2,898 piculs, or 25 per cent, and the second by 2,101 piculs, or 56 per cent.

The shipments of beancake abroad increased by 265,966 piculs, but owing to a keen demand in Japan, the chief foreign consumer, the value is greater by Hk. Tls. 2,084,202, the average value of the picul having risen from Hk.Tls. 1.80 to Hk.Tls. 2.19. The rise of prices in the North sent many purchasers to the Yangtze, with the result that 13 per cent. of the whole direct export went from Hankow, Chinkiang and Shanghai. Manchuria shipped, direct, over 83 per cent. and Shantung only 3 per cent. of the total.

Raw cotton, of which also the bulk goes to Japan, increased to 988,055 piculs, or by 28 per cent.

Among fibres, hemp and ramie should be added together for comparison, since a want of uniformity in classification renders the figures unreliable when taken separately. There seems to be a probability that the fibre thus variously designated, which originates mainly at Hankow and Kiukiang, is all ramie. Its exportation abroad amounted to 217,006 piculs in 1907, and increases steadily. Swatow has made a successful beginning in the production of ramie.

In matting a good business was done at Canton, and the total shipments increased from 431,062 to 478,851 rolls.

Nankeens, chiefly sent to Russian Pacific ports and Hongkong, fell off conspicuously and reached barely a half of the previous year's shipments—51,233 piculs.

The decline of Chinese sugar continues, and there seems to be little hope that improved methods will now be adopted in time to save even a remnant of this industry, so rapidly giving way before foreign competition.

4°. SHIPPING.—There were 217,932 entries and clearances, with a total tonnage of 80,109,424 tons. While the number of entries and clearances was exceeded in 1904 and 1905—the war years—the tonnage total adds one more to a long and unbroken series of upward steps. There is a decline in British shipping, slight in itself (33,316,618 tons, against 33,450,560 tons in 1906), but more noticeable as regards percentage of the whole (41.59 per cent., against 44 per cent.). German tonnage, as against 7,477,518 tons in 1906, was 6,639,767 tons, representing 8.29 per cent., in place of 9.86 per cent. The only foreign flags that show increase are the French and Japanese. The former, whose tonnage on the Yangtze received additions about the middle of 1906, rose from 3,125,749 to 4,712,188 tons, while the latter has again made a great advance—from 11,376,430 to 15,598,213 tons, or from 15 to 19.47 per cent. of the whole. Over 1,000,000 tons were added to Japanese shipping by the new ports Antung and Dairen. Under the Chinese flag a loss in foreign-type tonnage was made up by an increase in junk tonnage.

5°. TREASURE.—The returns show a total importation of Hk.Tls. 15,469,559 and a total exportation of Hk.Tls. 44,108,664. Gold imports (Hk.Tls. 8,274,021), as before, were mainly in the shape of coin from Japan; and of the export (Hk.Tls. 5,823,774), the greater part went to Europe as bars or dust. A balance of Hk.Tls. 2,450,247 remained in China. Silver imports (Hk.Tls. 7,069,620) were chiefly from Hongkong in coin; and of the total export (Hk.Tls. 38,277,750), Hongkong took coin to the value of Hk.Tls. 23,863,461, and India took bars and sycee to the value of Hk.Tls. 10,294,735.

EXPORTS TO CHINA.

Consul General Leo A. Bergholz, of Canton, submits the following report on the variation in the percentages of the Chinese trade held by several leading countries participating:

The president of the London Board of Trade having requested certain information regarding the value of exports to China from the United Kingdom, the United States and Germany for the years 1887 to 1906, a "white paper" was issued showing that the average value of exports to China during the years 1887 to 1891 was \$41,927,220 from the United Kingdom, \$9,029,880 from the United States, and \$6,930,360 from Germany. In the five years of 1892 to 1896 the average of the United States had risen to \$9,758,880, as against \$34,966,800 from the United Kingdom and \$8,223,120 from Germany. In the next five years the exports from America advanced to nearly half that of Great Britain, the figures being, respectively, \$20,028,060 and \$40,668,480. This phenomenal increase was maintained in the five years ending 1906, notwithstanding the boycott agitation which began in July of 1905 and did not entirely die out in Canton until January of 1907. In the years 1902 to 1906 goods of the value of \$40,523,120 were sent from America to China, against \$62,222,640 from the United Kingdom.

The average increase of 1902 to 1906 over 1887 to 1891 was in the case of the United States 348.9 per cent., of Germany 141.6 per cent., and in that of Great Britain but 48.4 per cent.

SHANGHAI BRANCH OF CHINA ASSOCIATION.

The annual general meeting of the Shanghai Branch of the (British) China Association was held at the Shanghai Club on April 27. Mr. F. Anderson presided, and the following report of his remarks is taken from the *North China Daily News*:

"The chairman said that no annual meeting had been held by the Association for over two years. He was unable to explain fully all the reasons for this discontinuance of the annual meeting, but he supposed that the numerous changes which had been made in the committee during that time had something to do with it. The present committee, however, had decided to revert to the old custom of having the annual meeting in the spring in order that they might give an account of what had taken place in the past year and comment on any matters of interest which might be under discussion at the time. He was placed rather at a disadvantage in giving an account of what had taken place in the committee during the past year, as he had not been a member of the committee and only arrived in Shanghai toward the end of the year; but while he was in London he had an opportunity of seeing a great deal of the work of the Shanghai committee, and he was sure he was expressing the opinion of the members of the London committee, and also of those present at that meeting, when he thanked Mr. Skottowe for the valuable services which he had rendered when he was in the chair. (Applause.) It had been the custom for some time for the London committee to ask some of those members who had taken an interest in the affairs of the Association when they were visiting at home to join the London committee. He thought that there were many advantages to be derived from that custom on both sides. In the first place it enabled the London committee to keep more closely in touch with the changes which were taking place in Hongkong, Shanghai and Tientsin, and it enabled those who had the advantage of joining that committee to see how the work was done at headquarters. No one could be a member of that committee without feeling that it was composed of a body of representative and responsible men. Among its members were Mr. Gundry, the president, who, he understood, was retiring from that post this year in accordance with the rule which made the post of president one for three years. Mr. Gundry had done an immense amount of work in connection with this Association. He was really the founder of the Association, and it was largely owing to his continued services that it occupied the position which it did today. Mr. Anderson had no doubt that on his retirement the London committee would mark their appreciation of his services, and he was sure that the Shanghai Branch would be glad to associate itself with any action the London committee might take. (Applause.) Mr. Gundry's place, he understood, was to be taken by Mr. J. H. Scott, who had been for some years the chairman of the committee, and he believed that Sir Charles Dudgeon was to take Mr. Scott's place. In addition to these names he had mentioned there were on the committee Sir Thomas Jackson, Mr. Whitehead, Mr. William Keswick, Sir Cecil Smith, Sir

A. Dent, Sir W. Hillier, Mr. Jamieson, Mr. Byron Brenan, Mr. Burkill and others. Most of these gentlemen had special sources of information about what was taking place in China quite irrespective of the China Association, and the mere recital of their names proved that they were extremely well represented in London. He thought they should show their appreciation of the work of the London committee by endeavoring to get more members of the Association.

"The report which had been circulated was rather a new departure. Formerly the report dealt in some detail with the work of the year, but this year it was more or less an index of what had been done. In that report some reference had been made to a proposed exhibition which was under consideration here about a year ago. The committee here wrote home fully, and Mr. Burkill and the speaker were appointed to report upon what initial steps might be taken at home. In the course of compiling that report they had interviews with some of the higher officials of the Board of Trade to ascertain whether His Majesty's Government would give official or financial support to that undertaking. They were told that the chances of financial support were somewhat hazy, but that if the movement was a very solid one, more especially as regards its financial character, and that if it had the support of the local authorities, of the Chinese Government and of the other Governments engaged in foreign trade in China, more especially the French, German, American and the Japanese Governments—that under those circumstances they would be disposed to give the matter their support; and no doubt the effect of their doing that would be that the British exhibits would be representative of the best of British industries. At the same time they hoped that there would be no doubt about the matter being carried through to a successful issue before they were asked to do that. Mr. Burkill and the speaker then had interviews with some gentlemen who were instrumental in carrying out several of the more successful exhibits in England and Scotland, particularly the Glasgow Exhibition. This gentleman said that it was quite out of the question to expect any financial support from exhibitors, as their expenses would be sufficiently great in sending out exhibits. He held out very little hope that financial support would be forthcoming from the British Government, but he said that there was always the off chance of that. He also said that it was quite impossible to start an exhibition unless they had a guarantee fund of at least £70,000. In Glasgow the municipal council gave £10,000, and other municipalities in a lesser degree, and the residents subscribed £500,000 guarantee. He said that the main sources of revenue were the entrance fees and the profits on the sale of refreshments, and that unless a continued supply from these sources could be depended upon he should strongly advise caution as to going on with the exhibition. These points were reported to the Shanghai committee, and they made inquiries as to the possibility of getting a suitable site in the proximity of the Settlement, but he regretted that investigations in that direction were none too successful. As soon as any

suitable site was spoken of the proprietors advanced the amount they asked for the ground to quite prohibitive rates. Then the committee also felt that in view of the great depression which existed in China at the present time they could not look to private residents to subscribe liberally to a venture from which they were not likely to derive much advantage. The community as a whole might benefit, but he very much doubted whether any advantage would accrue to any private merchant. Under these circumstances the committee had not done anything further with regard to this scheme.

"Another question that had been under discussion this and the preceding year was that of trademarks. It had not been raised by the committee, but had come to the front because it formed one of the stipulations of the Mackay treaty. When the committee's opinion about the matter was asked, it suggested that there appeared to be no special urgency for this question being pressed at the present moment, as many other clauses in the Mackay treaty were of much more vital importance to the welfare of China and China's trade, especially those clauses relating to currency and the compilation of mining regulations. The committee pointed out that a few simple stipulations should be made in any convention concluded with the Chinese Government, such as that a trademark was a valuable property which belonged to those who established it; that the owner of that mark might reasonably look for the protection of his rights, and that if there were more than one claimant for any such registered trademark, priority of usage should be recognized and respected. He understood, however, that some difficulties had arisen, owing to the laws of Japan. The committee, for example, believed that if a Japanese succeeded in registering a foreign trademark—probably one that had never been used in Japan but only in China—he was entitled to use it, and would probably do so, if it were a valuable one, on inferior goods. It was also possible for a Japanese subject to register a foreign trademark in Japan if he made some slight alteration, perhaps by putting in the wording 'Made in Japan.' In either case, if the trademark could not be upset in a Japanese court—and there was some difficulty in upsetting a trademark in a Japanese court—it became the unassailable property of the man who had pirated it. In these circumstances it must be against British interests in China to make a convention in which the conditions mentioned above were not recognized. Japanese law did not appear clearly to recognize the difference between *meum* and *tuum* when foreign rights were assailed by their countrymen, and if this were so their laws seemed unfair to other countries. The committee believed that when the true state of Japanese law and its effects upon residents in China were pointed out to the Japanese Government, the Japanese would alter their laws of their own accord. Unless that were done the Association did not see its way to concur with the conclusion of any convention with China under which British property would be liable to confiscation.

"On the subject of the Imperial Maritime Customs the committee, in conjunction with the Hongkong and Tientsin branches, had made representations to London. It was to be hoped that the Chinese Government would recognize the vital importance to the stability of the Empire of maintaining that confidence in the customs service which had been established in the past. At more than one crisis in the affairs of China the customs service had proved to be the sheet anchor of the ship of state, and as stormy seas might still be ahead no wise or patriotic commander should lightly sacrifice such a very valuable asset. With other residents in Shanghai, the committee would have liked to take advantage of the visit of the distinguished head of the customs service to pay its respects to him, but as they all knew, Sir Robert Hart had intimated that the state of his health would not permit him to take part in any public functions.

"The committee had made representations to London on the subject of the prolonged delay in re-establishing what was known as the open door in Manchuria. In doing so it had not been unmindful of the fact that Manchuria had only lately been the field of battle, and that difficulties must be expected to arise in carrying out the terms of such an agreement as the Treaty of Portsmouth. It seemed to the committee that the trend of events appeared to indicate that the policy of the Japanese administration and officials had been directed toward the establishment of preferential claims for Japanese trade, and the discouragement of other foreign competition, leading to a state of affairs that would become a revival of the 'sphere of influence' régime in the northern provinces. It was possible that this was partly due to an excess of zeal on the part of Japanese officials, but it was felt that there were good grounds for calling attention to the delay in fulfilling treaty obligations—not in any hostile spirit, but in the belief that if representations in this sense were made to the proper authorities of a great nation like Japan there could be no question but that those obligations would be carried out. He remembered some years ago hearing this question discussed by a gentleman who occupied an important position in the service of Japan. He said that those people who distrusted Japan's adhesion to the open door policy did not give his countrymen credit for common sense or for being clear headed; they knew that claims to preferential rights in trade would alienate friendly nations and would give rise to complications, but that, as Japan could compete for the trade of China on favorable terms without any preference, owing to her proximity and her plentiful supply of cheap labor, they would rely upon their natural and not upon artificial advantages. These views appeared to be quite sound, and if he had wanted additional arguments he might have pointed out that Japan was not a producer of much of the raw materials necessary for her industries, but had to draw them from the very countries whose trade would be injured by a negation of the open door, in addition to the loss of credit which any great nation would suffer from

the non-fulfillment of its pledged word. As there were doubtless many influential leaders in Japan who still adhered to the same view a change for the better in the north might be expected as time went on. It was difficult to account for the extraordinary depression that prevailed in Manchuria, and for such circumstances as that there should be a plethora of sycee in Shanghai and an extraordinary scarcity of it in Newchwang. No one could say definitely that the withdrawal of capital from the north was due to political conditions, but a more settled state of affairs would be beneficial to commercial interests generally.

"The committee had been asked to support the action of the Newchwang Chamber of Commerce regarding the Fakumen Railway, and had complied with that request because it believed such a railway would be beneficial in developing what he might describe as the hinterland of Newchwang. With facilities for communication it was believed that a large area of that country might be developed into a wheat growing country. Wheat was a produce that would not bear long and expensive transport, and in view of the present high prices of food stuffs a new source of supply would be an undoubted advantage to the whole of the East. While the committee did not profess to have entered fully into all the details of the discussion that had arisen in connection with this line, if, as it seemed, the only objection to it was that it would compete with the main Japanese line, that was a difficulty that might be overcome by building the railway a few miles further away. The British objection to the building of a line parallel to the Kowloon and Canton line was hardly on all fours with the Kakumen railway; the proposed line in the south was only 4 miles distant from the one the British and Chinese corporation were building, whereas the Fakumen railway was some 35 miles distant from the main Japanese line at its nearest point. It was not quite apparent how the Japanese feared competition from the proposed line, more especially as China, after she had built railways, imposed heavy likin taxation on the cargo carried by them, while it was understood that no likin was charged on the Japanese line. If the difficulties in the way of the construction of the Fakumen line could be overcome either by mutual agreement or arbitration it was the committee's belief that both Japanese and foreign trade would benefit considerably. If the Chinese Government were urged to improve the navigation of the Liao River this would afford an additional means of communication in Manchuria.

"Likin on the northern railways had already been referred to, and it was unfortunately the case that much of the advantage to be gained by the extension of railways was neutralized by likin taxation levied on merchandise. So much was this the case that in some instances traffic on railways was confined to passengers alone. It was difficult for people at a distance to realize that this conflict of interests could prevail on lines owned by the Imperial Government, but it was a fact nevertheless. No doubt a com-

promise would be effected in time, but it was a complicated question, as the interests of the likin officials were opposed to any change in the direction of removing restrictions upon trade. The whole likin system, as they had known for many years, was wasteful and cumbersome, but notwithstanding the Mackay treaty there were no indications that any steps were being taken either to centralize or abolish the system.

"Likin, however, only formed part of a difficult and complicated problem that lay before the rulers of China. It could not be doubted that not only in fiscal questions, but also in mining regulations, in industrial progress, in the currency question, in railway development, and even in the defensive services, many of the leading men in the provinces acted as if they believed Imperial and provincial interests were antagonistic, with the result that progress was handicapped everywhere. There was something to be said in favor of the present system from the local point of view; the population had a great deal of freedom and of local independence, but it hardly admitted of a doubt that a rapidly growing population must have increased opportunities of employment and of earning a livelihood; otherwise there would be trouble. The movement to bring about a change could only be successfully controlled by a strong central authority. The fact was that China was really an awful example of the dissipation of strength resulting from a gigantic system of home rule. In China we had about a dozen different states in which the supposed interests of the provinces were paramount, and the only hope for national progress lay in the Imperial Government controlling national affairs.

"During the past year the committee had not been called upon to make representations on behalf of private interests regarding the bad faith of the Chinese Government in placing obstacles in the way of people who had done their best to work on amicable terms with Chinese for the development of the country in various directions, but it was known that such cases existed, and they were anything but creditable to the reputation of China for honesty and fair dealing. Obstruction by local officials after promises had been given by the Imperial Government was persistent, and the end of it was that all enterprise was really tired out by constant obstacles and constant delay; if the local officials could only realize the harm done to their country by these tactics he believed that their policy would be entirely changed.

"In regard to the opium question, if any permanent prohibition of Indian opium were eventually arranged it would perhaps not be inadvisable to take precautions that the source of supply were not merely changed, as opium could be grown in many different countries, and they had reason to believe was now being grown experimentally in several countries. It was estimated that the total revenue obtained by China from foreign opium was about tls. 5,000,000 per annum, and from native opium about tls. 40,000,000. If these figures were reliable it was clear that some other source of revenue would have to be created if China were to succeed in her attempts to abolish the consumption of opium in the country."

IRON AND STEEL IN JAPAN.

The following statistics covering the production and consumption of iron and steel in Japan, and the quantity drawn from foreign countries to meet the growing demands of the empire in this regard, are furnished by Consul-General Henry B. Miller, of Yokohama:

The great military, naval and industrial expansion of Japan is calling for an immense quantity of iron. So far as the present developments indicate it is impossible to provide sufficient ore from the mines of Japan and Korea to meet the expanding wants of the country. All indications point to China as a base for Japan's iron supply.

The production of iron ore in Japan for the year 1905 was 126,798 tons, and of iron 59,145 tons. For the year 1906 the production of iron from the three principal mines amounted to 40,766 tons.

Judging from all present sources of information and revelations as to the existing sources of raw material in the Orient, together with future possibilities of markets, it seems clear that if there are to be any great iron-producing plants established in this part of the world they will be established in China, where iron, coal and lime are found in great abundance, where there are apparently inexhaustible fields of coal and minerals almost untouched, and where the expanding wants of hundreds of millions of people will furnish a ready market, and where cheap and efficient labor abounds.

It is impossible to ascertain the total imports into Japan of iron, machinery, etc., for military and naval purposes, but the imports of 488,434 tons of pig iron and steel, as shown in the succeeding statement, together with machinery made of iron and steel to the value of \$7,084,470, indicates that the total consumption of iron and steel imported for all purposes will reach an amount between 800,000 and 1,000,000 tons per annum. This consumption, against the small production in Japan, shows the dependence of the country upon foreign imports of raw and manufactured iron products.

Notwithstanding the increased production contemplated at Wakamatsu and Muroran, there is every probability that there will be an increase rather than a decrease in the importation of manufactured goods of iron for several years to come.

JAPAN'S SOURCES OF ORE.

In regard to Japan's sources of supply and its demands for iron and iron ore, the following statement was made by an expert who was sent to this country by prominent foreign iron interests to investigate the condition concerning the production and manufacture of iron in Japan:

"My strong impression is that the iron ore resources of this country are quite inadequate for such developments as she is planning. I believe that I am safe in saying that the new steel plant at Murora will be dependent on foreign sources for its ore even more than the present plant at Wakamatsu, which draws over 80 per cent. from China. Kamaishi smelts practically all its own ore with an annual output of pig of about 40,000 tons. I really do not know to what extent the Kamaishi output of ore may be increased,

but judging from all I can hear the deposit has definite limitations, and is probably doing about all now it can be hoped to do. It is one of a number of 'contact' deposits known to exist in Rikuchu Province, evidently the largest known and most accessible. The type of deposit is at best erratic and unreliable.

* * * * *

"Kamaishi appears to be the only considerable source of ore, its output being smelted locally, the product amounting to about 40,000 tons pig annually. Outside of Kamaishi, and excluding Wakamatsu, there are about 10,000 tons of charcoal pig produced in a number of small isolated furnaces with ore from local deposits. These and other deposits supply Wakamatsu with from 25,000 to 35,000 tons of ore annually, and the balance of the latter plant's requirements comes from foreign sources. Then, in terms of ore, Kamaishi produces about 70,000 tons and all other Japan about 40,000 tons a year. I do not expect to see any considerable increase over these figures. They may of course rise in the course of a few years to 200,000, or possibly 300,000, tons, but even the last figure is insignificant for a country with a population of 50,000,000 people. I have little doubt but that Japan will always be essentially dependent on other countries for its iron ore, and will probably continue to be, for many years at least, an important importer of pig iron and steel as well. The Chinese ores which I saw at Wakamatsu interested me exceedingly."

IMPORTS OF MACHINERY AND ELECTRIC APPLIANCES.

Of the imports of iron and steel from the United States there was an increase of but 18 per cent. in 1906 as compared with 1900, but the increase of imports of machinery of various kinds, made wholly or largely of iron and steel, was from \$859,415 in 1900 to \$2,601,146 in 1906, while imports from all countries combined increased from \$2,566,664 in 1900 to \$7,084,470 in 1906. This is a most gratifying showing for expansion of trade in machinery made of iron and steel, and it is largely along this line that American trade with Japan is likely to continue to grow.

A NATIONAL STEEL FOUNDRY—YOKOHAMA DOCKYARDS.

The Japan Steel Foundry (Limited), capital \$5,000,000 gold, is a combination between the Hokkaido Colliery Steamship Company, a large and prosperous concern engaged extensively in mining and transporting coal, and the Armstrong, the Vickers, and the Maxim companies of England. The company is organized for the purpose of producing iron and steel at Muroran. It has the support of the Japanese Government, and is expected to produce material to be used by the Japanese navy and army, as well as for the general public. It is reported that a Japanese vice-admiral has agreed to accept the post of superintendent of the new works, at the same time retaining his position in the navy, and many expert naval officers are expected to assist in the construction and in the operation of the new establishment.

It is expected to secure the raw material for the operation of this extensive plant, first, from the iron sand on the Hok-

kaido seashore, from the Kamaishi mines, located 180 miles south of Muroran, on the east coast of the main island of Japan, that are now producing about 40,000 tons of pig iron per annum, and also from a deposit of brown ore near Abuta, Hokkaido, a short distance north of Muroran. Many reliable experts, however, consider all the sources inadequate to provide even a small portion of the requirements of the works, and that ore or pig iron required to carry on the enterprise will have to be imported from China.

The cheapest and best coal in Japan for manufacturing iron is in Hokkaido, along the railway line, a short distance north of Muroran, and the supply is abundant.

The Yokohama Dock Company is situated in the harbor near the station of the Government Railway. Its subscribed capital is \$1,500,000, of which \$990,000 has been paid up. Of this latter amount \$490,000 is allotted for the ironworks department. The company has two docks, which are respectively 514 and 375 feet long, and owns twin-screw tow-boats for taking vessels in or out of the docks and a floating derrick capable of lifting 35 tons. The plant and tools are said to be of modern patterns, and according to its latest published report the company has had a very prosperous year. For the six months ended November 30, 1907, the tonnage of vessels handled was 213,448, of which 60,493 tons was for foreign vessels.

During the same six months the ironworks department handled 5,564 cases of manufacturing and repairing, of which all but 538 were completed. The total receipts amounted to about \$313,400, and the disbursements to \$236,800, leaving a net profit of \$77,000.

SHIPBUILDING AT KOBE.

The following information concerning the Kawasaki Dock Company, the Osaka Iron Works and Shipbuilding Company, the Kobe Steel Works, and Sumitoma Cast Steel Works are furnished by Vice-Consul Walter Gassett, of Kobe:

The Kawasaki Dock Company's plant, situated at the western extremity of Kobe Harbor, was purchased from the Government in 1886, and formed into a limited liability company in 1896. The capital stock of the company is \$5,000,000, with a bonded debt of \$2,500,000. The company employs 9,000 workmen. There is no proposition under consideration at present to increase the works or issue additional stocks or bonds.

They have now on the stocks in process of construction the following vessels: Two, of 8,600 tons, for the Nippon Yusen Kaisha; three, of 6,000 tons, for the Osaka Shosen Kaisha; one, of 2,000 tons, for the imperial navy; one destroyer and three torpedo boats for the Siamese Government.

The company has nine shipbuilding berths; a graving dock (length 425 feet 6 inches, width of entrance at top 63 feet 6 inches, width of entrance at bottom 51 feet 7 inches, depth over sill 23 feet 9 inches), and two patent slips, 280 and 180 feet in length, respectively. In addition to this shipbuilding plant, the company lately purchased 30,000 tsubo (180,000 feet square) of land, and erected a steel

foundry, which commenced work about the middle of last year.

The company are now simply manufacturing electric motors for use in their own mines, and are not taking any outside orders, but are going to undertake the construction of large vessels at Kobe, as a part of the work of the main dockyard at Nagasaki, and a vessel of 6,000 tons for the Osaka Shosen Kaisha will be commenced at once.

The first shipbuilding yards of the Osaka Iron Works were established in 1880 at Ajikawa, on a tongue of land in the river, with a water frontage on both sides and an area of 10,000 tsubo (60,000 feet square). Here are, besides the general office, a solid masonry graving dock, the foundry, machine, boiler and smith shops. There is also a pipe foundry, which covers 54,000 square feet of ground and contains three cupolas with a capacity of 15 tons of pipe per day. Air for these cupolas is supplied from five blowers.

The new shipbuilding yard was opened at Sakurajima in 1899 and has a water frontage of more than 1,000 feet. It is situated a quarter of a mile from the mouth of the river and half a mile from the pier in the harbor, and is equipped for building all sizes of steam vessels. The river at this point is 1,000 feet wide, and ships having a draught of 18 feet can be launched. The yards for building wooden vessels are located across the river, and are fully equipped for the purpose. On the opposite side of the mouth of the river from the shipbuilding yards at Sakurajima are the Tempōsan docks, which the firm has recently taken over from the city of Osaka. They are used principally for the repair of vessels, having two docks, one large enough to take ships up to 1,500 tons. The firm employs 4,000 workmen.

Among the works at present on hand the firm is constructing two passenger steamers of 1,650 tons each, one twin screw oil tank steamer, one passenger steamer of 800 tons, one of 750 tons, one customs service steamer, five bucket dredges, cast iron pipes for waterworks, two floating cranes of 20 tons, one of 15 tons, three crane pontoons and one steel whaleboat.

This foundry produces steel by the Siemens system, and the capacity of one charge is 15 tons. They also make their own gas by which the ore is heated. The machinery is run by electricity, and in the building are two 20 ton and two 5 ton electric cranes. They have recently put in a large hydraulic press of about 2,000 tons pressure, and can now manufacture cast steel rudders, stern frames, propeller blades, brackets and stems, steel gearing, pistons, cylinders and engine castings, ingots, slabs, blooms, billets and bars of all sizes, forged marine cranks and straight shafts of heaviest description, and all sizes of boilers and marine and land engines.

The company are now manufacturing cars and engines for the Nan-Kei Railroad Company, but cannot manufacture guns for naval purposes, as it is against the law for them to do so, not being a Government arsenal. They also have a foundry at Hyogo, covering 30,798 tsubo (184,788 square feet) of ground.

The Kobe Steel Works is a private concern situated near Kasugano, about 3 miles from Kobe, on the Hanshin electric railway. They use acid open hearth furnaces, one of 8

tons and one of 5 tons. There are three steam hammers and two electric traveling cranes of 10 tons and 5 tons, respectively. The work turned out is principally marine castings and forgings for men of war, mining machinery and railway material. They employ 300 workmen.

The original site of the Sumitomo foundry was in Kita Denbo, along the Denbo River. In 1905 new works were established opposite the Osaka harbor works. On about 12 acres of this site the buildings were erected, one of which is a foundry 75,600 square feet in extent, equipped with four electric overhead traveling cranes of from 10 ton to 36 ton lifting capacity. These works turn out yearly 7,200 tons of steel castings by the Siemens system. In the central steam generating station four water tube boilers of 212 horse power are installed. In the central electric generating station about 300 kilowatts are generated, from which power is transmitted to the overhead cranes and other motors. About 450 workmen are employed, and the work turned out consists of all sorts of finished steel goods, such as rudder frames 25 feet high, anchors 6 tons in weight, various sized parts of machinery, etc. There are several small works of this kind in both Osaka and Kobe, those described being larger ones only.

MITSU BISHI DOCKYARD AND ENGINE WORKS.

The following report is furnished by Consul George H. Scidmore, at Nagasaki:

Two steamers, the Tenyo-Maru and the Chiyo-Maru, each of 13,600 tons, were launched by the Mitsu Company for the Toyo Kisen Kaisha, and are expected to begin service at an early date on the San Francisco line. For the Nippon Yusen Kaisha's European line the Kamo-Maru, of 8,770 tons, was also launched. The total tonnage thus completed is 35,770. All these vessels are fitted with turbine engines and are built to the highest class under Lloyd's survey. The company is now engaged in building twelve vessels, with a total gross tonnage of 90,620 tons and 81,550 indicated horse power. Half of them will be launched this year, the balance in 1909 and 1910.

This company imports most of its material, including heavy castings, but is well equipped for repair work and construction in nearly every branch of shipbuilding, and is adding to its plant. The Mitsu yards are equipped with two large floating docks. Aside from the Government foundry at Wakamatsu and the navy yard at Sasebo, no other extensive iron and steel works are in operation in this district.

STEEL WORKS AT WAKAMATSU.

The following is a British report on the operation of the iron and steel works at Wakamatsu:

The Imperial Japanese Government iron and steel works at Wakamatsu, in Kiushiu, were formally opened on October 18, 1901, rather more than ten years after the first definite proposal of the Government to the Diet for the establishment of model iron and steel works which would render Japan independent of foreign countries for her supply of iron and steel manufactures. The total amount of the sums appropriated for the establishment of the works

amounted to nearly \$10,000,000. The area of the works is about 330 acres, including some 82 acres of ground recently purchased for the purpose of enlargement and not yet built upon. The exact situation is Kawatamachi, Onga-Gori, Chikuzen Province, in the northwestern district of the island of Kiushiu. It is quite close to Wakamatsu, the chief port for the export of Kiushiu coal, and about 9 miles west of Moji, the well known coaling port on the Shimonoseki Straits and northern terminus of the Kiushiu Railway. The position was chosen largely on account of its proximity to the Chiku-Ho coal fields, by far the most extensive coal producing district at present known in Japan. This district lies some 30 miles to the south of Wakamatsu, in the provinces of Chikuzen and Buzen, and covers an area of over 300 square miles.

By means of a branch railway coal can now be carried directly to the works from their own mines at Futase, in Chikuzen Province, a distance of 30 miles. An extensive addition of machinery is about to be made at this mine, including an electric power house, equipped with turbine, surface condensing plants and pumping machinery, all of British manufacture. The present output from the mines is not sufficient to meet the demands of the works, supplementary supplies being obtained from privately owned collieries at Miike, in Chikuzen Province, and the island of Takashima, near Nagasaki. There are two blast furnaces in working order and one in course of construction, to be completed in 1907. The two furnaces now in use produce 300 tons of pig iron in twenty-four hours, one giving 175 tons and the other 125 tons. The ore used at the furnaces is hematite, with some magnetite and limonite. About 80 per cent. of this ore comes from the Dayen mines, near Hankow, in China, under special contract with the Hang Yang Iron Works, owners of the mine.

An irregular supply of hematite ore is obtained from Chorem and Katsuzan, in Korea, and a contract has recently been concluded for an annual supply of 10,000 tons of limonite ore from Abuta, in the Province of Iburu, in the Hokkaido (or Yezo), the northern island of Japan. About 12,000 tons of limonite are obtained annually from Yamahara, in Minasaka Province, and small quantities from the Provinces of Tosa and Buzen. It is fully realized that the primary object of the Imperial Steel Works cannot be attained while Japan is dependent on foreign countries for the greater part of her supply of raw material. Two mines have been purchased at Akadani and Kama, in Echigo Province, and works were commenced in the former some six or seven years ago, but a committee of inquiry reported that the cost of freight to Wakamatsu would render the undertaking a financial loss.

EQUIPMENT OF GOVERNMENT WORKS.

There are three principal departments in the works, viz., (1) the pig iron, (2) the steel, and (3) the rolling mill. Besides these there are electric central building, central pumping station, iron foundry, repairing shop, pattern shop, foundry and storage, boiler shop, smithy, chemical and mechanical laboratory, inspection bureau and fire brick plant. The buildings are lighted throughout by electric light. There are at present two Bessemer converters with a capacity of

150 tons each per twenty-four hours, one charge amounting to 10 tons. In three years' time a third plant will be completed, according to the designs drawn up by the German expert in charge of the Bessemer department. There are now eight Siemens-Martin furnaces, putting out about the same quantity of molten steel per twenty-four hours as the two Bessemer converters—i. e., 300 tons. A great part of this steel is taken in 5 ton ingots direct to the plate mill.

Under present conditions the works are able to turn out about 90,000 tons of finished material a year. The original plans were for an annual output of 60,000 tons, which would have satisfied one-half of the demands of that time; but the success of the venture and the steady increase of Government requirements have brought about a sensible extension of the original programme. In the course of the next five or six years it is confidently expected that the annual output will amount to 180,000 tons—i. e., double the present output. By far the greatest portion of the products goes to the imperial navy department, the remainder being purchased by the war and railway departments. Materials used at the various arsenals in Japan—Tokyo, Kure, Saseho, Osaka, Yokosuka and Maizuru—are largely supplied by the Imperial Steel Works. Practically all the materials for the building of ships of war are now turned out at the works. It should be noted, however, that armor plate is not made here.

The number of skilled and unskilled workmen employed at the works is about 7,000, with 3,000 coolies, bringing the total number of employees up to 10,000. The daily wage paid varies from 9 cents to 90 cents (United States currency). In addition to the building already mentioned there are two hospitals about half a mile distant from the works. Both are equipped with a fully qualified medical staff and modern appliances. At present there are 300 wooden structures for the residence of workmen, and 1,500 are being built. According to a three years' programme the total number of dwelling houses is to be 3,000.

SIR ROBERT HART.

(From the North China Daily News.)

Other writers than those of his own nationality have agreed in comparing the work of Sir Robert Hart with that of Clive and Warren Hastings, although it may be felt that there have been special difficulties in working in, and for, the Chinese Empire which were unknown to the pro-consuls of India. It is only necessary to turn to any handbook of reference for the list of foreign decorations attached to Sir Robert's name, which include distinctions from nearly every important Power in the world, not excepting the Church of Rome, to recognize how highly his services as an intermediary between China and the outside world have been esteemed. On all disputed points, whether commercial, religious or political, his advice has been sought by foreign Ministers and Chinese alike. Lord Granville, indeed, went so far as to offer Sir Robert Hart the appointment of British Minister Plenipotentiary in Peking. But to accept that offer permanently would have placed the Inspector General in a position of impossible anomaly; and there is no cause for others to regret the decision which induced him after a brief period in office to resign an honor that must have been incompatible with his retention of the customs. In its broad outlines the story of his creation of

that service has been told too often to need more than brief recapitulation here. Its inner details, however, will probably never be known in full by more than one man, the Inspector General himself. When Sir Robert Hart took charge of the foreign customs he found that the staff consisted of 200 officials, who collected between them 8,000,000 taels. Bribery and corruption were rampant; a system of smuggling and of compromising duties prevailed which (in the words of an old report) "destroyed, practically, the value of a fixed tariff"; and British consuls imposed penalties on their nationals with no more result than to incur cordial dislike for severities which were neglected in the case of foreign traders, equally, if not more culpable. In the years since that report was written the Imperial Maritime Customs have grown until the staff now employs 13,776 men, of both foreign and Chinese nationalities, while the revenue had risen to upward of 35,000,000 taels, and stands today as the one certain asset which China can offer as security for foreign loans. Apart from the labors of this department, which have been made to involve a personal responsibility on the Inspector General's part for every appointment and promotion in the service, and in addition to the demands which have been made upon him in a diplomatic capacity, Sir Robert Hart has found time to organize the whole lighthouse equipment of China, and the Imperial Chinese Posts and Telegraphs, which can now reckon over 2,000 post offices and agencies throughout the Empire.

On such an occasion as the present, when we are but concerned to pay a fitting tribute of welcome to a distinguished passing guest, it would be obviously unbecoming to indulge in speculations as to what man is capable of succeeding to responsibilities so tremendous, or to reopen a discussion which must, sooner or later, become inevitable. We have already expressed a clear opinion on this subject, which the intervening months have furnished no adequate cause for reconsidering; and our only reason for alluding even remotely to the question now is the prominence given by *The Times*, in a leading article of which one of our telegrams spoke on Saturday, to Sir Robert Hart's "acquiescence in certain verbal assurances respecting the control of the Imperial Maritime Customs." Though not categorically stated by Reuter, the reference here to the Imperial Decree of May 9, 1906, with its appointment of two Chinese High Commissioners of Customs and the transference of the whole department from the Waiwupu to the Board of Revenue, is too plain to be missed. At the time that that Decree was first promulgated, it formed the subject of a lengthy correspondence between the China Association and the Foreign Office, in which the association made no effort to conceal its disappointment at Sir Edward Grey's acceptance of Prince Ching's obviously inaccurate contention that the Decree "does not make any change in the method of administration (of the Customs) laid down in the Loan Agreements." It is not necessary at the present time to dwell upon the Decree as "a very serious instance of the policy of extrusion"; although, considered as a slight upon Sir Robert Hart, after his long and devoted service, it can only appear as a piece of almost unequalled ingratitude. There is little doubt that the Peking Government is fully aware of the absolute need to itself of preserving the character and integrity of the Customs Service. How far that Government proposes to act on its knowledge is a very different question. Hitherto the appointment of the High Commissioners does not appear to have made any conspicuous difference in the administration of the service. But engines, which could be harmless enough while Sir Robert Hart remained in Peking, may begin to revolve with fatal effect directly the check of his presence is removed. The consequent reaction likely to be produced upon the functions of the Service, and the possible lowering of its standard, are factors which cannot be overlooked whether in or out of China; and it is sincerely to be hoped that the Foreign Office will profit by Sir Robert Hart's actual presence in London to readjust its attitude toward a state of affairs that cannot grow less urgent with the advance of time.

RAILWAYS IN CHINA.

SOUTH MANCHURIA.

In transmitting a translation of the report of the South Manchuria Railway Company for the six months ended September 30, 1907, presented to the stockholders in Tokyo on December 14, Consul Roger S. Greene, of Dalny, furnishes the following information concerning the restoration of the road to normal conditions:

It was decided to rebuild the road on the standard gauge (4 feet 8½ inches), and to equip it with new rolling stock. By order of the Japanese Government a double track was to be laid from Dalny to Suchiatun.

The length of line operated varied during the six months, but averaged 708 miles, and the business done was as follows: Freight, 85,141,192 ton miles; passengers, 66,862,928 passenger miles; at the average rates of 1.338 cents per ton mile and 1.337 cents per passenger mile, both these amounts being in American currency.

When the transition stage is over, as it should be within a year, a marked increase in efficiency may be looked for, and it will then be possible for the company to develop its coal business, of which great things are expected as soon as sufficient transportation can be provided.

For use in this reconstruction and for re-equipping the road 50,950 tons of steel rails and accessories, 7,422 tons of bridge materials, 205 locomotives, 2,040 freight cars, 72 passenger cars and 123 cabooses and mail and baggage cars were ordered and have been arriving since last spring. All of this material was from the United States, with the exception of 980 freight car bodies built in Japan. Pending the rebuilding of the road and the erection of the new rolling stock it was necessary to work as economically as possible with the old material, which is soon to be discarded.

The gross income from the railway and allied enterprises during the six months ended September 30, 1907, was \$2,491,224, while the expenses amounted to \$2,028,783, leaving a profit of \$462,441, of which \$122,722 was carried to reserve funds, \$29,880 was distributed to the stockholders, with the exception of the Government, as a dividend at the rate of 6 per cent.; \$39,840 was set aside for "specific expenses," and the remainder carried forward to the next account. Of the total income \$2,038,525 was from the railway proper, \$322,238 from the Fushun coal mines, and the remainder from the wharves, hotels, electric plant, land rentals, etc. Of the total issue of 600,000 shares, at 200 yen (\$99.60) per share, 500,000 are held by the Japanese Government, in the name of the Minister of Finance, while the remaining 100,000 are divided among 7,354 persons. Practically all the shareholders are Japanese, there being among them only about twenty-five Chinese, mostly domiciled in Japan, whose combined interests amount to about 500 shares.

The bonded indebtedness of the company is limited to the loan of £4,000,000 (\$19,466,000), which was floated in London in July last, and brought £3,700,000 (\$18,006,050).

SHANTUNG RAILWAY.

Consul Wilbur T. Gracey, of Tsingtau, furnishes the fol-

lowing information concerning the Shantung Railway of China, and the business transacted thereon in 1907:

The Shantung Railway is purely a German road, built with German funds, German engineers, material and rolling stock. The contractors were Chinese. The cost of the road was \$44,489 gold per mile. In granting the right to build the road China reserved the right to purchase it at the end of sixty years, or at the close of five year periods, for twenty-five times the amount of average dividends paid during the previous five years, or at least the value of the existing plant.

The railway was built with the object of connecting Tsinanfu, the capital of Shantung Province, with the coast at the German port of Tsingtau, as well as to bring the product of the coal mines to the coast.

BUSINESS—RECEIPTS AND EXPENDITURES—PASSENGER RATES.

During the year 1907, 393,800 tons of cargo were carried by the road, an increase over the year 1906 of 25,800 tons; 886,000 passengers were carried, an increase over the year 1906 of 63,000 passengers, and an average of 2,427 passengers per day.

The principal freight carried over the line was as follows, in tons: Inland—coal, 102,165; cotton goods, 17,445; kerosene, 14,752; mining timber, 8,250; sugar, 7,200; paper, 6,907; coke, 7,680; wood, 5,670; iron and ironware, 4,252; rice, 3,127; mining material, 3,007. Brought toward the coast—coal, 103,140; beans, 20,610; salt, 9,082; pots and pottery, 4,732; straw braid, 4,080; coke, 3,585; oil, 2,542.

The receipts in 1906, reduced to United States currency, amounted to \$1,010,706, and the expenditures to \$424,870, and a dividend of 4¼ per cent. was paid to the stockholders. The passenger rates on through run to Tsinanfu are approximately as follows per mile: First class, 2.5 cents; second class, 1.3 cents; third class, 0.4 cent gold; baggage, extra.

LENGTH, GAUGE AND BRIDGES—COUNTRY TRAVERSED.

The Shantung Railway has a main line of 256 miles, running from Tsingtau via Kiaochow, Kaomih, Weihsien, Ch'anglo, Ts'ingchowfu, Chowtsun, to Tsinanfu. A branch leaves the main line at Changtien and runs to the coal mines located at Poshan, a distance of 27 miles. The road has a standard gauge of 4 feet 8½ inches, is single track, with rails of 66 pounds and iron ties of 110 pounds each. The embankments are about 16 feet wide, sufficient for a double track, and are rock ballasted 12 inches deep. There are no tunnels on the road, but 955 bridges were necessary. The longest bridge crosses the Tseho and is 1,550 feet in length.

The country traversed by this line is the most densely populated in China. The province contains 38,247,900 inhabitants, or 683 to the square mile. The agricultural products are abundant and consist of millet, corn, barley, sorghum, maize, peas, cotton, hemp and the opium poppy. There are numerous fruit trees, pears, apples, peaches, apricots, plums, grapes and jujubes. A great quantity of silk is produced, the woven stuff being called pongee, from raw

material produced by worms fed on oak leaves. Besides coal, iron, copper, argentiferous lead ore, gold, diamonds, gypsum, clay and sandstone are found in the province. The capital is a city of 100,000 inhabitants. It was formerly famous for its silks and imitation precious stones. Now it is the great commercial centre of western Shantung, a vast trading mart, but not a manufacturing centre. A highway connects the city with the Yellow River, 4 miles away. [A map of the province of Shantung and photographs of bridges on the Shantung Railway, which accompanied Consul Gracey's report, are filed in the Bureau of Manufactures.]

THE TIENSIN-PUKOW RAILWAY.

Consul General James W. Ragsdale, of Tientsin, transmits a translation of the agreement between the British and Chinese Corporation (Limited) and the Chinese Government, whereby the latter sanctions the issuance by the German and British Banks Syndicate of a loan of £5,000,000 (\$24,332,500) for the construction of a Government railway from the vicinity of Tientsin to connect the existing Peking-Shanhaikwan line via Techow, Chinanfu to Ihsien, along the southern boundary of Shantung. This line will hereafter be known as the northern section of the Tientsin-Pukow Railway. The line from Ihsien to Pukow on the banks of the Yangtse opposite Nankin shall hereafter be known as the southern section of the Tientsin-Pukow Railway. The total distance of the two sections is 674 miles. [The translation of the agreement is filed in the Bureau of Manufactures.]

NORTH CHINA.

Consul General James W. Ragsdale, of Tientsin, transmits the following information concerning the working of the Imperial railways of North China, for the year ended September 30, 1907, as given in the report of the directors:

Accounting for the decreased income the directors report as follows:

For several reasons the trade of North China generally was not so good during the year 1907 as during 1906. Large stocks of cotton piece goods and other merchandise intended for Manchuria failed to find a market. Dealers in native produce have also been complaining of the stagnation of trade. This state of affairs culminated in the suspension of one of the largest Chinese firms in North China. The trade returns of the Imperial Chinese maritime customs for the ports of Tientsin and Newchwang both show large decreases, and the railway, among others, has suffered in this trade depression. Another factor tending to diminish our receipts has been the activity of shipping competition for passengers between Tongku and Newchwang, while the railways in Manchuria have also come into competition with us both in passenger and freight traffic.

The total earnings for the past three years are as follows, all moneys being Mexican dollars, equal to 46.6 cents gold:

	Receipts and Expenditures.	1905.	1906.	1907.
Earnings		\$12,943,384	\$12,191,189	\$9,944,867
Working expenses.....		2,914,102	3,429,943	3,686,320
Ratio in percentage of working expenses to earnings		22	28	37

The earnings were received from the following sources: Passengers (3,276,202), \$5,046,139; freight, military and miscellaneous (1,474,008 tons), \$4,898,727. The principal expenditures were for the improvement of the line, \$2,132,526; salaries, office expenses, etc., \$165,734; wages, materials, etc., \$852,232; all other, \$535,828; total, \$3,686,320.

Steady progress has been made in the important matter of extending the safety appliances on the line and the directors report that 3,276,202 passengers were carried throughout the year 1907 without any train accidents resulting in loss of life. The first class passenger and dining cars are lighted by electricity and are provided with electric fans during the hot season. These cars are comfortable and in every way creditable to the administration.

The total number of miles of main line open to traffic on September 30, 1907, was 600, 38 miles of line—from Hsin-min-tun to Mukden—purchased from the Japanese military authorities on June 1, 1907, having been added during the year.

The rolling stock consists of 236 passenger cars, 2,673 freight cars and 117 engines or locomotives. The company has four machine shops, giving employment to 6,653 laborers. The principal shop, at Tong-shan, is electric lighted and provided with electric fans; the others are not so favorably provided. Both engines and cars are newly built by the company at these shops, in addition to the many repairs required for the old stock. Bridging irons are also cast for the new bridges and for the repairs of old ones. The company also owns its own telegraph line, with 1,384 miles of wire, besides 317 miles of electric or telephone service, with an average of 273 operators and employees. Over these lines 144,661 messages were sent during the year.

The monthly wages paid to native employees are as follows, in Mexican dollars: Conductors and engine drivers, \$22 to \$75; firemen, \$9 to \$38; brakemen, \$6 to \$12; section foremen, \$12 to \$45; section laborers, \$8. Foreign conductors receive from \$150 to \$180. Mechanics in the machine shops receive from \$12 to \$50.

SOUTH MANCHURIA.

In transmitting the following information Consul Roger S. Greene, of Dalny, reports that the South Manchurian Railway appears to have done an exceedingly good business during the winter months, especially in the line of exports:

The largest quantity of freight was shipped at Changchun, viz., 55,385 tons from October to March 10. On this last date there were said to be 32,000 tons awaiting shipment at that station, and about 7,000 tons more expected, making a grand total of 94,385 tons—about three and a half

times the amount shipped during the same months last year, when the Japanese terminus was at Mengchiatun. At the rate of 9.91 yen (\$4.935) per ton for carload lots from Changchun to Dalny or Newchwang, this would amount to \$468,842. The importance of the Changchun station is evident from these figures.

During the same period there arrived at Dalny 104,389 tons of beans and 71,879 tons of bean cake, or 176,268 tons in all, while the total arrivals of beans at other stations, including Newchwang, were only about 20,000 tons, no bean cake being received there, according to the Japanese railway authorities.

An accumulation of freight similar to that at Changchun has taken place at other stations also. It is stated that the total amount of beans and bean cake awaiting shipment southward at all the stations was, on March 10, 69,127 tons.

In January the total income of the railway was \$442,813; of this amount, \$429,045 was from the main system and the balance from the Mukden-Antung line. Almost exactly one-third of the revenue was from passenger traffic, and two-thirds from freight. The average income per mile

per day was \$33.11 on the main system, and only \$2.35 on the Mukden-Antung line, which, besides being built only as a light temporary road, is at a special disadvantage during the winter, on account of the closing of its port; the average for the whole line was therefore brought down to \$20.20 per mile per day.

In February business was still better, for while the total income for the month was slightly smaller, amounting to \$436,068, this was due to the month being two days shorter, but the average income per mile per day for the whole system was \$21.27, a gain of \$1.07. The gain was in freight, passenger receipts during this period, when the Chinese were having their New Year's holidays, having fallen to less than a quarter of the whole.

Now that the winter is practically over the passenger traffic should increase rapidly, as the annual movement of coolies to the north has already begun. From March 1 to 16 12,236 coolies are said to have arrived from Shantung, and on the 17th the arrivals reached 1,653.

With March 31 the South Manchuria Railway Company completed its first year of actual operation, and the publication of its report for the second six months is awaited with great interest.

COTTON GOODS EXPORT ASSOCIATION.

At the third annual meeting of the Cotton Goods Export Association of New York, held at the Downtown Club on May 26, President John H. Wisner and other speakers called particular attention to the absence of any recognized basis of contract in the trade and the urgent necessity for creating one.

"So long as the sailing vessel brought her little lots of goods to meet a retail market," Mr. Wisner said in his address, "the business was simple; but the volume of trade in American cotton goods has increased to enormous proportions without the development of any recognized basis of contract and the exporter is obliged to submit offers to the native dealer without defined terms for settlement of any question which may arise between buyer and seller.

"That a business of such magnitude should continue without provision for the equitable adjustment of such questions as may reasonably be expected is an anomaly. Questions have arisen resulting in friction in their settlement which could and ought to be provided against in the future and a failure to so provide will operate to handicap the business, as it has done to the present."

To meet the situation, Mr. Wisner made this recommendation:

"In my opinion the time is now for this matter to be met by a committee representing the exporting and manufacturing interests, who shall take up the formulation of a contract which shall be equitable in its terms and through which the ultimate buyer, the native dealer in Shanghai or Tientsin, may understand the exact terms under which he is operating.

"This is not an ex parte pleading," he continued; "it is for the good of the business as a whole and a most important step toward the firm establishment of popularity of American made fabrics in the largest foreign market now

open to us and for the furtherance of that confidence on the part of our Chinese constituents, without which a full devolvement of our opportunity must fail.

"I have said that I believed the United States could meet all competition in heavy cottons, and in past years such products of England, Germany and Holland have been displaced; but a new competitor has come to the front possessing certainty—one important economy in manufacture which is impossible for us here. I refer, of course, to the item of labor, and I cannot too forcibly urge upon our manufacturers for their own good the necessity of co-operation with this association, through membership, in its purpose of fostering the development of export demand in China and elsewhere."

Mr. Wisner stated that the underlying and true purpose of the Cotton Goods Export Association of New York is, and has been from its inception, to bring about between exporters and manufacturers a better understanding and to promote a realization of the undoubted fact that their interests are identical, that the end sought is the same for both.

"With this as our objective," he said, "I have sometimes thought we were unfortunate in the name adopted for the association, and that some measure of suspicion as to our motives would have been avoided had we called ourselves the Cotton Goods Manufacturers' and Exporters' Association. The exporter is simply the intermediary, and I believe an essential one, for the prosecution of the business to its fullest extent; and of this the manufacturer may be assured as competition for the trade insures the payment of the last possible fraction in price which the consuming market will admit, and for the greatest quantity it will take.

"In the face of present discouraging conditions in trade with the Far East, whence our exports most largely find their way, it is well perhaps to look back and review the

developments. In 1867, when my experience with cotton goods in Shanghai began, I recall the arrival of an occasional sailing vessel after working her weary way up the China Sea with a manifest showing 250, 500, perhaps even 750 bales of standard drills or sheeting—these all from New England mills; later, in increasing quantity, shipments came via Liverpool and Holt's steamers around the Cape of Good Hope, then by direct steamer via Suez, and finally directly from mill to Pacific Coast and steamer to destination.

"During this time came the development of manufacturing in the South and with that the introduction of third goods, unknown previously in the China market, where standards alone had been sold.

"What may be the future of fine count goods of American manufacture in China I will not now attempt to consider, but for the coarser and heavier fabrics of honest cotton the United States can meet the world in fair (I repeat the word fair) competition, provided that our high standards, of weight, color, count, purity and uniformity are maintained. Any failure as to these is suicidal, and a departure in one case affects the good name of American cotton goods as a whole.

"The business of exporting goods to China has been a checkered one, and the check which the trade is now encountering is the most serious of all. Yet of its growth during all these years, taking them by and large, we are well aware. As to the causes for present stagnation—aside from excessive shipments in 1905-06, which would have been digested ere this under normal conditions—probably as good an explanation as any is that given by Sir Alexander Hosie, the British commercial attaché, who reports regarding Manchuria as follows: 'Overtrading, inflated prices, disorganized currency, ill regulated and excessive taxation, insecurity of life and property and delay in settlement of certain international questions resulting from the war, account for the present unsatisfactory condition of trade in Manchuria.'

"To many of us doubtless occur other reasons for conditions in Manchuria, but of these I will not speak."

Mr. I. Osgood Carleton spoke of the great benefit all branches of the trade in cotton goods with China would derive from the establishment of uniform regulations to govern the trade and provide for such contingencies as experience has shown may arise from time to time.

"Now, I read in the *Journal of Commerce*," he said, "a report of the meeting of the American Cotton Manufacturers' Association, giving a speech by Mr. Parker, chairman of the committee on uniform sale contract, urging a more uniform contract between buyer and seller, and further I read Captain Smyth got through a motion to appropriate \$2,000 for the employment of counsel to aid the committee. I congratulate the members of this association. We have not waited in vain.

"In the old days when a merchant bought goods for China he bought for his own account, shipped his goods and trusted to sell them eventually at a profit. Now the business is done by cable. The commission merchant here sells to the foreign buyer for future delivery. He purchases the goods, fixes his exchange, engages his freight. His obligations to the manufacturer, the banker, the ship owner and his buyer in the East are various and may be confused by accident, fire, flood, war or pestilence, or otherwise. The manufacturer also has various problems to work out. He must supply the raw material, the labor and skill to produce the goods to meet the delivery. Is it not wise to provide a method by which the manufacturer, the exporter and the Eastern buyer will know how to meet all such contingencies, so far as human wisdom can foresee them, and by establishing in this trade a method of procedure under the authority of a central organization prevent misunderstandings?

"The conditions of business in China are changing; the volume of business must increase with the rapid development of this vast empire. If we do not get together and

adopt regulations defining the duties and obligations of both buyer and seller, we may wake up some day and find the foreign buyers have got together and laid down rules which we must comply with or see our trade diverted to England and Germany.

"We have it now in our power to be first in the field, and by establishing equitable rules, backed by the indorsement of this association and by the American Cotton Manufacturers' Association, we can keep our control of a trade which is still in its infancy. We have already succeeded in convincing some of the leading representatives of manufacturers of these facts, and now number among our most valued members representatives of these interests. We want all the representatives of the manufacturing interests to join with us in this work and by full and careful discussion arrive at a mutually acceptable basis to work upon in future. I am glad to see the question is being taken up by the manufacturers. I am glad to see they recognize the need of uniformity of contracts.

"I have no doubt the united wisdom of all branches of the trade can evolve a form of contract, if we can once get together and discuss the question, that will be mutually satisfactory, and I say to all manufacturers, come and help us to do this for your own interest as well as ours, as both are identical."

Vice President Herman Norden, following the suggestion that the wide scope and possibilities, as well as practical workings of the cotton goods export business with China are not fully understood, and that a closer relationship between the organization and the manufacturers is desirable, stated that the matter has received serious consideration during recent meetings of the officers, with the result that it is proposed to hold monthly meetings to which those manufacturers who have not yet become members of the Cotton Goods Export Association will receive invitations.

In this way a thorough exchange of ideas will be facilitated, he said, and it is hoped the desired result will be obtained.

Officers and committees of the association were chosen as follows:

Gal 2. Cotton Goods Export Association.

President, John H. Wisner; vice president, Herman Norden; treasurer, I. Osgood Carleton; secretary, Howard Ayres.

Directors—Walter E. Allum, William S. Brown, Frederick T. Busk, William H. Stevens, Arthur E. Dowler, Henry A. Haines, Arthur O. Probst.

Executive Committee—Howard Ayres, William S. Brown, Henry A. Haines, Arthur O. Probst.

Membership Committee—Arthur O. Probst, Howard Ayres, William S. Brown.

Arbitration Committee—Herman Norden, Arthur E. Dowler, S. D. Brewster, H. A. Haines and I. Osgood Carleton.

Registration Committee—John H. Wisner, Howard Ayres and Arthur O. Probst.

The objects of this association, as expressed by its by-laws, are: "To foster the export of American cotton goods; to encourage the trade and commercial interests of its members; to establish and maintain uniformity and certainty in the customs and commercial usages; to establish rules to govern the trade for mutual protection; to acquire, preserve and disseminate valuable business information; to promote a more enlarged and friendly intercourse between manufacturers and exporters, and generally to promote and extend the volume of export trade in cotton goods."

Besides attaining, so far as a young organization can, these objects, the association has put into operation a very effective bureau for the registration of trademarks used upon American cotton goods in the export trade which has proved of value in avoiding conflicting marks and preserving the identity of established trademarks belonging to American mills and merchants.

JAPANESE PROTECTION FOR PATENTS AND TRADEMARKS.

The Director of the Japanese Patent Office, Mr. Nakamatsu, gave a dinner some time ago to the officials of the Department of Agriculture and Commerce and of the Patent Office. The following report of the speeches delivered on that occasion is taken from the *Japan Daily Mail*:

"Mr. Nakamatsu said: Formerly the Patent Office was considered as an insignificant affair, and the public did not attach much importance to its functions. But the recent enormous growth in the number of applications for patents, utility models, designs and trademarks proves that the case has become quite otherwise, and this department is now one of the busiest of Government offices. With the advancement of the world, competition in commerce and industry is becoming more and more acute, and this competition appears in the form of inventions, utility models, designs and trademarks. Now these come to the Patent Office for protection, for otherwise there would be no way of preventing unfair competition, and the true owners would be robbed of their rightful claims. In fact, the Patent office is intended to maintain order in mercantile and manufacturing activities and promote business morality, and thus become an indispensable adjunct to commerce and industry. There are no national boundaries in commerce and industry, and in giving protection to industrial property we should never make any distinction between Japanese subjects and foreigners. We are also bound not to make such distinction by our treaties with the various powers and by the International Convention for the protection of industrial property, of which we are members. But on several occasions it has been shown that foreigners are not satisfied with the Japanese administration. We often hear of their complaints regarding imitation of their trademarks by the Japanese in Japan and China. But these complaints are partly due to a misunderstanding of our intentions on the part of foreigners. The intention of the Japanese Patent Office is to give proper protection to the rightful owners of industrial property. It never makes any distinction between Japanese and foreigners, and never gives one treatment to one and another treatment to the other. This misunderstanding must be removed, and we must do everything in our power for this purpose, for without removing it commercial and industrial prosperity cannot be hoped for. It is also a duty of the Patent Office as an establishment partaking of an international character. In the forty-fifth year of Meiji (1912), the Government will hold an exposition, and we must do everything in our power to insure a success. Regarding the protection of

industrial property in the exhibits, it is the duty of the Patent Office to assure and prove to intending exhibitors that there will be no danger of any infringement of their rights. Thus the responsibility of the Patent Office in the coming exposition is very great. Such is the Patent Office. Its duties are grave and are of a complicated nature, and I enter into my new post with a feeling of great responsibility. My predecessors were all able officers, and did good service in the protection of industrial property. I also will do my best, and, with the assistance of my honored guests, hope to discharge my duties with satisfaction."

His Excellency the Minister for the Department of Agriculture and Commerce said:

"It gives me great satisfaction to hear from the host of this evening sentiments with which I so perfectly agree. The importance of business morality is the only foundation upon which national wealth can be built. However shrewd a man may be, and whatever capital he may command, if he lacks this quality he will never be able to make final success in business. And how can a country, the morality of whose traders and manufacturers is of a low standard, expect prosperity in her commerce and industries? Among our business men, I am sorry to say, there are some who do not pay sufficient respect to this most important principal, and who, by their dishonest conduct, are bringing discredit upon their country. They are acting under a mistaken notion, that, as the object of commercial and industrial activities is to make profits, any means to achieve this object is legitimate, whether they be fair or foul. Thus they do not hesitate to imitate foreign products or to steal foreign trademarks. Such unscrupulous conduct must be strictly prohibited, and measures must be taken to promote the credit of our business men. The business of the Patent Office has a close connection with the subject, especially in the protection of trademarks. In the discharge of their duties the officials of the Patent Office must, therefore, act most carefully and impartially, and not be content with the mere wording of the law; they must enter into the spirit of giving protection to rightful owners. It will not do to accept an application merely on the ground that it is not against the law, but they must also be convinced of the perfect propriety of the application. For there may be among many applicants some who, devoid of all moral sense, attempt to pass through the meshes of the network of the law. If such applicants be encouraged the interests of rightful owners will be endangered contrary to the spirit of the law, and business morality instead of being raised will be lowered. For example, here is a well established foreign trademark; and suppose a person, taking advantage of the mark not being registered in Japan, has applied for its registration in his own name. In such a case it is my opinion that the application should not be accepted. If the fact cannot be ascertained, it cannot be helped; but with due diligence such dishonesty can in many

cases be detected. Since the late war the standing of Japan among the powers has been greatly raised, and the world keeps a keen eye upon all our actions. It is now high time to take measures to raise the moral standard of our business men and to put a stop to all dishonest dealings, and in this endeavor the Patent Office must necessarily take a prominent part. As the saying is, things are most active when they are new, and it is my sincere desire that the new Director should introduce reforms into his office following the line adopted by his predecessors, and carry out his plans as embodied in the speech he has just now given."

"THE TRADEMARK BUREAU AND FOREIGN REGISTERERS."

(From the Japan Times, Tokyo, April 3, 1908.)

"We have been favored with the following authorized statement regarding the trademark law and its working in this country, and a careful perusal of it will prove useful to those who are interested in the trademark question:

"Recently various complaints have been received from foreigners about alleged cases of trademark infraction. They do not stop at finding fault with the morality of our merchants and manufacturers, but go the length of saying that our trademark law itself is defective. This is all very regrettable; but still more so is the tendency on the part of some of them to entertain doubts as to the policy and principle followed by the Patent Bureau. It need be hardly pointed out that the bureau, in conducting examinations and giving judgment, has always been guided by the policy of justice and impartiality, so that it shall be consistent throughout in the administration of its business. Not only that, but the bureau endeavors to protect all those who are legitimately engaged in business, as well as to do all in its power to keep under control the wrongdoers. Such being the attitude of the bureau, it falls due on those who wish to receive the protection of our trademark law to fully acquaint themselves with the provisions and spirit of the said law and aim at not losing the protection extended by it.

"The trademark law of Japan adopts the principle of priority of registration, a principle which obtains in the continental countries of Europe. Hence it becomes important for Britishers and Americans who are accustomed to a law radically different from ours in this respect to carefully note the provisions of our trademark law and seek redress when need for it arises. Article II of our trademark law provides that registration shall be refused to all those trademarks which tend to deceive or work fraud on the public, and also to those which are exactly identical as or bear close resemblance to trademarks which had been put in use by others previous to the date of enforcement of said law, namely, July 1, 1899, and still continue to be so used. If a trademark which has received registration happens to be in violation of this rule, any interested person may bring action at the Patent Bureau and seek judgment for the nullification of the registration thereof. But action for nullification on the ground of previous use by another, or of identity or of close resemblance, will be accepted, when such action is taken within three years from the date of registration of a trademark, as provided in Article X of the trademark law. In other words, no trademark which

was in use previous to July 1, 1899, and continues to be in use in Japan will be registered in favor of any person other than its original owner, irrespective of its having or not having been registered by the owner. But should a trademark happen by mistake to receive registration (in favor of a person other than its original owner) the registration becomes good and legal after the lapse of three years. Such being the case, it is advisable for those parties who make use of trademarks which are not yet registered in this country, and which are entitled to receive the protection of the aforesaid provisions, to submit to the Patent Bureau copies thereof, together with evidence that they have been put to use in this country previous to and since July 1, 1899, so that they may be referred to when the bureau conducts examinations and inquiries.

"As regards the case of two or more registered trademarks coming into conflict with one another, or of the conflict occurring between a registered and a non-registered trademark, Article XX of the trademark law provides that the interested parties may sue at the Patent Bureau for judgment to determine and recognize their right. It would be convenient for those who are under doubts arising from the resemblance of trademarks to seek judgment in virtue of the provision just referred to. As to the question of the degree of resemblance it will be decided by judges on fact in exercise of their power of determination. But generally stated, all trademarks which bear close resemblance to another in their main feature will be classed as imitation, even though they may differ in minor respects. That is not all. Though dissimilar in the principal portion a trademark will be regarded as an imitation of another when it may be mistaken for such other in its general appearance. Imitation comes under two categories, namely, imitation in appearance and imitation in appellation, and both are dealt with accordingly. It should thus be seen that the definition of imitation is not at all so narrow as imagined by a section of foreigners.

"In case the owner of a registered trademark, after its registration, makes false representations as to the place of production, the quality and so on of commercial articles on which he uses the trademark, Article XI of the trademark law vests in the Director of Patent Bureau power to cancel its registration. As to those trademarks registration of which has been applied for and which come under the operation of the said provision, it should be remembered that their registration will be refused in observance of the aforequoted Article II, which provides 'Registration will not be granted to trademarks which tend to deceive or work fraud on the public.' It follows that despite the complaints of some foreigners no room is left for the existence of any trademark wrongfully registered. It may be added that the infringement of registered trademarks is rigorously punished in accordance with trademark law.

"Such is a summary of the rules and regulations of the trademark law in force in this country. The bureau concerned is firmly determined to continue to strictly enforce these provisions, and it is desirable that all foreigners interested should bear in mind the law and its clauses, and avoid being made the dupes of others."

RAW SILK RULES AND REGULATIONS TO GOVERN TRANSACTIONS BETWEEN BUYERS AND SELLERS IN THE UNITED STATES OF AMERICA.

Approved by the Raw Silk Division of the Silk Association May 18, 1908, and approved by the Board of Managers of the Silk Association of America, May 22, 1908.

RULES.

NOTE.—It is understood that nothing in the following rules shall be construed as waiving the right in individual transactions to make any special or distinct contrary agreement, but that the rules shall govern only in cases where no special or specific contract exists.

SALES OF SPECIFIED OR IDENTIFIABLE LOTS OF SILK from stock, or to arrive, for prompt or future delivery (as for instance, of a lot giving marks and numbers, or of seller's purchase of such and such a date, or of a lot shipped on a specified steamer or date, or in any other manner identifiable and distinct from other silks), are cancelled by destruction of such silks by fire, flood, marine disaster, or other unavoidable casualty prior to delivery dates as called for by contract; or by the failure of reeler, or by damage to, or destruction of, the producing factory prior to delivery by the reeler.

NOTE.—The buyer can protect himself at any time by taking out additional marine insurance to any extent.

SALES OF AN UNSPECIFIED LOT OF A GIVEN QUALITY, GRADE, CLASS AND SIZE OF SILK (as for instance, a sale of 100 bales Japan Filatures No. 1 at a given price and delivery), cannot be voided except by mutual consent of buyer and seller. Delay in actual transit, damage or destruction of an unspecified lot of silk, where a similar lot is not obtainable on the New York market, gives the seller a reasonable period (to be determined by arbitration in case of dispute) in which to replace.

DELIVERIES.—Sales for delivery on a given date, demand delivery or readiness for delivery on the date specified.

Sales for delivery on arrival on or about a given date, give seller the right of delivery fifteen days earlier or later than the date specified.

Sales for delivery within a given period, give seller the right of delivery at any time within the period specified, unless the contract calls for specific deliveries during said period.

Seller should notify buyer of readiness to deliver, in accordance with contract terms of delivery, and buyer is under equal obligation to call for silk when due him; but inadvertent failure of either party to tender or call for delivery, shall not void contract where readiness to deliver can be proved.

Delivery by seller to common carrier, or agent of buyer, in compliance with oral or written instructions of buyer, or party ordering shipment, is at the risk of said buyer, or party ordering shipment.

SHIPMENTS FROM ABROAD.—Sales for shipment on or before a given date, demand shipment on or before the date specified.

Sales for shipment on or about a given date, give seller the right of shipment fifteen days earlier or later than the date specified.

Sales for shipment within a given period, give seller the right of shipment at any time within the period specified, unless the contract calls for specific shipments during said period.

Date of bill of lading shall be construed as giving date of shipment.

DEFERRED DELIVERIES, caused by request of buyer, are at the risk of buyer, who shall pay interest if incurred, storage and fire insurance.

FIRE INSURANCE.—In case of total or partial loss by fire where silks remain in the custody of seller for account of buyer, whether actually billed up or held for deferred delivery (paid for or not), the amount due seller becomes payable in accordance with terms of contract, and seller shall credit buyer with whatever amount may be recovered from the underwriters on the lots in question.

WEIGHTS.—*Actual Weight and Tare* is weight as taken at the time of delivery, or billing date (if delivery is deferred), less actual tare of bags, papers and strings.

Invoice Weight is net weight as invoiced by seller or seller's agent at point from which originally shipped.

Conditioned Weight.—To ascertain conditioned weight of a lot of Asiatic silks sold on basis of conditioned weight, plus the percentages provided for the different classes of silk, at least two bales out of every five bales shall be tested at conditioning house in New York. The average of all tests must be accepted as the basis for entire lot, and expense of conditioning divided equally between buyer and seller.

Questions Over Actual and/or Invoice Weight must be adjusted by buyer notifying seller that he wishes the lot rebilled to him conditioned weight plus the usual percentages, and buyer must then send at least two original bales out of every five bales or less of the lot, to be conditioned at conditioning house in New York, in accordance with the rule for "conditioned weight." Result shall be accepted by buyer and seller, whether to their benefit or loss, and conditioning costs borne by losing party. Conditioning tests by buyer, or his agent, before notifying seller that conditioned weight will be accepted, cancels buyer's claim to weight adjustment, and proof that such prior conditioning tests have not been made must be furnished if desired.

Japan Silks, China Steam Filatures, Canton Filatures are sold New York conditioned weight plus 2 per cent., or actual weight, or invoice weight.

China Rereels, Canton Rereels are sold conditioned weight plus $2\frac{1}{2}$ per cent., or actual weight, or invoice weight.

European Silks are sold conditioned weight, and European conditioning house tests must be accepted, unless buyer chooses, at his own expense, to have the silk reconditioned in New York. Should the result be one-third of one per cent. less than European conditioned weights, seller must accept the New York conditioned weights and pay costs of the re-conditioning; each bale is to be treated individually.

Tussahs are sold invoice weights, or actual weights carrying no guarantee of loss in weight by conditioning.

Bale Weights.—A contract calls for the delivery of a number of bales or pounds varying on the average not more than 5 per cent. from the following usual bale weights:

Europeans	220 pounds net.
Japans	135 " "
Shanghais	135 " "
Tussahs	135 " "
Cantons	106 $\frac{2}{3}$ " "

Variation in weight beyond the allowed 5 per cent. shall not be cause for cancellation of contract, but may be adjusted with seller at market rates at the time of delivery.

ADULTERATION.—Shanghai Rereels and Native Filatures are guaranteed by seller not to lose more than 22 per cent. by boil off at conditioning house in New York. Buyer and seller may have as many tests made as they see fit, at their own expense, and the average of all such tests shall govern.

VARIATION OF SIZE.—The average size under contract shall not vary more than given below for different classes and grades of silk. In case of dispute buyer and seller may have as many tests made at conditioning house in New York as they desire. The average of all tests on a bale shall determine the size of silks in the bale. For Asiatics, the average of all bales of a lot shall determine the average of the lot, and if more than one-third of the bales in each individual lot are of wrong size, such entire lot may be rejected; otherwise, only the incorrect bales may be rejected. European bales are treated individually. Test skeins must be drawn from bales by the conditioning house, and the total expense of such tests must be borne by the losing party.

European Silks.—European conditioning house sizing tickets shall be final, unless demonstrated to be wrong by conditioning house at New York. Extra Classical No. 1, inclusive 11/12 and Finer, shall not vary more than $\frac{3}{8}$ denier either way from the average given on each and every bale.

From 11/13 to 15/17.... $\frac{1}{2}$ denier either way is allowed
 From 16/18 to 19/21.... $\frac{3}{4}$ " " " " "
 From 20/22 to 24/26.... $\frac{7}{8}$ " " " " "
 From 25/27 to 28/30.... 1 " " " " "

Fuller, the variation is by agreement.

Japans.—Seller's sizing tests or Yokohama conditioning house sizing tickets shall be final, unless demonstrated to be wrong by conditioning house at New York. Fancy and Double Extra are governed by the

same rule as Europeans. Filatures and Rereels, Extra to No. 1/1 $\frac{1}{2}$ inclusive, and Best Extra Kakedas 14/16 and Finer, shall not vary more than $\frac{1}{2}$ denier either way for the lot, and 1 denier for each bale, from the average given. Filatures and Rereels No. 1 $\frac{1}{2}$ to No. 2 inclusive and Kakedas Extra to No. 1 inclusive, 14/18 and Finer, shall not vary more than 1 denier either way for the lot, and $\frac{1}{2}$ denier for each bale, from the average given. Lower grades carry no guarantee of size.

Size 16/18 and coarser in Filatures No. 1 and higher grades shall not vary more than the European allowances for the lot, and $\frac{1}{2}$ denier additional for each bale, from the average given. Coarse sizes below No. 1 carry no guarantee of size.

China Steam Filatures.—Seller's sizing tests shall be final, unless demonstrated to be wrong by conditioning house at New York. Filatures First Category are governed by the rule for Europeans. Filatures Second Category 14/16 and Finer shall not vary more than $\frac{1}{2}$ denier either way for the lot, and 1 denier for each bale, from the average given. Filatures Third Category 14/16 and finer shall not vary more than $\frac{3}{4}$ denier either way for the lot, and 1 denier for each bale, from the average given.

Shanghai Rereels, Native Filatures and Tussahs carry no guarantee of size.

Canton Filatures.—Seller's sizing tests shall be final, unless demonstrated to be wrong by conditioning house at New York. Double Extra and Extra 14/16 and Finer shall not vary more than $\frac{3}{4}$ denier either way for the lot, and $1\frac{1}{4}$ denier for each bale, from the average given. 16/20 to 28/32 shall not vary more than $\frac{1}{2}$ denier either way for the lot, and 2 deniers for each bale, from the average given. Filatures No. 1—14/16 and Finer shall not vary more than 1 denier either way for the lot, and $1\frac{1}{2}$ denier for each bale, from the average given.

Canton Filatures No. 2 and lower and Canton Rereels carry no guarantee of size.

REJECTIONS AND REPLACEMENTS.—Any bales or lots rejected for proper cause must be replaced by seller and accepted by buyer within fifteen days of rejection agreed to by seller or established by arbitration. Where a lot of similar quality and size is not obtainable on the New York market, seller must pay buyer an allowance to cover market difference, if any. In case of a specified, uninspected lot on a primary market—of which all or a portion shall prove upon inspection not of the stipulated quality and/or size—seller must immediately notify buyer, who shall have the option of cancelling such incorrect portion of the contract, or of instructing seller to accept it with any allowance that he may be able to collect, or of giving the necessary time for replacement.

CLAIMS FOR DIFFERENCES IN QUALITY AND/OR SIZE.—Seller's obligation to deliver raw silk of contract quality and size is clearly defined. Buyer is under equal obligation to examine and test silk received, and promptly pass upon its quality and size as *raw silk in the bale*. This can be determined by testing sample skeins of the lot or one entire bale. Buyer must then accept, or immediately notify seller of intention to reject the balance of the lot. All claims must be made within two weeks after delivery; and where silks remain in the custody of seller for account of buyer, the buyer shall have three weeks from expiration of time for delivery in which to pass upon quality and size; after which period no claims shall be admissible unless false or fraudulent packing can be shown. In no case can the seller be held as guaranteeing the working of the silk, or its suitability to produce certain results, unless by special agreement.

ARBITRATION.—All differences arising between buyer and seller must be submitted to the Arbitration Committee of the Silk Association of America.

SELLING TERMS:

The recognized rate of discount in the silk trade is 6 per cent. per annum when not otherwise stated or agreed.

Offers of silk when not otherwise stated imply:
6 months basis for Asiatics.
60 days basis for Europeans.

Six Months, Four Months, Three Months, or Sixty Day Notes.—Such sales convey no right to discount. Within thirty days from date of bill buyer must give his note for the period specified, bearing same date as bill, drawn to his own order, blank endorsed and payable at discretionary points as defined by New York Clearing House.

Six Months' Notes, or Cash Less 3 Per Cent., implies the right of buyer to pay his bill within ten days (which are not discountable) by deducting 3 per cent. from the face thereof; otherwise he must give six months' notes from date of bill as above provided.

Four Months' Notes, or Cash Less 2 Per Cent., are governed in principle by the above terms.

Ninety Days' Notes, or Cash Less 1½ Per Cent., are governed in principle by the above terms.

Ninety Days, Sixty Days, or Thirty Days, requires that the bill must be paid within the time specified.

Six Months' Basis, Payment Within Thirty Days, or Sixty Days or Ninety Days (as written) requires payment at any time within period stated, with discount for unexpired portion of the six months.

Six Months' Basis, Settlement by Note or Cash Within Thirty Days, or Sixty Days, or Ninety Days (as written), gives buyer the option of paying (at any time within the stipulated period for settlement) in cash less discount for unexpired portion of the six months, or giving (at any time within the stipulated period for settlement) his six months' note from date of bill.

Cash Sales less a stipulated discount require immediate payment of the bill less the specified discount.

Bankers' Credit Sales require the buyer to immediately furnish approved credits at the usance agreed upon in the transaction. For such sales the seller takes no responsibility for arrival, damage, loss or pilferage en route. Seller's failure to demand the letter of credit shall not be cause for voiding the contract.

F. O. B.—Free on Board is the shipper's invoice cost of the silk placed on board ship at port of original export. Buyer must provide and pay for marine insurance and freight.

C. and F.—Cost and Freight is the shipper's invoice cost including freight.

C. F. and I.—Cost, Freight and Insurance is the shipper's invoice cost including freight and marine insurance.

The following is the resolution of the Board of Managers of the Silk Association of America approving the foregoing rules:

RESOLVED, That the Raw Silk Rules and Regulations to govern transactions between buyers and sellers on the raw silk market, which have been approved by the Raw Silk Division of the Silk Association of America, have been carefully considered by the Board of Managers, and are approved by them.

The Board feels justified in adopting them as rules to govern (in the absence of other special agreements) the adjudication of all disputes or claims which may be referred to the Arbitration Committee of the Silk Association of America for settlement.

Attest:

FRANKLIN ALLEN,
Secretary.

NEW YORK, May 22, 1908.

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NEWCHWANG, East Asiatic Co., Agents.
PORT ARTHUR (COREA), East Asiatic Co., Agents.
TALIENWAN, East Asiatic Co., Agents.
TIENTSIN, Carlowitz & Co., Agents.
TSINTAU, Diedrichsen, Jebsen & Co., Agents.
CHEMULPO (COREA), E. Meyer & Co., Agents.
FOOCHOW, Dodwell, Carhill & Co., Agents.

PHILIPPINES

MANILA, The Vacuum Oil Company, 39 Plaza Cervantes.
CEBU, The Vacuum Oil Company, Lizarraga Hermanos.

JAPAN

KOBE, The Vacuum Oil Company, No. 26b Naniwa Machi,
(P. O. Box 28, Sannomiya).
YOKOHAMA, The Vacuum Oil Company, 60 Main Street.
NAGASAKI, R. H. Powers & Co., Agents.

STRAITS SETTLEMENTS, JAVA, ETC.

SINGAPORE, The Vacuum Oil Company, 44 Robinson Road
SAMARANG, Van der Linde & Teves, Agents.
SOERABAJA, The Vacuum Oil Company, Willemskade.
BANGKOK, The Vacuum Oil Company, 5 Windmill Road.
SAIGON, Denis Freres & Cie., Agents, Rue Catinat.

by the Chinese, and large quantities of the straw braid exported from China are sent to England, where they are rebleached. The great centre of the English straw braid business is in Luton, a small town in Bedfordshire 40 miles from London. Previous to the opening of the port of Tsingtau by the Germans, almost all the straw braid used on the Continent was shipped to London, sometimes rebleached at Luton, and reshipped to the Continent, but at the present time most of the braid intended for the Continent is shipped directly from Tsingtau.

Braid is occasionally shipped from China direct to the United States, and then sent to Luton for bleaching purposes, to be returned to the United States, but the more usual method is for American buyers to ship such braid as needs rebleaching direct to London, where it is forwarded to Luton, and after bleaching it is shipped to the United States from London or Liverpool, appearing in the American customs statistics as of British origin. There is practically no plaiting of braid in England at present, though formerly much braid was made in and about Luton.

The Chinese interior dealers transport braid to Tsingtau almost entirely by the recently constructed German railway. The packages are carried on wheelbarrows, or Peking carts, from the interior town to the railway station, and are unloaded in Tsingtau and transported to the dealers' warehouses in this port. Each dealer has his agent and warehouse in Tsingtau, and the foreign firms buy directly from these agents through the ever necessary comprador.

Each of the foreign firms located in this city has its regular agents or constituents in the United States or Europe, for whom it buys upon telegraphic advices. On the receipt of a telegram the firm's comprador is informed regarding the quantity and variety of braid that is desired and the probable price that can be paid, and the comprador goes directly to the interior dealers' agents to find out at what cost he can secure the required braid. All purchases are made through the medium of this comprador, and the foreign firms never deal directly with the dealers

or their agents except in this way. In the event of sales the comprador is paid a commission of 2 per cent. of the amount of the purchase by the upcountry dealers, the foreign firms paying their comprador no wages or commissions. It can be easily seen that the success of a firm is dependent largely upon the success of the comprador in securing the goods at the desired price.

Each of the foreign firms is supposed to have one of their number who is an expert, and has been educated in the straw braid business. Naturally the firms who are so fortunate as to have experienced men are the ones which are most successful in this business.

These foreign firms receive usually a commission of from 2½ to 5 per cent., but it is said that many firms purchase goods at the lowest possible prices, and sell to their constituents at whatever they can get, taking the difference as their perquisite, but the firms which are considered the most trustworthy purchase at the lowest price possible, and give their constituents the advantage of such purchases, contenting themselves with their regular commission of from 2½ to 5 per cent., as has been previously arranged.

WHERE MANUFACTURED—QUALITIES BOUGHT BY AMERICANS.

Straw braid is manufactured to a very large extent in Shantung Province, and also in Shansi, Honan and Chihli, and is exported from Tientsin, Tsingtau and Shanghai, though practically all of that which is exported from the latter place is really Tsingtau goods collected, sorted and repacked only at the place of export.

The foreign firms in China sell to the importers in the United States, never directly to the manufacturers, and it is believed here that such direct sales would not prove satisfactory.

As a general thing the following kinds of braids are shipped to the United States:

Split plait, Shansi mottles, Shansi white, Mashenpoo, Yankshin white, Laichow white, Mingyang, Eastern or Yu-teen white and rustic. Most of the finest qualities of these grades go to the United States.

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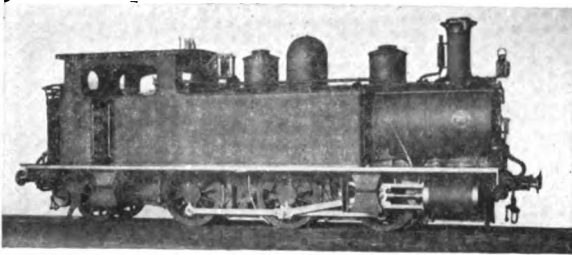
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PORT ARTHUR (COREA), East Asiatic Co., Agents.
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TIENTSIN, Carlowitz & Co., Agents.
TSINTAU, Diedrichsen, Jebsen & Co., Agents.
CHEMULPO (COREA), E. Meyer & Co., Agents.
FOOCHOW, Dodwell, Carhill & Co., Agents.

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MANILA, The Vacuum Oil Company, 39 Plaza Cervantes.
CEBU, The Vacuum Oil Company, Lizarraga Hermanos.

JAPAN

KOBE, The Vacuum Oil Company, No. 26b Naniwa Machi,
(P. O. Box 28, Sannomiya).
YOKOHAMA, The Vacuum Oil Company, 60 Main Street.
NAGASAKI, R. H. Powers & Co., Agents.

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SINGAPORE, The Vacuum Oil Company, 44 Robinson Road.
SAMARANG, Van der Linde & Teves, Agents.
SOERABAYA, The Vacuum Oil Company, Willemskade.
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THE hectic effort of a great New York newspaper to bring about an alliance between China and the United States has excited more amusement than interest among people who are capable of discerning the absurdity of the project. But, judging from the copious interviews which have been elicited in regard to it, from business and professional men all over the country, there is a surprising number of people who are very imperfectly informed about the existing relations between China and the United States. These, as is well known, have their origin in the treaty negotiated by Caleb Cushing in 1844. The provisions of this convention were amplified by the treaty of 1858, under which this country secured from China all that Great Britain and France had obtained by their joint military expedition to Peking. Ten years later came the Burlingame Embassy, and with it a treaty supplementary to that of 1858. In the interim Chinese labor had been called in requisition to build the Trans-continental Railways, and the coolies employed were brought here under a contract system which was equally repugnant to the views of our Government and that of China. The Burlingame treaty, while prohibiting the coolie contract system, guaranteed the free and unlimited immigration of Chinese into the United States, and extended to them the treatment of the most favored nation. This treaty was hailed as a great triumph of American diplomacy, and in communicating the fact of its negotiation to Congress the President referred to its "liberal and auspicious" character. In fact, serious uneasiness was felt in the United States because of the delay which occurred in its ratification by the Chinese Government. With the treaty of 1880 began the long series of restrictions in regard to immigration. That treaty was the work of a commission which had been sent to China to induce the Government at Peking to consent to such modifications of the treaty of 1868 as would permit this Government to regulate, limit or suspend the coming of Chinese laborers to the United States. It was, however, expressly covenanted that the limitation or suspension should be reasonable, and should apply only to Chinese who might go to the United States as laborers, other classes not being included in the limitation. While agreeing to this limitation the Government of China refused to be a party to entire prohibition.

MEANWHILE our domestic legislation had been in frank contravention of the terms of this treaty, and it was only in 1894 that the Chinese Government accepted a treaty un-

der which the coming of Chinese laborers to the United States was absolutely prohibited. As is well known this treaty extended only for a term of ten years, and as it was formally denounced by China six months before its expiration in 1904, it has ceased to exist. Whether, therefore, the limited exclusion provided for by the treaty of 1880, or the absolute freedom of immigration guaranteed in the treaty of 1868 be binding as between China and the United States today, it is plain that the terms of our exclusion acts have no warrant whatever in existing treaty stipulations. Thus to speak of entering into a formal alliance with a power which we have treated with such scant courtesy, and to the vast majority of whose subjects we deny the right of entry into our territory, is rather worse than childish. If such a discussion could serve any good purpose it would be that of directing attention to the urgent necessity of placing our relations with China on a basis of which we need not be ashamed, and for which our Government need not be compelled to apologize. There is no great nation in the world which would have submitted to the contemptuous treatment we have accorded China in this matter of immigration. When the Scott law was enacted in 1888, in deliberate violation of the treaty of 1880, Mr. John Sherman declared in the Senate that we had furnished China with just cause for war. If that were true then, it is equally true today, when the still more drastic laws which have been enacted in the interim are compared with the provisions relating to immigration in our surviving treaties.

THE humorous aspect of the agitation for a treaty of alliance between China and the United States is obviously enhanced by the consideration that it has been soberly urged as a counterpoise to the influence of Japan in Eastern Asia. Our readers hardly need to be assured of the visionary character of any real danger to the interests of the United States from that quarter. The subject will be found very frankly dealt with in the speeches made at the luncheon given at the Hotel Astor in New York in honor of our Ambassador at Tokyo, which are fully reported in this number of the JOURNAL. Baron Takahira, the Japanese Ambassador in Washington, who presided over this function, made a characteristically emphatic plea for a continuance of the good understanding which has existed for fifty years between the two countries. He recalled the fact that throughout all the difficulties and struggles out of which have grown modern Japan the American Minister almost always sympathized with the Japanese, and frequently isolated himself from his colleagues by taking their side. Japan feels under profound obligations to the United States for these and other services, and instead of seeking causes of quarrel her statesmen are honestly desirous to find means of displaying the national gratitude. Ambassador O'Brien cordially recognized the earnest desire of Japan to be on good terms with the United States, and said that he had found the underlying idea of Japanese diplomacy to be that they will be sincere, truthful and honorable in their intercourse with us if we display these qualities in dealing with them. He expected to find that in the years to come the intentions of the Japanese would be so in accord with our own and so founded on mutual respect that all talk of war would be scouted as ridiculous.

THE figures elsewhere published of our staple exports to China for the fiscal year ending with last June do not make very cheerful reading. The total of cotton piece goods has sunk below even the figures of 1907, and the indications of improvement are still of the most slender character. The export trade as a whole reveals totals of a less depressing character. That is to say the exports to the Chinese Empire for the fiscal year 1908 were valued at \$22,343,671 against \$25,704,532 last year; for Hongkong they were \$8,975,161 against \$8,332,208 in 1907. It is true that since 1904 the total of our exports to China has considerably exceeded these figures, but there is some comfort in the reflection that a restoration to normal dimensions of the exports of cotton piece goods would bring the annual total to an amount hitherto unexampled. The imports from China show a decrease under the figures of the last four years, but still stand at the fairly satisfactory average of \$26,020,922. With Japan, on the other hand, our entire trade shows a gradual increase, and, when account is taken of the exports which figure in the returns as destined for "Japanese China," a very substantial increase. To Japan proper the total of the exports for the fiscal year 1908 is \$41,432,327 against \$38,770,027 for the preceding year. But the exports to the Liaotung Peninsula account for another \$8,198,896 against \$1,542,841 for 1907, and only \$21,512 in 1906. The imports from Japan are some \$800,000 less than they were the year before, the total for 1908 being \$68,107,545—two-thirds of which are accounted for by American purchases of silk in Japan. It may be worth noting that our export trade with British India continues to grow, the figures for 1908 being \$9,238,202 against \$7,310,143 in 1907. There is, of course, still an enormous disparity between our whole export trade with the East Indian possessions of Great Britain and the imports which we take from them. This so called adverse balance of trade amounted, however, to only \$50,000,000 this year, against \$74,000,000 in 1907.

WHAT has become known as Rule 86 of Tariff Circular 15-A of the Interstate Commerce Commission continues to present a serious menace to our Asiatic trade. The rule requires the publication by the railroads of the proportion of the export rate between points in the United States and the ports of Eastern Asia which is credited to trans-continental transportation. It is true that the commission expressly disclaim having made any ruling or decision which prevents the carriers from quoting lower export rates on import and export traffic than they quote and apply to domestic traffic. But the fact remains that the indisposition and unwillingness of the railroads to make the rates which they receive from the rail haul on such export and import traffic has an intelligible basis in their apprehension of its disturbing effect on their relations with shippers for the domestic trade only. On the other hand the Interstate Commerce Commission is on record as admitting the expediency of abstaining from the publication of the inland division of a through export or import rate, and that for reasons which have been vainly urged in opposition to the mandate of Rule 86, Traffic Circular 15-A.

Exports of Domestic Cotton Cloths, Mineral Oils, and Wheat Flour from the United States to China and Hongkong, during the twelve months ending June 30, 1907 and 1908.

EXPORTS TO CHINA.

Months.	Cotton Cloths.		Mineral Oils (Illuminating).		Wheat Flour.	
1900.	Yards.		Gallons.		Barrels.	
July	16,895,213	\$1,070,858	6,411,470	\$492,724	40,024	\$155,473
August	11,542,141	762,060	2,856,549	118,952	14,582	50,534
September	15,389,513	1,016,379	3,836,010	181,004	49,824	158,516
October	8,796,507	555,740	2,929,800	128,200	218,590	750,955
November	7,767,251	531,273	3,928,820	392,882	45,975	165,757
December	2,895,000	201,658	6,724,260	528,538	86,603	271,864
1907.						
January	1,613,462	112,456	7,181,252	489,166	80,567	265,564
February	3,556,507	250,293	5,732,280	485,951	115,062	382,467
March	4,447,000	295,627	11,660,410	937,693	300,946	1,042,870
April	6,346,106	446,784	10,059,622	735,590	253,943	849,248
May	4,118,488	291,791	7,751,932	587,927	261,449	880,847
June	3,086,840	179,272	5,841,082	763,993	310,987	1,131,203
Total	86,454,028	\$5,714,191	77,913,487	\$5,842,620	1,784,552	\$6,105,298
1907.						
July	3,863,460	\$272,205	11,456,360	\$980,855	86,448	\$310,426
August	4,807,901	342,629	2,875,430	239,930	102,862	385,654
September	1,859,085	136,873	6,802,922	557,972	41,289	147,457
October	1,965,401	141,000	8,978,499	512,315	33,026	123,769
November	1,481,290	112,653	2,133,690	232,572	6,291	23,413
December	1,298,319	96,945	2,070,050	110,435	4,165	17,198
1908.						
January	1,558,137	117,654	4,130,529	290,075	25,991	100,328
February	1,323,320	86,016	5,557,246	344,315	41,968	164,104
March	5,203,069	323,061	15,878,620	1,475,370	112,510	405,197
April	7,237,119	407,477	5,743,270	626,554	54,389	192,578
May	10,699,661	620,347	16,510,370	1,408,938	12,229	45,578
June	8,579,909	509,503	21,600,784	1,719,948	1,929	7,574
Total	49,876,671	\$3,166,363	103,737,770	\$8,499,279	523,097	\$1,923,276

EXPORTS TO HONGKONG.

Months.	Cotton Cloths.		Mineral Oils (Illuminating).		Wheat Flour.	
1906.	Yards.		Gallons.		Barrels.	
July	50,027	\$6,228	.....	\$.....	65,248	\$229,073
August	100,392	9,345	414,560	42,700	94,848	352,466
September	73,674	10,041	2,279,850	198,270	93,680	359,384
October	63,879	8,109	1,650,910	165,100	98,187	364,904
November	22,621	2,927	.....	.....	92,545	349,077
December	69,227	9,089	1,427,950	142,800	103,487	362,374
1907.						
January	26,890	4,052	.....	.....	56,708	193,828
February	46,467	7,610	1,956,000	200,490	101,949	387,406
March	66,397	7,630	100,000	10,250	40,509	147,965
April	83,997	11,462	900,000	96,987	67,685	248,296
May	28,328	3,217	.....	.....	121,187	443,033
June	5,000	1,305	3,319,545	312,423	146,593	526,930
Total	636,899	\$31,015	12,048,815	\$1,169,020	1,082,626	\$3,964,826
1907.						
July	222,044	\$30,804	1,500,000	\$159,750	97,292	\$355,580
August	11,628	2,615	1,775,960	207,984	51,144	205,970
September	76,096	10,227	.....	.....	99,184	367,031
October	47,261	6,708	.....	.....	56,102	215,526
November	39,334	4,344	.....	.....	134,630	503,094
December	41,695	6,094	1,600,000	72,000	121,972	458,258
1908.						
January	33,055	6,586	.....	.....	78,140	298,671
February	16,555	2,691	.....	.....	44,743	171,538
March	16,403	2,476	3,389,710	227,055	27,396	105,350
April	74,647	10,113	.....	.....	66,290	256,589
May	21,282	3,973	2,842,000	312,218	118,505	409,684
June	2,000	185	.....	.....	83,898	307,728
Total	602,000	\$36,816	11,107,670	\$979,007	979,296	\$3,655,019

DEPARTMENT OF COMMERCE AND LABOR,

Bureau of Statistics.

WASHINGTON, D. C., July 31, 1908.

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Imports of Tea and Silk into the United States for the twelve months ending June 30, 1906, 1907 and 1908.

TEA.

Imported from	1906		1907.		1908.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
United Kingdom.....	8,186,500	1,780,513	8,063,762	1,874,740	9,515,369	2,242,645
British North America....	2,170,388	526,248	2,324,319	558,745	2,435,389	613,824
Chinese Empire.....	37,466,719	4,925,289	31,233,259	4,181,980	27,293,278	4,016,939
East Indies.....	7,340,106	1,058,610	6,269,890	978,218	7,290,513	1,194,822
Japan.....	37,812,684	6,166,246	37,411,653	6,115,386	46,944,430	8,084,435
Other Asia and Oceania ..	450,431	74,941	663,034	113,516	456,221	72,782
Other countries	194,922	49,031	402,573	92,959	214,364	84,423
Total.....	93,621,750	14,580,878	86,368,490	13,915,544	94,149,564	16,309,870

RAW, OR AS REELED FROM THE COCOON.

SILK.

Imported from	1906		1907.		1908.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
France.....	552,493	2,080,974	511,216	2,066,996	375,040	1,487,313
Italy.....	3,490,570	13,972,603	3,729,326	17,199,598	2,966,783	12,916,747
Chinese Empire.....	2,905,739	8,463,339	2,990,039	10,371,644	2,386,436	8,276,243
Japan.....	7,446,007	27,934,363	9,346,975	40,027,463	9,625,310	40,678,372
Other countries	110,515	404,332	144,651	563,817	70,472	306,859
Total.....	14,505,324	52,855,611	16,722,207	70,229,518	15,424,041	63,665,534
Waste .....lbs...free..	2,813,105	1,213,441	1,950,474	1,158,574	1,237,904	881,077
Total unmanufactured .....	.....	54,080,504	.....	71,411,899	.....	64,546,903

RAILWAY PROGRESS IN CHINA.

The following information concerning the building of the Fuhkien Railway, and the American supplies therefor, is furnished by Vice Consul E. Carleton Baker, of Amoy:

The Fuhkien Railway, which is ultimately to connect this province (Fuhkien) with the Province of Kwang Tung, on the south, and Kiang Si on the west, is now well under way. The route from Amoy to Chang Chew, a distance of 33 miles, has been surveyed and the right of way secured, and the tracks have already been laid for a distance of 3 or 4 miles. A large construction force is now working on the road, and the work is steadily progressing. The terminus near Amoy is situated on the mainland at Sung Su, 2 or 3 miles distant from Amoy city proper. It adjoins the water front, and large ships may come alongside as soon as the piers are built. A railway depot and car shops have already been completed, are very substantially built of brick, and present quite an imposing appearance.

The rails for the road were all ordered from the Hanyang Iron Works in the Province of Hu-Peh, \$45,000 worth having been delivered, while \$75,000 worth are on the way. The contract price was about \$35 per ton. The ties, or sleepers, are all of Japanese manufacture, some 50,000 of them having been delivered and paid for at the rate of about 53 cents apiece.

The bridges for this road have all been ordered from the United States through a firm in Shanghai, which works conjointly with an American firm, with headquarters in

New York. Considerable American rolling stock has also been ordered through this firm, also American couplers, turntables and other general supplies.

Only two locomotives so far have been ordered. One is of American and the other of German manufacture. Both are now here on the field. The German locomotive has just been set up by a local engineer, and the American engine is being put together by a personal representative of the American locomotive company which manufactured it. The two locomotives are of similar type, and each cost about \$9,000. Additional locomotives will doubtless be ordered according to whichever of the two locomotives proves the more satisfactory. It may be said that the necessity of having a personal representative of technical training on the field can be seen nowhere more clearly than here. The American locomotive will be shown and handled to far better advantage by the American in charge than the German product can be by some person who is not actually connected with the locomotive business.

Some of the leading officials of the road seem to be favorably disposed toward American rolling stock and railway supplies of all kinds, at least to the extent of giving American manufacturers a fair chance to prove the efficiency of their products, and thus enable the road to purchase them with profit, which is all that can be expected.

There is, therefore, every opportunity for the sale of American railway supplies to the Fuhkien Railway, and a proper representation should accomplish profitable and far reaching results, for more and more material will be required as the railway extends its field of operations, which will eventually cover the greater part of this province.

LUNCHEON TO AMBASSADOR O'BRIEN.

A luncheon was tendered the Honorable Thomas J. O'Brien, Ambassador to Japan, at the Hotel Astor on Tuesday, August 11, by the Japan Society of New York.

Baron K. Takahira, Japanese Ambassador to this country, acted as toastmaster.

Among those present were:

Baron Takahira.
Hon. Thomas J. O'Brien.
Admiral Coghlan.
Mr. K. Yamasaki.
Col. R. M. Thompson.
Mr. K. Fukui.
Mr. Leroy W. Baldwin.
Mr. Hamilton Holt.
Mr. K. Makiyama.
Mr. John A. Sleicher.
Dr. Caccini.
Dr. Togoro Hirose.
Mr. William L. Skidmore.
Mr. John Foord.
Mr. M. K. Tatsuta.
Mr. Koderu.
Mr. B. Souto.
Mr. W. H. Waragai.
Mr. E. L. Young.
Mr. T. Tsumura.
Col. Franklin Allen.
Mr. Jerome C. Read.
Mr. Julius P. Meyer, Jr.
Mr. J. W. Ushikubo.
Mr. John Alvin Young.
Mr. K. Midsuno.
Hon. P. J. McGowan.
Hon. Isidor Straus.
Mr. Henry W. Wehrhane.
Mr. K. J. Imanishi.
Mr. S. Arakawa.
Dr. Thomas Darlington.
Hon. Lewis Nixon.
Mr. E. S. A. de Lima.
Sr. Y. Ono.
Mr. J. Frederick Talcott.
Mr. K. M. Seko.
Mr. J. Kawaguch.
Mr. Thomas J. Hubbard.
Mr. Charles R. Scott.
Mr. K. Anraku.
Mr. B. Abratani.
Mr. Ernest S. Suffern.
Mr. John R. Hall.
Mr. M. Yamada and Guest.
Mr. S. Fukutome.
Mr. J. C. Weadock.
Mr. A. G. Hodenpyl.
Mr. Tetsuka.
Hon. Wm. McCarroll.
Hon. Joseph de Madarasz, Jr.
Mr. Eugen Moross.

ADDRESS OF BARON TAKAHIRA.

YOUR EXCELLENCY AND GENTLEMEN—We are assembled here today to discharge a double duty of unusual pleasure, of welcoming and sending off the American Ambassador to Japan, His Excellency Mr. Thomas J. O'Brien, who has been in this country on leave of absence and who is soon to go back to his post.

Ambassador O'Brien went to Japan a year ago when there were circumstances which were fortunately and unfortunately befitting to test the sentiment of our people toward the United States, and I believe he has tested it to his satisfaction, because in spite of the shortness of time he spent in Japan he has already won the respect and admiration of our people on account of his action and attitude, which are considered worthy of the representative of this great people. (Applause.) When we speak of the relations between Japan and the United States we have necessarily to remind ourselves of the old times when those relations were inaugurated; but if we consider the present and the past have more or less close connection, it may be worth while to make a few remarks on the old stories, because by repeating and scrutinizing such old stories we reopen, often find the truth which serves us as a good lesson, even for the new condition of affairs. What I mean to say is about the choice of its representative, in which the United States has been always fortunate since the establishment of our diplomatic relations. Not speaking of that gallant sailor-diplomat, Commodore Perry, whose success in his extremely delicate task of introducing into the comity of nations our Island Empire, which was at that time only a terra incognita, was a matter of historical importance of the nineteenth century; the other American representatives who were appointed subsequently to Japan as resident ministers almost equally exercised great care and discretion in accomplishing what had been left for them to do. As an illustration of their action I may tell you what a certain observer described as the delicate circumstances which Mr. Townsend Harris, the first American Resident Minister in Japan, had to handle soon after the establishment of diplomatic relations. He says thus:

"Among all the representatives of Western Powers Townsend Harris alone saw the light through this labyrinth of perplexity. Whence he derived his luminous light there have never been any attempts to explain. Perhaps explanation may be simple. Perhaps, because he did not read duplicity in all Oriental profession and practice, his vista was not constantly crowded by suspicion. * * * It was thus that from the very outset American diplomacy assumed in the eyes of the Japanese a distinctive aspect. They learned to regard the Washington statesmen as their country's wellwishers, whose policy no element of aggressive masterfulness disfigured or would ever disfigure."

You can imagine from the above, first, how difficult and complex the situation was at the beginning of our diplomatic relations; secondly, what consummate skill and judgment were used by the American Minister to meet such a situation; and, lastly, Mr. Townsend Harris must have been a man of strong head and also of large heart, as

otherwise it may be reasonably thought that he never would have been able to judge so rightly the situation of the country and the character of the people he had to deal with. In other words, Townsend Harris foresaw fifty years ago, as it seems to me, that the character of the Japanese people would develop itself some day morally and intellectually to assume the less modest position or rather comparatively important place which we now occupy, and with such perception he used every effort to encourage the Japanese rulers to steer their ship of state in a right direction, so that the Japanese people at last learned through his judicious attitude how to admire the American Government and their diplomacy. The example thus set by Townsend Harris was followed by almost all American representatives who came to Japan thereafter, and it is interesting to look back at what characterized their action and attitude in all the vicissitudes of life Japan had to pass through since then. She had from time to time to meet complications of all kinds, to face revolutionary movements of her own people, to reorganize the political system of the Empire, to remodel the administrative and judicial systems of the country, to introduce a representative form of government, to revise the treaties with the Western powers, and even to fight two great foreign wars. In all these difficult and vexed works and undertakings the American Minister almost always sympathized with Japan and often took our side, even by isolating himself from among his colleagues. I should be glad to enumerate before you all that they have done in helping us to attain the position we now occupy, but the facts are too numerous for the occasion to allow me to describe them. Suffice it to say that through such friendly attitude taken by the American representatives your people are deeply endeared to ours, and we want to reciprocate what has been done for us. We have never had an idea for a moment of displeasing your people, much less of waging war against you. Therefore, when there were war cries raised in some quarters we were simply amazed to find the cause of such cries. We then thought that such unthinkable stories could not exist long, and we are happy to see that they have now disappeared. It is unnecessary to say that in the midst of such unthinkable stories going on none of the intelligent people of the two countries believed in the possibility of hostility between two such nations of time honored friendship, but when there are before us many problems to be solved hereafter by our friendly co-operation for the benefit of commerce and civilization, any stories which might mislead the peace loving public and make mischief in our good intentions should not be allowed to exist. (Applause.)

Now, in regard to the problems just referred to, I do not mean to go into details, but if the introduction of Japan into the comity of nations by the United States with the result now apparent to everyone should have contributed to the promotion of the general interests of all nations, as we are affected to believe, all actions hereafter to be taken by the two countries in the Far East as the natural consequence of the friendly relations between them must have the same beneficial result to the general welfare of all concerned. It is for this reason that every effort should be made to promote the friendship between our two countries, and that

we are especially pleased to find Ambassador O'Brien proving himself to be the right man for the right place by his rare ability and strong good will, as has been exhibited since his appointment. Gentlemen, in expressing our sincere good wishes for His Excellency, I invite you to stand up and to raise your glasses, first, for the happiness and prosperity of the President of the United States, who has selected such an eminent diplomat for the post of Japan, and then again to empty your glasses for the success of Ambassador O'Brien as the worthy representative of President Roosevelt and of the great people over whom he so wisely presides. (Applause.)

At the conclusion of the speech of Ambassador Takahira the toasts of President Roosevelt and Ambassador O'Brien, respectively, were drunk standing.

Baron Takahira then introduced Ambassador Thomas J. O'Brien, who spoke as follows:

AMBASSADOR TAKAHIRA AND GENTLEMEN OF THE JAPAN SOCIETY—I was a good deal surprised a year ago to learn that certain gentlemen, partly citizens of the United States, partly subjects of Japan, had organized here in the chief city of our Union an association which had for its central purpose the establishment of friendly, permanently friendly, good relations between our two countries. (Applause.) You were kind enough at that time on the occasion of the visit here of Admiral Yamamoto to ask me also to be present. I was not able to accept the invitation, but I heard the story from the admiral himself after his return to Japan. He has proved a genial gentleman and a firm friend, not only to me personally but of the United States. (Applause.)

I would be presumptuous to undertake to tell you very much about that wonderful country, interesting and in a way quite new—old at the same time—because I have been there less than a year, and yet it seems longer than a year. I need not assure you that I was met on all sides by the warmest welcome or that my duties there have been unobstructed by anything like objection, either to our country or to me. It gives me the greatest pleasure to assure you that I have found nothing but kindness, politeness, sincerity and a plain intention to deal with us and to deal with our affairs in the most sincere and honorable manner. (Applause.) In one way and another it has been possible during the year to close up some outstanding matters which, while not serious, were still in the way, and in the negotiations about these matters I have been met at all times with the same kindness and the same truthful and sincere manner that I tried to extend to them. They are not unlike other peoples in some respects. It is said that they are sometimes suspicious. Well, they are new in the societies of the world. The Westerners—we have seen the time when we were suspicious also. Perhaps we have not fully recovered from it yet, and yet I have an idea that we have broadened, we have become more and less self conscious, and that when we see a criticism here and there we don't any longer take it as a personal slight or a reflection upon our Government or the methods by which it is carried on; but in the case of the Japanese I think that the underlying idea is this, that they will be sincere and truthful and honorable in our governmental affairs if we are so to them.

That has been my experience. It is, rightly speaking, the experience of others who have succeeded. We have only to reflect a moment, we don't need to reflect, you don't, because this organization speaks for itself—we are of the utmost need to Japan. Our market is of the highest value to her. It is of greater value to them than their market is to us, because we have a wider field in which our products may be disseminated, but we are their chief customer. Here is where they get a large part of their money to carry on their business. And it is an absurd thing to suppose that out of that should grow differences, and indeed it is contrary to the ordinary rules of common sense. (Applause.) While we are on friendly terms with Japan the question of armaments and defences and things like that may well be put into the background. They are well able to protect us if we needed protection in all the Oriental capacities, but we are too prone to talk of needing protection. There are great markets and there is a great future not only in Japan but in all the Far East. It is natural that other nations, as well as our own, should be bidding for that market. It is simply a little extension of what we do among ourselves in a moderate way at home. But the Old World is too old and too civilized, it seems to me, too clever to find in the friendly rivalry of trade a cause for war, for destruction, for loss of life and property. And so I expect that in the years to come the intentions of our people and the intentions of the Japanese will be so in accord, so founded upon mutual respect that all war talk will be considered quite out of the question, and that between our peoples, differing, of course, in many ways, and yet in our dealings, our governmental relations there will be sympathy, there will be aid, there will be mutual encouragement and profit if we proceed upon that basis. (Applause.)

I can speak, and speak by the book, as regards the duties of our Government on this subject. The President of the United States believes that there is no danger of war, that there is nothing to cause it, that there is nobody talking about it seriously, and he expects us to proceed in the years to come along the lines which I have indicated.

Now, gentlemen, I would not be foolish enough to suppose that this beautiful function was intended for me as an individual, for it speaks more than that, it bespeaks your interest in the subject to which I am addressing myself and which has been so ably presented by my colleague, the Ambassador. It means that you are willing on a hot day in August to leave your business, to leave your affairs and come here in honor of Japan and its relations to the United States. (Applause.) When I approached the hotel this morning and saw side by side two most generous flags, one of the United States and the other of Japan (applause), I must confess to you that I was proud and pleased. It speaks well for your intentions, and all I can suggest as to the future—and I need hardly suggest it—is that you will exercise and use your influence in the direction of a considerable degree of patience with the doings of Japan on the only question about which there is any talk at all, a question which, of course, will continue all the time, the labor question, because while all the Japanese except laborers may come to the United States freely it becomes a serious ques-

tion to determine where the line between the laborer and the gentleman must be drawn. The chief differences have been on this line, and they will be always with us so long as that restriction continues, but I take it that the people of the United States will be patient, because I see in the Government of Japan an honest effort to meet our views on that subject. What more can we ask?

And, gentlemen, so far as my individual personality goes, I beg to thank you most sincerely for this generous turnout, this generous function. (Applause.) Gentlemen, I desire that you will rise and respond to the toast, "The health and prosperity of His Majesty the Emperor."

The toast was drunk standing amid shouts of "Banzai" from the Japanese gentlemen present, while the band played the Japanese national anthem.

Baron Takahira then introduced Rear Admiral Joseph B. Coghlan, who spoke as follows:

GENTLEMEN OF THE SOCIETY AND MR. AMBASSADOR—I merely wish to rise to bid godspeed and good luck to our Ambassador who is about to return to the duties of his office. We know what has occurred within the last year or two, or even within the time that the Ambassador has served in Japan, and it must be very pleasant to him to reflect that he has been instrumental in increasing the great friendship that had already existed between the two countries, and he has taken a great and active part in still further forwarding it. I hardly think it is necessary for us to assure anything at this time or for either nationality to do anything in particular to cement the friendship that has existed since the time of our gallant old Commodore Perry when he went to Japan first in 1853, but I think that as Ambassador Takahira has spoken of the fact that our vessels, our fleet is out in the Pacific at the present time, and, as a great many of us think, is making a pleasant junketing trip, which I unfortunately have not the pleasure of enjoying with them—but old age will come on you know, when we must give up to the younger fellows—let them have a show in life (applause)—I have no doubt in the world, from the preparations and from the feeling of the people of Japan, that the reception which our fleet will meet with when it has arrived there will be of such a nature that thereafter any fears of anything in the shape of war between the two countries will be permanently allayed, (Applause.)

They have done everything they could to show us that they are friendly, and we think we have done about all as a nation that we could to show them the same. To be sure there will always be little differences, as there always will be in every well regulated community, and when we speak of the nations it is merely the community of the world, but if anything can be done you may rest assured that it will be done on the part of Japan to avoid such. We hope to see a great, great gain in every way on the occasion of the visit of the fleet. We ourselves are naturally proud of the fleet, because it is the first fleet we have had, and we are proud of it as a hearty youngster who may be expected to grow. In fact we are quite certain it is worth something now. We hope that it will increase, not that we have any particular object in view, but simply that the United States may always be in a position to hold her own, and then we

don't want anybody to tread on our coat tails. We are sure that the farther the fleet goes, that the officers and fellows in the fleet, they are such fine fellows, that they will spread such a knowledge of our people, and the people they meet will gain such a knowledge of our mode of action and our hopes and aspirations for the future, that the visit, anywhere, cannot but result in good. And I am perfectly sure, Mr. Ambassador, that you will lend all the great help that you can to make the visit a success and a means of binding together all the more closely the two nations. (Applause.)

At the conclusion of Rear Admiral Coghlan's address Baron Takahira introduced the Japanese Consul General, Mr. Midzuno, who spoke as follows:

EXCELLENCY AND GENTLEMEN—I arise to give expression to the esteem and pleasure with which the Japanese community in this Empire City regard you, Mr. Ambassador, and to extend to you a cordial welcome in the name of the Japanese residents here.

We are glad that you have come, in spite of heat and shortness of your stay in this city, and afforded us this opportunity of displaying our high appreciation of the just and noble cause which you so ably represent in Japan.

I am not abusing compliment, nor is it mere commonplace courtesy, but I am speaking the simple truth when I say as a late arrival from Japan that Mr. O'Brien is one of the most popular representatives that the United States has had at the Imperial Court of Tokio. What he has accomplished since he became the head of the American Embassy in Tokio is too vivid in our memories and too well known to us all to require recapitulation.

We feel absolutely confident that the personal experience in Japan of your Excellency has convinced you that the whole Japanese nation, from the highest personages down to the peasants in the remotest villages, remain ever faithful to the traditional friendship existing between us for a half century.

Such ties are too strong to be broken by the pens and tongues of certain professional "alarmists," as we call them. The friendly feelings entertained by Japanese toward the American people, enhanced by the sentiment of gratitude, are more genuine and deeper rooted than is usually thought by the casual observer.

Japan and her people strongly believe that such anti-Japanese utterances made by unscrupulous men and newspapers are not reflecting the real and actual sentiments of the American public at all, and that the United States are and desire to remain the best and truest friends of Japan. (Applause.) That this is not the honeyed phraseology of diplomacy, no one knows better than Ambassador O'Brien. His Excellency is the best judge as well as the best witness.

Everyone who is well acquainted with the situation will agree with me when I say that our guest has had so far in Japan almost unparalleled success in fulfilling his highly responsible duty, and that his services will be invaluable hereafter in maintaining and still promoting the extremely cordial relations which exist between the two nations. The governments of the United States and Japan are to be complimented in having Mr. O'Brien and Baron Takahira, such able and popular representatives, respectively, each of

whom has the confidence and esteem of the Government to which he is accredited, and there is nothing more certain than that the longer Mr. Ambassador and Mrs. O'Brien stay in Japan the more they will enjoy the esteem and love of her people, and illustrate by their ability, talent and virtues the glory of the great republic they represent. (Applause.)

The Japan Society of New York, though still in its infancy and an expressly non-political body of American friends of Japan and Japanese friends of America, has been, I am glad to say, instrumental in promoting the mutual friendship of the two people, and I hope on your arrival in Japan your Excellency will convey this society's best wishes to the similar organization in Japan, and that the time will not be far off when this society will have substantial co-operation with its sister organization in Japan.

In conclusion it is my pleasant privilege to wish you godspeed and bon voyage in the name of the Japanese residents here in this metropolitan city, where no less than 90 per cent. of the enormous trade between the United States and Japan is actually transacted.

SILK TRADE OF JAPAN.

Minister T. J. O'Brien, of Tokyo, transmits the following translation, made by Student Interpreter A. A. Williamson, of an article in a local newspaper concerning the silk-worm industry of Japan:

At this season (May) the silkworms emerge from the eggs and considerable interest attaches to their number as compared with the hatch of previous years, as some estimate, with regard to the output of silk at the end of the season, may be made therefrom.

Of the 42 fus and prefectures mentioned, 33 showed an increase in the production of worms and of mulberry leaves of from 10 per cent. to 20 per cent.; 9 were below average or the same as last year. Hokkaido suffered from bad weather, which spoiled the hatch somewhat and considerably damaged the mulberry sprouts. Frost and snow caused more or less damage to sprouts in 8 prefectures, and in Yamanashi Prefecture the mulberry fields were so washed out by the floods of last year that not much leaf will be produced this year; yet Fukuoka Prefecture shows an increase of about 25 per cent., and in 7 prefectures the increase amounts to 20 per cent. In addition, the number of families engaged in the industry has been considerably augmented, so that, with the increase in the number of worms and the large yield of mulberry leaves expected, a good silk year is anticipated.

THE PATENT LAWS IN JAPAN.

According to an official return, the letters patent taken out since the patent law came into force in Japan number 8,892, of which 2,551 have been taken out by foreigners. The trademarks registered at the Patent Bureau reach a total of 32,436, of which 5,189 are registered by foreigners.

The patents taken out and the trademarks registered by foreign and native applicants last year are as follows:

Patents—	
Native applicants.....	2,042
Foreign applicants.....	659
(Americans, 232; British, 216; Germans, 64; French, 32; others, 135.)	
Trademarks—	
Native applicants.....	2,720
Foreign applicants.....	599
(Germans, 257; Americans, 145; British, 144; others, 53.)	

THROUGH RATES TO ASIATIC PORTS.

The following is a condensed report, taken from the *Pacific Marine Review*, of the conference of the railway lines interested in the ruling of the Interstate Commerce Commission in regard to the separation of the railroad and ship proportion of rates in trans-Pacific trade:

MEMORANDA PROCEEDINGS CONFERENCE, ASIATIC RATES,
HELD IN CHICAGO, JUNE 24 AND 25, 1908.

OUTWARD BOUND ASIATIC RATES.

Effective October 31, 1908, Great Northern and Northern Pacific will discontinue carrying through rates to the Orient, and on and after November 1 next west bound domestic rates will apply to Seattle and Tacoma on freight for the Orient, except that on raw cotton (compressed) and cotton piece goods the Puget Sound routes may carry the same Asiatic rates as apply to and via San Francisco. Notice will be sent Agent Countiss regarding this feature at a later date. The Canadian Pacific will carry the same through and proportional rates via and to Vancouver as operated by the San Francisco, Portland and East San Pedro routes.

The following changes and additions are proposed in the rates via ports other than Seattle and Tacoma, covered by R. H. Countiss' memoranda (revised) AA.

1. Eliminate all reference to ports of Seattle and Tacoma.
2. Eliminate following steamship companies: Boston Steamship Company, Frank Waterhouse & Co., Great Northern Steamship Company, Nippon Yusen Kaisha, Ocean Steamship Company, Ltd., China Mutual Steam Navigation Company, Ltd., Weir Steamship Lines.
3. Adoption of rule modifying Rule 5, page 5. Tariff S. R. 933, and providing for Pacific steamer minimum of \$5.
4. Adoption of inland minimum charge of \$2.60.
5. Amend beer rates to read: Beer in glass, packed, from all points, proportional rates 67c.; through rate, \$1 carload, min. C. L. weight 30,000 lbs.
6. Add Louisiana to list of States from which acetate of lime rates apply.
7. Cancel \$11.25 per 40 cu. ft. rate, cotton piece goods, from New England, and carry the proposed Southeastern rates from all points, Canadian Pacific to advise later if they wish same action taken via Vancouver.
8. Cancel flypaper rate for account all routes.
9. Increase rates on raw cotton from East St. Louis, St. Louis and Kansas City to basis 60c. proportional and 91c. through.
10. Cancel fertilizer rate for account all routes.

ARTICLES

ARTICLES	Through rates from China and Japan ports.		Proportional rates from—			
	LCL.	CL.	E. San Pedro, Portland, San Francisco, Vancouver, LCL.	CL.	Tacoma, Seattle, LCL.	CL.
Antimony, in packages.....	\$1.00	....	\$0.62	....	....	....
Bamboo poles and shades, in packages.....	1.25	....	.77	....	....	\$0.85
Camphor, crude, in packages.....	1.00	....	.62	....	....	.80
Cassia, chillies, cinnamon, cloves, condiments (dry), ginger (dry), mace, nutmegs, pepper, turmeric and spices, Nos. in boxes or bales, min. CL. wt. 20,000 lbs.....	1.50	\$1.25	.93	\$0.77	....	.80
Fans (palm leaf or paper), paper napkins, paper parasols and paper umbrellas; also straw fibre, hand screens, fibre seats and joss sticks, in packages.....	1.15	....	.71	....	\$1.75	1.00

INWARD BOUND ASIATIC RATES.

Effective October 31, 1908, Great Northern and Northern Pacific will discontinue carrying through rates from the Orient, and on and after November 1 the following rates will be published in Tariff 2-D or reissues thereof, as domestic rates from Northern Pacific Coast terminals (including Portland, Ore., and O. R. & N.):

Bamboo poles and shades in packages—CL. 85c., min. 20,000 lbs.

Camphor, crude, in packages—CL. 80c., min. 30,000 lbs.

Firecrackers, in cases—CL. 80c., min. 30,000 lbs.

Gums (including Gum Copal, Gum Damar, Gum Kowrie, East India Gum and Gambier)—CL. 80c., min. 30,000 lbs.

Silk, raw, spun, wild or Tussah, silk goods and linen goods in packages—LCL. \$4.

Silk waste, in packages—LCL. \$1.50.

Strawboard, in cases or bales—LCL. \$1.50.

Asiatic curios and notions, Nos., in packages, when carrier's liability is limited to \$10 per 100 lbs., unless actual value is less, subject to rule—LCL. \$1.50; when not released, LCL. \$2.

Spices, Nos. Cassia, chillies, cinnamon, cloves, condiments (dry), ginger (dry), mace, nutmegs, pepper and turmeric, in boxes or bales—CL. 80c., min. 30,000 lbs.

Fans (palm leaf or paper), paper lanterns, paper lamp shades, paper napkins, straw fibre, hand screens, fibre seats, joss sticks, paper parasols and paper umbrellas, in packages—CL. \$1, min. 24,000 lbs.; LCL. \$1.75.

Bulbs and fern balls, dried (charges prepaid or guaranteed)—CL. \$1, min. 24,000 lbs.; LCL. \$2.50.

Japanese and Chinese earthenware and common porcelains, such as Seji ware, Kanga ware, Inwari and Owari ware, not including Satsuma or fine porcelains, in packages—CL. \$1, min. 20,000 lbs.; LCL. \$2.

Matting, matting rugs, matting grass and straw fibre, in packages—CL. 85c., min. 20,000 lbs.; LCL. \$1.10.

Tea and tea dust—CL. \$1, min. 30,000 lbs.; LCL. \$1.25.

Firecrackers, in cases—CL. 80c., min. 30,000 lbs.

Notice will later be sent to Agent Countiss as to whether or not the California lines desire the foregoing rates published as domestic rates in Tariff 3-E or reissue thereof.

It is proposed that the following rates should be published effective November 1, 1908, through the ports of San Francisco, East San Pedro, California, Portland, Oregon and Vancouver, B. C.

Through rates from China and Japan ports.		Proportional rates from—			
LCL.	CL.	E. San Pedro, Portland, San Francisco, Vancouver, LCL.	CL.	Tacoma, Seattle, LCL.	CL.
\$1.00	\$0.62	....	....	....
1.2577	....	....	\$0.85
1.0062	....	....	.80
1.50	\$1.25	.93	\$0.77	....	.80
1.1571	....	\$1.75	1.00

Paper lanterns and paper lamp shades, in packages.....	2.00	....	1.25	....	1.75	1.00
Fern balls (dried), plants and bulbs, in packages.....	1.50	....	.93	....	2.50	1.00
Firecrackers, in cases.....	1.00	....	.62	....	....	.80
Gums (including Gum Copal, Gum Damar, Gum Kowrie, East India Gum and Gambier).....	1.25	....	.77	....	....	.80
Hemp, sisal and flax fibre, in pressed bales, CL. min. 24,000 lbs.....	....	*.75	....	*.46	....	....
Hides, skins and pelts, viz.: Cow, goat, sheep, dog, horse, rabbit and kangaroo, in bales or casks.....	1.50	....	.93	....	....	....
Japanese and Chinese earthenware and common porcelains, such as Sejiware, Kangaware, Iwari and Owari ware, not including Satsuma or fine porcelains, in packages.....	1.60	....	1.00	....	2.00	1.00
Linen goods.....	2.03	....	1.25	....	....	....
Matting, matting rugs, matting grass and straw fibre, in packages, CL. min. 20,000 lbs.....	1.50	1.25	.93	.77	1.10	.85
Paper.....	1.50	....	.93	....	....	....
Sage and tapioca, in bags, CL. min. 30,000 lbs.....	1.50	.90	.93	.56	....	....
Silk, raw, spun, wild or Tussah silk goods, and all other commodities given passenger or special service west of Chicago, Ill., or Fort Williams, Ont. Note—Shipments of declared value \$3.00 or more per pound will be accepted for transportation west of Chicago, Ill., or Fort Williams, Ont., only by passenger or special service.....	6.00	....	3.75	....	4.00	....
Silk waste.....	1.75	....	1.08	....	1.50	....
Strawboard, in cases and bales.....	2.00	....	1.24	....	1.50	....
Tea and tea dust, CL. min. 30,000 lbs.....	1.75	1.50	1.08	.93	1.25	1.00
Metal ornaments, in packages.....	1.65	....	1.00	....	....	....
Toys, in packages.....	2.43	....	1.50	....	....	....
Baskets, basketware and bambooware, boxed.....	2.43	....	1.50	....	....	....
Lacqueredware, in packages.....	1.95	....	1.25	....	....	....
Brushes, in packages.....	1.60	....	1.00	....	....	....
Tin, block, pig, bar or slab, CL. min. 40,000 lbs.....	....	.75	....	.50	....	....
Japanese and Chinese curios and notions, Nos., in packages. Carrier's liability limited to \$10 gold per 100 lbs., unless actual value is less.	2.43	....	1.50	....	1.50	....
Not released.....	2.93	....	2.00	....	2.00	....

*Rates named apply only to all points in States of Illinois, Wisconsin, Minnesota, North Dakota, Iowa, Missouri, Kansas and Nebraska.

Application of rates to stand as checked in statement attached to Agent Countiss' circular letter, June 15, 1908.
R. S. STUBBS.

CHICAGO, June 26, 1908.

I. C. C. TARIFF CIRCULAR, NO. 15-A, RULE 86.

(Communication from Commissioner Clark.)

CEDAR RAPIDS, Ia., July 18, 1908.

Pacific Marine Review, Seattle, Wash.:

GENTLEMEN—Your letter of July 1 to the commission on the subject of Rule 86 of the commission's traffic circular 15-A, is brought to my attention.

It would seem that perhaps some of those who naturally are interested in this subject have in some manner gained the understanding that this is simply an expression of the commission's views of what ought to be as a practical matter. It is in fact, however, simply a concise statement for practical traffic construction purposes, of the views reached by the commission after a very careful consideration, in the case of the Cosmopolitan Shipping Company vs. Hamburg-American Packet Company, a copy of which decision is herewith enclosed.

The carriers in their petition for modification of this rule argue that it is within the power of the commission to meet their wishes under the proviso in Section 6 of the act, which authorizes the commission to modify the requirements of the section with regard to publishing, posting and filing tariffs. It is true that the act confers that authority upon the commission. It is also true that

the act specifies the carriers amenable to the act. It is believed that the ocean carriers between ports of the United States and points in foreign countries not adjacent are outside the jurisdiction of the act and of the commission, and therefore the commission has no authority with regard to the tariffs or the rates of such ocean carriers.

The commission has already granted to the ocean carriers plying between ports of the United States on the Pacific Ocean and foreign countries not adjacent permission to change rates of export and import traffic on three days' notice of a reduction, and ten days' notice of an increase.

The carriers have an unquestioned right to make arrangements for through shipments with such ocean carriers as they choose, and to refrain from making such arrangements with other carriers.

The one point in the request of the carriers for modification of this rule that has not been specifically and practically met is their indisposition and unwillingness to make public the rates which they receive from the rail haul on such export and import traffic. If there is any one thing which the act to regulate commerce contemplates and attempts to require, it is full publicity of the rates and charges of the carriers, subject to its terms. Non-discrimination between persons and localities is insisted upon, and unjust and unlawful discrimination could not be pre-

vented if the rates of the carriers subject to the terms of the law are not published in such a way as to give all an equal opportunity to use them on even terms, and in such a way to make it possible for the commission and other officers of the Government to enforce the law which prohibits the carriers from receiving a greater or less or different compensation than that prescribed in their lawful tariffs at the time. It is difficult to see now a semi-confidential publication of rates such as is proposed in this connection would meet the substantive mandatory and specific requirements of the act.

It is, of course, the aim and intent of the commission to perform its full duty in the administration of the law. All questions of convenience or inconvenience, expense or economy, are supposed to have been considered by the legislative branch of the Government prior to and in connection with the enactment of the law. It is our duty to administer the law as laid down. It is our earnest desire to do this without any unnecessary embarrassment, inconvenience or expense to either shippers or carriers, but where the provisions and application of the law are clear, and our duty is plain, we must, of course, follow the law, and relief must be had at the hands of Congress.

I note that both your paper and the others from which you send clippings apparently deal with this matter as a ruling of the commission, and fail to take into consideration the provisions or the proper application of the law itself. If the decision of the commission in the Cosmopolitan Shipping Company's case is right, and we believe it is, it is difficult to see how Rule 86 of tariff circular 15-A can properly be further modified than as has already been provided for in the permission which has been given to the carriers, extending to October 1 the time in which they may fill the tariffs constructed in accordance therewith, and, as hereinbefore stated, granting them permission to change the inland portion of those export and import rates on short notice.

You suggest that a ruling of the railroads that they will not quote export rates less than their domestic rates is compelled by the commission. I submit that neither in this nor any other connection has the commission made any ruling or decision which prevents the carriers from quoting lower rates on import and export traffic than they quote and apply to domestic traffic. That question was, as we considered it, definitely settled by the Supreme Court of the United States in the import rate case 162, United States, 197, and the more recent views of the commission are plainly announced in its decision in the Pittsburg Plate Glass Company's case, copies herewith enclosed.

Attention is called to the fact that if the ocean carriers and the rail carriers are under the same ownership there is nothing in this connection which can particularly embarrass them; the same interests would get the entire earnings for the through movements and the manner in which they divided it between the rail and ocean haul would be a matter within their own control, and of interest only to themselves.

Very truly yours,

E. E. CLARK.

THE ARBITRATION TREATY BETWEEN JAPAN AND AMERICA.

The text of the Japanese-American Arbitration Treaty is as follows:

His Majesty the Emperor of Japan and the President of the United States of America, taking into consideration the fact that the High Contracting Parties to the Convention for the pacific settlement of international disputes, concluded at The Hague on the 29th July, 1899, have reserved to themselves, by Article XIX of that Convention, the right of concluding agreements, with a view to referring to arbitration all questions which they shall consider possible to submit to such treatment, have resolved to conclude an Arbitration Convention between the two countries, and for the purpose have named as the Plenipotentiaries, that is to say:

His Majesty the Emperor of Japan, Baron Kogoro Takahira, Shosammi, Grand Cordon of the Imperial Order of the Rising Sun, His Ambassador Extraordinary and Plenipotentiary to the United States of America; and the President of the United States of America, Elihu Root, Secretary of State of the United States of America;

Who, after having communicated to each other their Full Powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE I.

Differences which may arise of a legal nature, or relating to the interpretation of treaties existing between the two Contracting Parties, and which it may not have been possible to settle by diplomacy, shall be referred to the Permanent Court of Arbitration established at The Hague by the Convention of the 29th July, 1899, provided, nevertheless, that they do not affect the vital interests, the independence, or the honor of the two Contracting States, and do not concern the interests of third Parties.

ARTICLE II.

In each individual case the High Contracting Parties, before appealing to the Permanent Court of Arbitration, shall conclude a special agreement defining clearly the matter in dispute, scope of the powers of the arbitrators, and the periods to be fixed for the formation of the Arbitral Tribunal and the several stages of the procedure. It is understood that such special agreements will be made on the part of the United States by the President of the United States and with the advice and consent of the Senate thereof.

Such agreements shall be binding only when confirmed by the two governments by an Exchange of Notes.

ARTICLE III.

The present Convention shall remain in force for the period of five years from the exchange of the ratifications.

ARTICLE IV.

The present Convention shall be ratified by the High Contracting Parties, and the ratifications thereof shall be exchanged at Washington as soon as possible.

In witness whereof, the respective Plenipotentiaries have signed the present Convention, and have thereunto affixed their seals.

Done at the City of Washington, in duplicate, this fifth day of the fifth month of the forty-first year of Meiji, corresponding to the 5th day of May, 1908.

[L. S.]
[L. S.]

(Sgd.)
(Sgd.)

K. TAKAHIRA,
ELIHU ROOT.

DEVELOPMENT OF HOKKAIDO.

The following report is the result of a personal investigation made recently by Consul General Henry B. Miller, of Yokohama, during a trip to the Japanese island of Hokkaido:

"The island of Yezo or Hokkaido is the richest in variety of undeveloped resources of any part of the possessions of Japan. Its area is more than 30,000 square miles and its coast 1,600 miles, exclusive of the various dependent islands, which have an area of 6,200 square miles. Hokkaido is the second largest island in Japan. Its population in 1905 was 1,192,394.

"The island is specially rich in timber, coal, sulphur, fishery, agricultural and horticultural possibilities. Petroleum is worked in several localities, but is considered not possible for extensive development.

"At the end of the year 1905 there were over 5,864,000 cho (about 14,370,000 acres) of forests in Hokkaido, classified as follows, in acres: State forestry, 11,930,000; crown forestry, 1,517,000; forestry reserved for schools, 186,000; model forestry under control of municipalities, 505,000; owned by public institutions, private corporations or individuals, 98,000; land leased for forestry purposes but not yet developed, 127,000.

"The above area covers about 68 per cent. of the total area of Hokkaido (exclusive of the Kurile archipelago) or about 23.8 per cent. of the total forest area of the Empire (Sakhalin, Riu Kiu and Formosa excepted).

"Of the trees mostly utilized are pines, white willow, various kinds of oak, walnut, etc. The pines are used for building and as material for manufacturing pulp, white willows for match sticks, supplying the greater part of the total consumption in Japan; walnut for manufacturing articles used by the army department, and oak and several other woods for lumber, railway sleepers, firewood and for making charcoal.

"A large tanning concern in Tokyo established in 1903 a tannic acid factory in Hayaki and from oak bark are manufacturing tannic acid.

"White willow, red pine and some others are used for manufacturing chip braids. Charcoal and native 'clogs' consume a large quantity of the forest products.

"The deciduous forests cover more than half the total forests of the Hokkaido, and they are everywhere to be found. The total forest products of Hokkaido in 1905 were valued at \$1,512,649, timber and lumber constituting nearly one-half of this amount; willows for match sticks and railway sleepers being the next in value.

"The hardwoods are now being exported to China, Australia, Mexico and the United States, mostly for ties. Negotiations are under way for contracts for these hardwood ties to be delivered on the Atlantic coast of the United States. Many of these hardwoods are particularly handsome and valuable for furniture and for housefurnishing, especially the oak, curly ash, birdseye maple, etc. Exports of lumber to the United States from Hokkaido in 1906 amounted to \$166,601, while in 1907 they amounted to \$269,686.

"The bulk of the shipments of timber is in the form of ties hewn and sawed and logs hewn and slabbed. Considerable amounts of hardwood have been shipped for furnishing purposes, car building, etc., to San Francisco, Portland and Seattle.

"At present there is little grading or classification, as most of it is sold in the form of logs, trees and railway sleepers. The defects of this method will no doubt soon be noticed, sawmills will be built, and the lumber will be carefully graded, and only the finer grades shipped to foreign markets requiring expensive freight charges. Planing mills, dry kilns and woodworking machinery will be in demand there as well as logging, railroads and appliances.

"As yet sawmills are very few, only twenty-one throughout the island, of which all but three are worked on a small scale by private individuals. Planing mills are almost unknown.

"The development of mining in Hokkaido has lately made great progress and bids fair to make still further advance. The amount of mineral production in 1895 was only \$1,280,000, while in 1905 it amounted to \$3,922,000. Coal mining made a special advance from 453,959 tons in 1895 to 1,177,511 in 1905.

"The minerals produced amount to about \$4,000,000 per annum, which is less than one-third of that of Kiushiu, but the future production is expected to be exceedingly prosperous, as the field is rich and a large tract of possible mining districts is yet unprospected or unexplored. Coal is the most important mineral product, followed by sulphur, gold and silver, in the order named, while others are insignificant. The following table shows the value of the mineral production in various recent years:

Year	Coal	Sulphur	Gold and Silver	Manganese	Alluvial gold	Total
1897	\$1,850,711	\$ 4,750	\$121,681	\$21,140	\$26,873	\$1,903,542
1898	2,204,141	118,415	93,108	15,625	35,493	2,436,696
1901	2,625,890	78,498	14,681	4,465	506,404	3,317,713
1905	3,529,718	194,829	194,298	15,905	58,086	3,922,806
1906	3,549,844	240,903	68,749		40,713	3,900,996

"The coal generally mined in the island is superior in quality to that of other districts of Japan, especially for steamship purposes, and many ships coming from the Pacific Coast of the United States call at the port of Muroran for coal. The coal brought to Muroran by rail is particularly fine for cooking, and the coal mines in the vicinity formed the foundation for the great Muroran steel and iron industry which is being established by a combination of the British and Japanese capitalists. According to the report of a specialist who examined the four principal coal mines (Ishikari, Amashio, Soya and Kushio) it is stated that the strata are often more than 20 feet in some mines, and that the total amount of underlying coal in these four mines is at least 600,000,000 tons.

"There was shipped from Hokkaido to the United States sulphur to the value of \$326,725 in 1906 and \$329,201 in 1907.

"While the great wealth of Hokkaido today is in fishery,

forestry and mining, eventually its fundamental resource will be agriculture. There were in 1905 only 889,495 acres under cultivation, the product from which was valued at \$11,000,000. This acreage comprises only about 5 per cent. of the total area of the island. It is estimated, however, that 3,000,000 acres are capable of producing crops to the value of \$43,000,000 per year, when the agricultural resources are properly developed. This estimate appears to me to be altogether too small, and probably covers only the richer valley sections. The uplands, hillsides and mountain bases, now covered with timber, will undoubtedly before many years be producing fruits, nuts, vegetables, grains and grasses.

"The larger part of the island is capable of producing all kinds of grain equal to the best grain growing sections of other countries. The island is especially suitable for the production of vegetables, and is beyond doubt the best beet producing part of Japan. Considerable quantities are grown here and shipped to various places in the Orient. Quite an extensive trade is carried on with the Philippine Islands in beets.

"It is a great field for exploitation and development, and the policy of the Government is most generous with settlers in the distribution of lands. The winters are rather severe, but the ground is seldom frozen, as it is covered with snow from the middle of November to the middle of March. Irrigation is not necessary, as there is an abundance of rain during the growing season of crops.

"One of the most successful agricultural developments is in the line of horticulture. Strawberries, blackberries and all similar types of berries grow to perfection. Apples, pears, peaches, plums, cherries and grapes are grown successfully. Fruit canning is being developed, and this will, no doubt, be one of the most substantial industries of the future, as so many varieties of fruits and berries are rapidly being produced abundantly.

"The climate of Hokkaido is favorable to silkworm rearing, as the worms are generally free from disease, and mulberry trees grow naturally. The extent of the most suitable ground for sericulture is reckoned as 8,400 square miles, from which 2,250,000 bushels of cocoons should be raised in the near future. Several undertakings as to sericulture have been established by the Government, such as mulberry gardens, silkworm breeding places and training institutes, where all necessary enterprises of the industry have been undertaken.

"Lectures are given in different localities, where sericultural schools are commenced in the winter time, utilizing the leisure of farmers, and in spring, summer and autumn silkworm breeding is carried on practically.

"There are three ports in Hokkaido at which foreign vessels call to deliver foreign products and take away the exports. Hakodate is the oldest port, and for many years was the only port of call for foreign ships. Otaru, on the west coast of the island, in recent years has developed into an extensive port, both for imports and exports. It is the nearest to the large forests and is the principal place for exporting lumber and timber. Good coal is found in the vicinity and is delivered at the port at reasonable rates. An extensive breakwater as a harbor protection has been

built, and the port seems to be becoming very popular. It is one of the most prosperous appearing cities in Japan, and without question will continue to be the leading place for exports.

"Muroran has recently grown into considerable importance because of the establishment of large iron and steel works under a combination of British and Japanese capital. These works are now in process of construction, and will undoubtedly make the port a valuable and progressive one. Its main value lies in large and substantial coal fields in the vicinity. It has not the advantage of an important agricultural and timber country surrounding it like that in the vicinity of Otaru.

"The entire foreign trade of Hokkaido through these three ports amounted to \$20,500,000 in 1895, but had grown to \$46,000,000 in 1903. The foreign trade is carried on mostly with China and Asiatic Russia, and there is every prospect of a continuation of the growth of trade between the island and these countries. There is also quite a growing trade with the United States, especially in the export of silver and timber, the hardwoods of the island finding an excellent market on the Pacific Coast. There is a growing importation of American kerosene and flour.

"The imports of petroleum, flour and railway materials from the United States in 1905 amounted to \$461,462, principally into Hakodate, out of a total import from all foreign countries of \$562,893, the imports from the United Kingdom and colonies amounting to only \$62,731, and from Russia to only \$32,428.

"This trade is increasing year by year, and is growing, especially in agricultural products. The principal exports to the mainland are marine products and constitute half of the total exports; agricultural, mineral and forest products make up the remainder. The articles imported to the island from the mainland consist principally of rice, cloth, sake, tobacco, sugar, fish nets and straw mats. The total trade with the mainland in 1905 was as follows: Imports \$22,213,553, exports \$20,065,395, made up of the following products:

Products	Imports	Exports
Agricultural	\$6,488,882	\$4,158,480
Marine	558,279	10,287,776
Industrial	10,898,916	1,261,086
Mineral	480,284	1,978,278
Forest	18,279	297,530
Other	2,804,968	1,417,322
Total	\$22,213,553	\$20,065,395

"The total length of the coast, including the Kurile Islands, is 3,306 miles, which is more than one-fifth that of the mainland. The marine products during recent years have been about one-fourth that of the mainland, and have reached the sum of \$6,500,000.

"Representatives of the island are now in foreign countries studying methods of artificial propagation of salmon and trout. The Government of the island furnishes a small subsidy for teaching the marine industry. Two schools have been established for theoretical and practical instructions relating thereto. The Government has also sent out special lecturers touring the country giving instructions to

fishermen and their children in practical and theoretical work. Artificial hatcheries for salmon and trout, which number eighteen, were first established in 1877.

"The value of sea products in 1906 was as follows: Herring, \$3,152,836; salmon, \$393,727; trout, \$145,380; sardines, \$139,189; codfish, \$171,157; cuttlefish, \$227,627; seaweed, \$442,775; all other, \$512,055; total, \$5,184,746.

"The Government, being anxious for the promotion of industries, undertook the development of several enterprises, such as breweries, sake manufactures, sugar, oil, paper, flour, wood and iron works, and canning of fruits and vegetables. From these undertakings thirty factories of various kinds were sold to private persons in 1883, and the Government guaranteed 5 per cent. interest per annum for six years. The result of this development was a production of manufactured goods in 1895 to the value of \$4,932,000. Wood pulp and paper industries are developing extensively, and because of the vast supply are likely to become permanent and extensive productions. Hops and barley are grown to perfection on the island, and the brewing industry is prosperous. Flax and hemp are grown successfully, and a large linen factory at Sapporo is in successful operation. The following is a list of the leading productions of the island for 1906: Sake, \$1,585,658; alcohol, \$387,219; beer, \$319,308; soy, \$354,102; miso, \$159,579; flour, \$112,780; potato powder, \$130,505; peppermint, \$185,490; matches, \$702,327; canned provisions, \$134,416; textiles, \$157,197; hemp and flax, \$199,818; silk, \$70,287; wood pulp, \$84,738; tiles and brick, \$75,453; cement, \$328,516; machines, \$316,899; iodine, \$63,126. The total industrial productions amounted to \$5,901,104.

"The railways of Hokkaido are now all under the control of the general Government. The Tanko Railway, built by private capital, running north from Muroran 200 miles, was completed in 1892 under a subsidy agreement of the Government guaranteeing 5 per cent. per annum on the paid up capital, with the understanding that the company was not to charge intending settlers on the island anything for their passage or goods to their settlements. The Hokkaido Railway, 159 miles, built from Hakodate to Otaru, was completed in 1905. The Government railway between Sorachi and Asahigawa was completed in 1898. The line was extended in 1903 north to Nayori, and it is intended to further extend it clear to the northern point of the island. Another line from Asahigawa to Kushiro was completed in 1907. The total length of the Government lines at the end of 1907 was 648 miles, and construction is still going on. All these railways have a traffic of freight far beyond their capacity. The island is a rich field for the extension and development of transportation facilities, and as the country is further developed and settlements increased additions to the railways will be constantly required for years to come.

"There are numerous harbors about the island capable of navigation for minor craft, and two of the large steamship companies of Japan operate many steamers entering the principal ports of the island."

TRAMWAY COMPANIES IN JAPAN.

The tramway companies now existing in Japan number 148. When classified according to the nature of the traction power used, the results are as follows: Electricity, 60; horse power, 58; steam, 4; oil, 10, and manual power, 16.

Of these sixty-five companies are now running services and the length of lines reaches a total of 545.77 miles, the paid up capital amounting to yen 40,143,110.

The following are the names of the companies having a capital exceeding yen 500,000:

	Capital Yen
Tokyo Railway Company.....	27,000,000
Han-shin Electric Tramway Company.....	3,000,000
Keihin Electric Tramway Company.....	2,550,000
Kyoto Electric Tramway Company.....	1,250,000
Yokohama Electric Tramway Company.....	1,000,000
Nagoya Electric Tramway Company.....	1,000,000
Odawara Electric Tramway Company.....	875,000
Ise Electric Tramway Company.....	500,000

Companies whose lines are not yet opened to traffic:

Kobe Electric Tramway Company.....	6,000,000
Harima Electric Tramway Company.....	3,500,000
Buso Electric Tramway Company.....	3,000,000
Mino-Arima Electric Tramway Company.....	5,500,000
Keihan Electric Tramway Company.....	3,000,000
Keisei Electric Tramway Company.....	3,000,000
Keiso Electric Tramway Company.....	2,300,000
Nara Electric Tramway Company.....	3,000,000
Awaji Electric Tramway Company.....	2,000,000
Niigata Electric Tramway Company.....	1,500,000
Bakan Electric Tramway Company.....	1,400,000
Oji Electric Tramway Company.....	1,500,000
Iwaki Electric Tramway Company.....	1,450,000
Musashi Electric Tramway Company.....	1,200,000
Mito Electric Tramway Company.....	1,000,000
Yawata Electric Tramway Company.....	1,200,000
Mino Electric Tramway Company.....	1,000,000
Ina Electric Tramway Company.....	1,000,000
Okayama Electric Tramway Company.....	1,000,000
Hachiman Electric Tramway Company.....	900,000
Shiohara Electric Tramway Company.....	850,000
Horiuchi Electric Tramway Company.....	770,000
Moji Electric Tramway Company.....	700,000
Shingu Electric Tramway Company.....	600,000
Maidzuru Electric Tramway Company.....	500,000
Kyo-Tsu Electric Tramway Company.....	500,000
To-han Electric Tramway Company.....	500,000
Jomo Electric Tramway Company.....	500,000
Shindate Electric Tramway Company.....	500,000
Tenshin Electric Tramway Company.....	500,000

SHIPBUILDING IN JAPAN.

Since the shipbuilding encouragement law came into force in March, 1896, the steamers built or in course of construction at dockyards in Japan under the subsidy granted in pursuance with law number eighty-eight, with

an aggregate tonnage of 200,900. Of these seventy-six steamers, of 167,746 tons, have already been completed at the following dockyards:

	Steamers	Tonnage
Mitsu Bishi Dockyard.....	30	106,066
Kawasaki Dockyard.....	22	36,426
Osaka Iron Works.....	22	22,739
Ishikawajima Dockyard.....	2	2,516
Total	76	167,747

As three of these steamers, the Tsukishima, Hitachi and Shiga Maru, were subsequently lost, the subsidized steamers at present number seventy-three, with a total tonnage of 159,273. The steamers recently launched and in course of equipment are as follows:

	Steamers	Tonnage
Mitsu Bishi Dockyard.....	3	24,000
Kawasaki Dockyard.....	1	8,600
Osaka Iron Works.....	3	4,160
Total	7	36,760

The steamers in course of construction under the encouragement certificate number eleven, with a total tonnage of 78,240. These steamers are to be launched between August, 1908, and April, 1911.

JAPAN'S FOREIGN TRADE FOR THE FIRST HALF YEAR OF 1908.

The foreign commerce of Japan during the six months ended June 30 resulted in the excess of imports amounting to over 80,000,000 yen, showing an increase of some 11,000,000 yen over the corresponding period of last year. Compared with last year the export of merchandise shows a decrease of 24,000,000 yen and the import a decrease of over 13,000,000 yen, the total standing at 37,000,000. The details are as follows:

Merchandise—

	Six months ended June last Th. yen.	Corresponding period of last year Th. yen.	Comparison Th. yen.
Export	169,975	194,310	24,335
Import	250,592	263,616	13,054
Total	420,537	457,926	37,389
Excess of export...	80,587	69,306	11,281
Gold specie and bullion—			
Export	1,706	8,181	6,475
Import	10,835	2,699	8,136
Silver specie and bullion—			
Export	48	37	11
Import	410	262	148
Excess	(Imp.) 362	(Imp.) 225	137

The comparison of merchandise, exports and imports, during the first six months this year with the corresponding period of the foregoing five years is as follows:

	Export yen	Import yen	Excess of Import yen
1903.....	125,918,756	166,048,827	40,130,071
1904.....	137,365,703	182,634,872	45,169,169
1905.....	142,767,953	286,462,861	143,694,908
1906.....	176,670,718	223,049,561	46,378,843
1907.....	190,950,201	265,263,907	68,313,706
1908.....	169,965,000	250,562,900	80,587,900

THE GRAND EXHIBITION IN JAPAN.

The *Official Gazette* publishes the regulations of the Grand Exhibition of Japan to be held in 1912. The articles to be exhibited are classified under twenty-one departments, viz., education, science, fine arts, fine art industries, agriculture, horticulture, cattle breeding, sericulture, forestry, etc.; aquatic products, food and beverages, mineralogy and metallurgy, chemical industry, dyeing industry, manufacturing industry, architecture, etc.; machinery and ships, electricity; civil engineering and transportation, economic and hygiene, army and navy. The articles are to be exhibited in sixteen halls.

The exhibition is to open on April 1, 1912, and will close on October 31 the same year. The admission fee is fixed at 20 sen per adults on weekdays, 30 sen on Sundays and national holidays, while on Saturdays and the 1st and 15th of each month the charge will be 10 sen.

The regulations drawn for foreign exhibits in the Grand Exhibition of Japan exempt them from the import and consumption duties, except those which are not to be transported outside the exhibition compound only, not to be shipped back within four months after the close of the exhibition or to be sold on the spot or consumed for lucrative purpose. The transportation outside the compound, the sale on the spot or the consumption for lucrative purposes may be done upon the surety for the import and consumption duties being deposited beforehand. All foreign articles for the aid or success of the exhibition may be exempted from the import and consumption duties.

JAPAN'S PROGRESS IN RAILWAY BUILDING.

The following report concerning the progress of railway building in Formosa under the Japanese is furnished by Consul Julian H. Arnold, of Tamsui:

When the Japanese took possession of Formosa in 1895 there were only 62 miles of railways, extending from Kelung to Shinchiku, and this road was poorly constructed. In 1896 the Formosa Railway Company was organized with a capital of 15,000,000 yen (\$7,470,000), and plans for the construction of a trunk line, extending from Kelung in the north, to Takao in the south, drawn. Owing to a scarcity of money in Japan the stock was not sufficiently subscribed for, and in 1887 the company was forced into liquidation.

In 1899 the Japanese Diet sanctioned the issuance of Formosan government bonds to the extent of \$14,342,400 for constructing the road. The entire management, control and operation of the railway passed into the hands of the Formosan Government. Construction work was vigorously pushed, and by 1905 the line was finished from Kelung to Hakoko in the north, and from Takao to Koroton in the south. The 14½ mile section from Hakoko to Koroton, owing to difficult engineering work, required three years longer for completion. This section when completed cost \$174,300 per mile. The entire road extending from Kelung, the northern port, 247 miles to Takao, the southern port, was opened to traffic on April 20, 1908.

Between Byoritsu and Taichu the road reaches its highest altitude, 1,200 feet. The building of this section necessitated the construction of eighteen tunnels, of a total length of over 4 miles, and twenty-eight steel bridges, of a total length of over 6 miles. The greater part of the bridge girders were purchased in the United States. The road is 42 inch gauge with 60 pound rails. In addition to this main line there are two branch roads, one from Taipoe, the capital city, 13 miles to Tamsui, the port of China trade, and the other from Takao, the southern port, 10.6 miles, to Hozan. The total rolling stock consists of 39 locomotives, 595 freight cars and 99 passenger coaches. The department maintains repair and construction shops in the capital city, where 190 Japanese laborers and 372 Chinese laborers are employed.

Up to March 31, 1908, \$12,492,352 had been spent on construction work.

During the two years 1908 and 1909 there will be spent an additional sum of \$1,245,000 on the construction of railway stations and the improvement of the lines. Thus at the end of the fiscal year 1909 there will have been spent a total sum of \$13,737,352 on railways, this being \$605,047 less than the estimates made at the time of the floating of the loan.

Up to the year 1906 the receipts did not cover running expenses; since then receipts have covered running expenses plus interest on bonds. It is expected that the gross receipts for the fiscal year 1908 will be more than \$1,500,000, in the event of which there will be netted a good profit.

During the fiscal years 1909-1916 there will be expended \$2,119,986 in the construction of a railway for about 100 miles along the east coast. There are being constructed by the sugar mills in South Formosa about 350 miles of sugarcane trams. In addition to transporting sugar cane from the plantations to the mills these trams are privileged to haul freight and passengers. The cars are all drawn by steam locomotives.

To tap the virgin forests of the Arisan district a lumber company began several years ago the construction of a narrow gauge railway from Kagi City on the government trunk line, to the company's headquarters on Mount Ari, 7,200 feet above sea level. The survey for this line was completed a year ago. To carry this road from Kagi at sea level 40 miles to its mountain terminus will require the construction of ninety tunnels and the expenditure of nearly \$2,000,000. This company has a concession from the Formosan Government to about 36,000 acres of forests, which it is said contain about 1,000,000,000 board feet each of soft and hard woods. The construction of the road is at present at a standstill, owing to the financial stringency in Japan. Efforts are being made by the Fugita Gumi to get the wealthy families in Japan interested in this mountain railroad and lumber project.

HAWAII'S CHINESE AND AMERICAN TRADE.

HONOLULU, T. H., August 5.

In a most remarkable address to the graduating class of the University of Illinois, delivered on the 10th inst., Wu Ting Fang, Chinese Minister to the United States, explained to the people of this country how it would be possible for the United States to secure an ever increasing share of the enormous trade of the Orient. The address recited, with considerable attention to detail, the rapid progress of the Chinese people in the arts of civilization

during the past fifty years, how they have reached out to learn of the conditions and customs of the greatest nations of the earth, assimilating into their own government as much of these as conditions there would permit. He commented upon the increasing intelligence and discrimination of his people and commended this country for its continued policy of liberality and friendship toward the people of the Far East.

The foreign trade of the empire now amounts to about \$1 per capita, an insignificant aggregate compared with what the needs of the people will make it when they have become educated to a higher standard of living, and are accustomed to buy and use those things in daily use among the civilized nations of the world. Wu Ting Fang predicts that, with a continuation of the present policy of friendship between the two countries, the United States will secure the bulk of this increased trade when it comes, and admonishes the people of this country to so act in their relations with the Chinese as to put no obstacle in the way of bringing such a condition about.

Hawaii has a large place in promoting this future increasing trade with China. This territory is not only the "Key of the Pacific," but may also prove to be the key that shall open up a larger trade with China. The policy of exclusion of Chinese labor may seem necessary for the present on the mainland. This policy is distasteful to the awakening national spirit of young China. If too strongly insisted on it will become the source of constant irritation.

Hawaii presents the opportunity for certain concessions to the Chinese, in no way unfavorable to the mainland, that will do much to relieve the situation. A limited immigration of Chinese laborers and their families permitted into this insular territory will, it is believed, be of real value to Hawaii, will be agreeable to China, and will promote those more friendly relations which must be a basis for an increase of our trade with China.

Another side of this subject should be more clearly understood; it is that every Chinese who lives in Hawaii becomes a consumer of American goods. Far more than the Japanese, the Chinese of Hawaii buy and use American products. Every wholesale house will benefit by the coming of a few more Chinese to these islands. But far more important is the fact that this desire for American goods is also taken from Hawaii to China. It is both true and important that every Chinese who returns to China from this territory becomes a drummer for American products. He has learned their value and cannot do without them. He takes the samples to his native village and creates a demand there. The kindly treatment received in these islands makes him a friend of everything American. He has come from Hawaii, "the kindergarten of American trade," and he is ready and glad to tell his people about what he has learned.

China looks on America as a true friend. Nothing should be done to change that opinion. Thousands of miles of Chinese railways should soon be built with American rails and operated with American rolling stock, and should be carrying American goods made with American machinery.

A modification of Chinese exclusion laws, as applying to this insular Territory, will do much toward bringing about a large increase of America's trade with China.

There are many reasons that favor a limited immigration of Chinese to Hawaii, and not the least is this one that such immigration, while meeting a real need here, will at the same time do much toward a large increase in America's commerce on the Pacific.

The millions of Asia today form half of the population of the earth. China in the near future is to be the great dominant factor in Asia, as the United States is the strong moving influence in North and South America.

Whatever will tend to promote trade and friendly intercourse between the people of these two nations will be for the lasting benefit and truest welfare of all mankind.

E. W. THWING.

CHINESE TRADE OPPORTUNITIES.

Consul J. C. McNally, of Nanking, notes the decline of American trade along the Yangtse River Valley, and alludes to the trade opportunities at Nanking as a result of the advent of the Shanghai-Nanking Railway. He says:

The latter part of 1907 and the early months of the present year have not been prolific of industrial or commercial activity within the consular district of Nanking. British trade in the Yangtse Valley is being lessened by the energetic competition of the Germans and the Japanese. In marketing their wares American business men are greatly handicapped. British, German, French, Japanese and Chinese flags float from numerous boats plying the river from Shanghai to Hankow. The heavy draft ocean freighters of these same nations frequent the port of Shanghai.

On the other hand the American flag is rarely seen on this river, where American shipping not many years ago was in close competition with that of England. The only thing left the American exporter is to establish a distributing depot at Shanghai, to which port the cities in the Yangtse Valley are tributary in matters of commerce, and have his goods distributed by carriers of other nations.

The new Shanghai-Nanking Railway will stimulate trade at the latter place, especially on account of closer communication and better freight rates. The officials of Nanking have under contemplation the establishment of small manufacturing plants. Already the native shoemaker, with a commendable power of imitation, turns out a good and cheap shoe, the chief drawback to his business being the poor quality of material used.

With the advent of the railroad many tourists are coming to Nanking, and the costume of the Westerner is pleasing to an ever increasing number of the rising generation. American shoes and haberdashery especially appeal to them. They are also fond of horseback riding and bicycling, and the American saddle is a favorite. Staple American goods here are flour, condiments, canned meats, fruits and vegetables. It, however, frequently happens that bright, tasty labels of British canned goods influence sales against the poorly labeled American goods.

The increasing sales in local markets of European articles are due to the zeal of representatives in ascertaining what particular article appeals to the native merchant, and a willingness to cater to local trade demands.

To introduce goods into China without having a knowledge of the special wants of the natives is a hazardous undertaking. Representatives of British, German, French and Japanese firms traverse the Yangtse Valley prepared to fill orders, however small, at an insignificant profit, trusting to do better later on. This system brings before the people the nature and quality of their goods, and enables them at the same time to investigate the possibilities of the market.

It must not be forgotten that the Chinese are usually suspicious of the business methods of the foreigner, and a certain confidence must be cultivated before they will enter into an important business arrangement. The European representatives are aware of this condition, and first visit the prospective buyer to gain his confidence without any hope of making a sale.

A German representative of a noted Cologne machine

tool firm has spent eight months in China on a tour of investigation as to the possibility of introducing the firm's goods into the Chinese markets. He has gained a fund of valuable information as to the character of the local merchants, the manner of doing business, the nature and quality of the goods wanted, shipping facilities, and the financial reliability of the person selected to handle the goods.

The object of these representatives is to gain a thorough knowledge of conditions, so that when the demand comes they can conduct their business intelligently.

The markets for cotton goods at the principal ports seem to be glutted, and the present outlook in that line is not encouraging. The leading importers say that heretofore the foreign dealers were content to supply only distributing houses in the principal ports, but that lately they have undertaken to supply the smaller interior dealers direct, thereby closing a usual channel of distribution.

CHINESE STUDENTS IN AMERICA.

HONOLULU, T. H., August 5.

George Marvin, writing from Mukden, China, to the *Harvard Bulletin*, on the necessity for understanding and friendship between China and America, dwells on the happy and lasting influence of schools, colleges and universities. He says among other things:

It so happens that many of the most prominent officials in the Chinese Government today are men who were educated in the United States. Tang Shao Yi, the governor of this province, and Yuan Shih Kai's right hand man, says that twelve of the happiest years of his life were spent in America. Besides his present position as governor of this most important Manchurian province, he is the leader of the anti-opium crusade, and in 1904 was the special commissioner to Tibet who concluded with England the Tibetan Convention.

He is now in Peking, as China's representative, negotiating with Baron Hayashi, the Japanese Minister, the long standing difficult Manchurian questions. Liang Cheng, the late minister at Washington, who was educated at Andover and Amherst, and Liang Tun Yen, vice president of the Wai Wu Pu, are other examples of American students of the eighties who are holding positions of high responsibility in their government, and many of the younger officials, like Sze, for example, are following in their footsteps.

Alfred Sze, Cornell, 1901, is a particularly brilliant instance of the results of American education and associations. He is only thirty-three years old, but has already held many positions of responsibility at home and abroad, and is now stationed by his government at Harbin, one of the most important posts politically in China. He is already being spoken of as a suitable successor to Wu Ting Fang as Minister to Washington, which post he is in every way qualified to fill.

Sze's experience at Cornell was a particularly happy one. Chiefly through the good offices of a broadminded classmate he was taken into some of the clubs, induced to write for the college papers, and made to feel thoroughly a part of the place. He is, and will be all his life, a Cornell man. The impressions of his five years at Ithaca he has not forgotten, and now that he has become an influential official he shows an ease, understanding and grasp in dealing personally with foreigners which distinguish him among men of his class, and make his influence in north China, like that of Tang Shao Yi, most healthily progressive.

The Chinese students in America now are going to have an even more important part to play than their predecessors; or, if not that, more critical and important times in which to play their parts. It may appear to be starting a long way ahead to lay the foundations of future Sino-American accord in our schools and universities, but experience proves that the influences and impressions gained during undergraduate years are almost sure to be enduring.

THE VIOLATION OF TREATIES AS A FEDERAL OFFENSE.

At its second annual meeting in Washington the American Society of International Law discussed the question: "Should the violation of treaties be made a Federal offense?" Mr. Robert Lansing, of Watertown, N. Y., made the following contribution to the discussion, and as Mr. Lansing's paper deals with the issue involved in the controversy with Japan, raised by the action of the San Francisco School Board, it is here reproduced:

It is a year and a half since the San Francisco authorities undertook to segregate the children of Asiatic parents in separate schools, and by doing so involved the United States in a controversy with Japan, whose Government protested against this racial discrimination. Though the feverish utterances of the press of this country as to the imminence of war with Japan were absurd, as Secretary Root pointed out in his address before the American Society of International Law in April, 1907, and though the difficulty was satisfactorily removed through a conference between the interested parties, the event has caused thoughtful Americans to consider the possible results if the municipal government of San Francisco had refused to modify its policy. For a year the questions to which this hypothesis has directed attention have been the subject of frequent discussion. They involve the fundamental principles of our political system, the proper spheres of Federal and State authority, the constitutional powers and limitations of the National Government, and the international responsibilities of the United States, which are imposed upon its Government as the repository of the treaty-making power.

All these various phases of the subject may be gathered into the question, What obligation, according to the principles of international law, is there upon the United States to protect domiciled aliens in their rights, whether springing from treaty stipulation or natural justice; and what authority does the Federal Government possess under the Constitution to perform such obligation if one exists? The first half of this question is international in its scope; the second half national. The first deals with principles that govern the intercourse between nations; the second with the organic law of the Federal Union.

While it must be admitted that each state of the world is the judge of its own international rights and obligations, and the enunciator of its own code of international law, there are certain principles so fundamental in character and so universally recognized that they may be deemed axiomatic and without modification binding upon every state. Such is the principle that a nation is sovereign and independent, and that the government, the agent of the sovereign of the nation, has authority to demand its rights and to perform its duties in regard to other nations. Whatever may be the restrictions placed upon a government by the sovereign power through the medium of constitutional enactment, these are of no moment to other governments; so far as they are concerned, the former, as the representative of the sovereign, is clothed with full powers to fulfill the obligations which natural justice imposes on an independ-

ent state. It is, therefore, no valid excuse for failure to perform an international duty to assert that the government's authority is limited by constitutional provisions, for the sovereign's responsibility is not lessened. If sufficient powers have not been delegated to the government, the sovereign is at fault, and other states may justly complain and even compel the delinquent to fulfill its obligations.

The justness of this principle and its necessity to the stability of international order is too apparent to require demonstration. If it did not prevail, any state might by its constitution deprive its government of political powers sufficient to meet the most common obligations due to other governments, thus furnishing its department of foreign affairs with the plea of want of authority in excuse for failure to comply with the just demands made upon it. Clearly no state can, for its own sake, afford to assume such a position; nor can it, for the sake of other nations, be permitted to do so.

When, however, this principle, which fixes upon a state international responsibilities, which its government, whatever may be its constitutional limitations, is bound to recognize and to fulfill, is applied to the Government of the United States, there is a confusion of duties and a conflict of authorities. These arise from the American political system, by which there is a division of powers between Federal and State Governments. By reason of the fact that at the time of the formation of the Union each State possessed its own criminal code and an organized police it was assumed that the protection of individuals and of private property was a duty of the State governments. It was the expedient course to pursue. Whether the Federal Government possessed the constitutional right to exercise the police power in regard to aliens has never been judicially determined. Following the system instituted at the beginning of our national life Congress has never asserted Federal authority in the sphere of government by the enactment of penal statutes, but has left to the States the care of the life, liberty and property of individuals, both native and foreign. Under existing conditions, therefore, and in the absence of legislation by Congress, the Federal Government is impotent to compel a proper exercise of the police power in the protection of aliens and in the punishment of crimes against them, and at the same time under the accepted practice of nations it is responsible to other governments for such exercise in regard to their nationals domiciled in the United States.¹

To harmonize the international rule of responsibility and the want of authority in the Government of the United States, under the practice which has prevailed so long, to perform the obligations growing out of such responsibility has been a difficult and vexatious task for American states-

¹ In the *United States v. Hudson*, 7 Cranch, 32, it is held that as there is no common law of crimes in our Federal jurisdictions an indictment will not lie in the absence of a statute for the violation of international law or of a treaty of the United States, notwithstanding that such violation of law or infraction of treaty rights may subject the United States to international reclamations. See also the opinion of Chief Justice Fuller in *Baldwin v. Frank*, 120, U. S., 678.

men during the past fifty years. How well they have succeeded in their endeavors, and how sound the policy which they have maintained, the review of a few cases will demonstrate.

Before entering upon such a consideration it is necessary to point out that the subject presents two classes of cases. To one of these belong the controversies which have arisen from the failure of foreign governments to protect from wrong American citizens or to punish those who have done the wrong; the other class embraces those cases which have to do with the failure of public authorities in the United States to protect aliens domiciled in this country in the enjoyment of their rights or to punish those who violate them. It is also essential to note that there must at least be negligence on the part of public officials, either police or judicial, so gross in character that it could have been avoided with reasonable care. If normal police protection has been furnished, and justice has been duly administered, no claim will lie against a government for crimes perpetrated against foreign residents by private individuals.

In the class of cases relating to the treatment of American citizens in foreign lands, the doctrine held by the United States Government is laid down in a report made to the Secretary of State in 1885 by Dr. Francis Wharton, then the law officer of the State Department.

"The government," he says "[of a foreign state] is liable not only for injury done by it, or with its permission, to citizens of the United States, or their property, but for any such injury which by the exercise of reasonable care it could have averted."²

Secretary Fish declared the other proposition which relates to this class of cases:

The rule of the law of nations is that the government which refuses to repair the damage committed by its citizens or subjects, to punish the guilty parties or to give them up for that purpose, may be regarded as virtually a sharer in the injury and as responsible therefor.³

Bearing these two general propositions in mind, let us turn to some specific cases illustrative of their application.

In 1894 Mohammedan fanatics destroyed several school buildings at Harput and Marash which belonged to American missionary societies. Mr. Terrell, the minister of the United States at Constantinople, presented the cases to the Ottoman Government and demanded an indemnity on the ground that the police and soldiery had connived at, if they had not actually assisted, the rioters in the work of destruction. The Turkish Minister for Foreign Affairs replied that "the local authorities and imperial troops" had made every effort to protect American lives and property, and therefore his Government was not obligated to indemnify the victims for their losses. He also affirmed that the outbreak was in the nature of an insurrection, and that for wrongs perpetrated by insurgents his Government was not liable. Neither of these reasons, if true, would have been sufficient to relieve the Turkish Government from responsibility.

Secretary Olney, after denying that a mob of religious fanatics constituted an insurrection, and after adducing evidence to show that "the premises of Americans were inadequately guarded" and that the Turkish troops had not interfered with the mob, stated:

"The negligence of the authorities and the acts of their agents are here in question, not the deeds of the Kurds, nor still less of the supposed Armenian rebels on whom the Porte seems to seek to throw the responsibility for these burnings and pillagings."⁴

The position thus taken by the United States was maintained and the claims pressed with vigor; and finally, in 1900, the Ottoman Government recognized the obligation by paying a lump sum in settlement of these and other demands.

In the correspondence regarding other claims, which grew out of crimes committed in Turkey during this same period of unrest, Secretary Sherman, replying to the declaration of the Porte that it would not admit the principle that it was liable for claims "arising out of the disorders which took place in certain localities of the Empire," replied:

"In every case of this kind the Turkish Government either ignores or distorts the abundantly supported contention of this Government that the injuries to American property during the recent disorders were suffered through the insufficiency of the protective measures afforded. A government being able to quell and not quelling such disorders, and damage to American property having resulted, the United States contends that Turkey can be held responsible under a well-recognized principle of international law."⁵

There are two points worthy of particular attention in this correspondence: First, the defense of the Turkish Government that it could not be held responsible for the failure of local authorities to suppress lawlessness; and, second, the assertion of the Secretary of State that the ability of a government to protect the persons and property of foreigners and the failure to do so make a government responsible for wrongs perpetrated. The position taken relates to alien rights flowing from the general principle of international law and not to rights secured by treaty, which latter a government has bound itself to respect by specific agreement.

Turning now from a government's neglect to protect American citizens to its neglect to prosecute those who have violated their rights, we will find the United States has been equally insistent in holding the delinquent government responsible for such failure. The following are sufficient to illustrate the doctrine.

In 1894 Frank Lentz, an American citizen, was murdered in Kurdistan. An investigation by some of his friends established the fact that the crime had been committed for the sake of robbery and five or six Kurds and Armenians were arrested and brought to trial. The Turkish court declared, however, that, although the prisoners had murdered Lentz, they had done so "without premeditation." The sentences imposed were short terms of imprisonment.

² *Foreign Relations*, 1885, p. 212.

³ *Moore, International Law Digest*, Vol. VI, p. 655.

⁴ *Foreign Relations*, 1895, pp. 1340-1447; *ibid.*, 1896, pp. 880-898.

⁵ *Foreign Relations*, 1897, p. 592.

which were never served, as the criminals were permitted to escape. The Department of State, convinced of the willful miscarriage of justice by the Turkish authorities, presented through the American Minister a claim against Turkey on behalf of Lentz's parents. To this demand the Porte replied that, as Lentz was traveling alone on a bicycle through a remote and lawless region, Turkey could not be held responsible for his death resulting from so hazardous a journey. To this defense Secretary Hay replied that, while appreciating the force of this argument, the liability of the Turkish Government arose from the fact that his murderers had not been duly punished.

"The evidence showed [he declared] a deliberate, premeditated murder, yet the judgment was rendered against the murderers as for "murder without premeditation" under the 174th section of the criminal law. And even this penalty was not actually inflicted, for the guilty parties escaped. It is hoped, in view of the enormity of the offense and the miscarriage of justice, that the Turkish Government will pay a reasonable indemnity."

As a result of these representations Turkey recognized its liability and two years later paid a substantial indemnity.

Another illustration of the application of the doctrine that the United States holds a foreign government responsible for a failure to punish those who have committed a crime against an American is the "Renton Case." The facts are as follows: Charles W. Renton in 1888 settled on land granted to him by the Honduran Government. Disputes arose between Renton and the members of a company, which held concessions in the region, that in 1894 culminated in an attack on Renton's plantation, in which his house was burned and he himself taken prisoner. After being held in confinement for a few days he disappeared and was never seen again. There was no doubt but that he was murdered by his enemies. At the instance of Mrs. Renton, who had been expelled from Honduras by the rioters, the United States Minister laid the case before the Honduran Government, and upon its failure to act a United States naval vessel was sent to the place where the crime was committed to investigate the affair. The naval commander reported that the Honduran authorities had made practically no effort to apprehend the criminals and that undoubtedly the officials had been corrupted. The United States immediately demanded that the guilty parties be promptly punished, and the Government of Honduras promised to do so.

Seven of the men engaged in the affair were arrested and brought to trial before a jury on the charge of assassinating Renton. The verdict was that there was no evidence to prove that Renton was dead, that four of the prisoners were of "irreproachable character," and that three were guilty of wounding Renton in "attempting" to assassinate him. The latter were sentenced to terms of imprisonment and to pay certain sums "for curing" their victim and to "supply food" for him and his family while he was incapacitated by his wounds. The fact that Renton was dead made the sentence absurd. Bribery and intimidation without doubt affected the verdict and sentence. The condemned appealed from the judgment, and on account of the

laxity of the authorities all but one had escaped from Honduras before March, 1897. From beginning to end the judicial proceedings were farcical.

In 1904 Secretary Hay reopened the case, demanding pecuniary damages from Honduras. The grounds for this demand he stated thus:

"There was an inexcusable delay in initiating a judicial investigation. The first proceedings were partial and one-sided. The subsequent judicial proceedings, which were the direct result of the naval investigation by the U. S. S. Montgomery, terminated in condemning for minor offenses persons who, the evidence before the Department shows, were guilty of a deliberate and brutal murder. And finally, soon after the decision of the Supreme Court, all of the murderers, with the single exception of Dawe, were permitted to escape."

So evident was the miscarriage of justice that the Honduran Government admitted its liability and agreed to pay 78,600 pesos in settlement of the claim.⁷

These cases are sufficient to show the policy of the United States in dealing with foreign governments who have failed to protect American citizens in their rights and to punish those who have violated them. Let us now examine the question from the standpoint of claims preferred against the United States for similar failures of the police and judicial authorities in regard to aliens domiciled in this country.

The first assertion of the policy which has been so generally followed by the United States was advanced by Secretary Webster in the case of riots against Spanish subjects at New Orleans in 1851. He declared that foreigners "are protected by the same law and the same administration of law as native-born citizens"—that is, by State laws and State authorities. The sufferers were referred by him to the Louisiana tribunals for redress, but public opinion was so strongly in favor of the rioters that no justice could be obtained. Congress ultimately made an appropriation covering the losses which the Spaniards had sustained, but Mr. Underwood, of the Senate Committee on Foreign Relations, was careful to explain that it was "a boon" granted in recognition of the magnanimity of the Queen of Spain in liberating individuals captured during an insurrection in Cuba.⁸ While there is no direct denial of Federal liability, the language of Mr. Webster and the statement of Mr. Underwood are sufficient to indicate the doctrine which was more fully developed by later secretaries of state.

In 1880 a mob at Denver, Col., attacked the Chinese residents of that city, killing one, injuring many, and wantonly destroying a considerable amount of property. The Chinese Minister at Washington, in directing the attention of the United States Government to the affair, asked that it should protect the Chinese in Denver and punish the guilty, adding that it would seem just that the owners of the property destroyed should be compensated for their loss. In reply to this request Secretary Evarts said:

"As to the arrest and punishment of the guilty persons who composed the mob at Denver, I need only remind you

⁷ Moore, *International Law Digest*, Vol. VI., pp. 794-795.

⁸ House Ex. Doc. Nos. 2 and 113, 32d Cong., 1st sess.; Cong. Globe, vol. 24, part 2, p. 2241.

⁶ *Foreign Relations*, 1895, pp. 1257-1414; *ibid.*, 1899, p. 766.

that the powers of direct intervention on the part of this Government are limited by the Constitution of the United States. Under the limitations of that instrument, the Government of the Federal Union cannot interfere in regard to the administration or execution of the municipal laws of a State of the Union, except under circumstances expressly provided for in the Constitution. Such instances are confined to the case of a State whose power is found inadequate to the enforcement of its municipal laws and the maintenance of its sovereign authority; and even then the Federal authority can only be brought into operation in the particular State, in response to a formal request from the proper political authority of the State. It will thus be perceived that so far as the arrest and punishment of the guilty parties may be concerned, it is a matter which, in the present aspect of the case, belongs exclusively to the government and authorities of the State of Colorado.*

Mr. Evarts advanced this defense again in the case of Tunstall, an Englishman, who was murdered in New Mexico. In reply to the British Minister's claim for indemnity, based on the fact that a deputy sheriff was involved in the murder, Mr. Evarts said:

"The laws of the various States and Territories of the Union for the punishment of crimes committed within those several jurisdictions are administered and executed in these several independent jurisdictions by their respective local tribunals and officers free from any control or interference of the Federal Government."⁹

In the foregoing cases, however, negligence on the part of the authorities was not proven, and they are only referred to in order to show the position taken by the United States, which is so clearly stated by Secretary Evarts. In the riots which took place at Rock Springs, Wyo., in 1885, in which twenty-eight Chinese were killed, fifteen wounded and \$150,000 worth of their property destroyed, the Chinese Minister, in presenting a claim to the Department of State, charged that the authorities made no attempt to suppress the rioting, that the inquest was described as a "burlesque," and that according to reliable reports none of the offenders was likely to be apprehended and punished.

Secretary Bayard's defense was elaborate and technical. In substance it came to this, that the United States was not liable for losses resulting from lawless acts which the Federal officials had no constitutional power to prevent or to punish, that the local courts were open to the sufferers, who might seek redress there, and that the duty to bring culprits to justice belonged exclusively to the State authorities. Having thus declared the doctrine of his Government as to the limitation of Federal responsibility, Mr. Bayard stated that the President, though he denied "emphatically all liability," would recommend to Congress to grant pecuniary relief to the sufferers "not as under obligation of treaty or principle of international law," but out of "a sentiment of generosity and pity" for the Chinese who were "so shockingly outraged," and because of "the gross and shameful failure of the police authorities of Rock Springs in Wyoming Territory to keep the peace, or even to attempt

to keep the peace, or to make proper efforts to uphold the law or punish criminals, or make compensation for the loss of property pillaged or destroyed." While thus admitting facts which constituted grounds for a claim as strong as can be found in the annals of international intercourse, the Secretary of State stated that the President would make the recommendation to Congress "with the distinct understanding that no precedent is thereby created."¹¹

When the bill for an appropriation in compliance with the President's recommendation was debated in Congress there was by no means unanimity in support of the doctrine of Federal non-liability which had been advanced by Secretary Bayard. Mr. Edmunds, in discussing the question before the Senate, declared as a general principle of international law binding on all States, whatever their system of government, that

"One nation as between itself and another is not bound by the internal anatomy of that state, but it looks to the body of the nation to carry out its obligations, and if they have not the judicial means to do it, for one reason or another, the nation that is injured is not bound by the failure of the nation whose people committed the injury."¹²

The United States, had it been willing to follow the rule thus clearly stated, would have been consistent with its attitude in pressing claims of American citizens domiciled in foreign lands; but we find the Secretary of State, in transmitting to the Chinese Minister the moneys voted by Congress, again denying the responsibility of the Federal Government for the negligence of the territorial police and courts.

Six years after the Rock Springs riot New Orleans witnessed a similar outrage, the victims being Italians. The

¹¹ Foreign Relations, 1886, p. 158.

The doctrine maintained by the United States forced its Government to make some very fine-spun distinctions as to what constituted or did not constitute a ground for claiming national liability for the acts of local authorities. An excellent example of this sort is the case of William Scott Smyth, an American citizen, who in 1874 presented a claim against Brazil for damages arising out of mob violence. The facts were admitted, but the Brazilian Government denied its accountability for them on the ground that the Province where the wrong took place was alone answerable. In meeting this denial Secretary Fish said:

"It is the Imperial Government at Rio Janeiro only which is accountable to this Government for any injury to the person or property of a citizen of the United States committed by the authorities of a Province. It is with that Government alone that we hold diplomatic intercourse. The same rule would be applicable to the case of a Brazilian subject, who, in this country, might be wronged by the authorities of a State."

Had the Secretary of State stopped here the United States might have been freed from a position which has aroused the criticism of publicists and the complaint of foreign governments. But, following the suggestion of Mr. Webster, he continued:

"There would, however, be this difference. In all our States, the authorities are chosen or appointed by the people or authorities thereof. The United States Government has no part in their election or appointment. In Brazil, however, the governors of the Provinces being appointed by the Imperial Government, the latter may be regarded as specially responsible for their acts in all cases where the law of nations may have been infringed and justice may be unattainable through the courts." (Moore, International Law Digest, Vol. VI, pp. 815-816.)

The weakness of such an argument is apparent; and yet the United States has adhered to a policy which could only find a foundation on such sophistry and on such slender logic as Mr. Fish here employs.

* Foreign Relations, 1881, p. 319.

¹⁰ Moore, International Law Digest, Vol. VI., p. 663.

¹² Cong. Record, Vol. 17, p. 5186.

chief of police of that city having been assassinated, popular belief fixed the blame upon the members of a secret society called "La Mafia." Eleven Italians were arrested on suspicion. So high ran public feeling that an armed mob broke into the city prison and shot the prisoners to death. Baron Fava, the Italian Minister, at once demanded of the Government at Washington that the guilty parties be "speedily brought to justice." Secretary Blaine telegraphed the Governor of Louisiana that the President hoped that the Governor would co-operate with him in maintaining the obligation of the United States to Italian subjects, and that the offenders would be punished without delay.

The Italian Minister, informed of this action, was not satisfied, but demanded a specific assurance from the Federal Government that the rioters would be brought to trial, and that a direct admission would be made by the United States that an indemnity was due to the relatives of the victims. To this demand Mr. Blaine made an adroit answer, which, though it admitted nothing in fact, was of such a character that the Italian Government interpreted it to be a compliance with the demand.¹³ This reply was made in April, 1891. In less than a month the grand jury at New Orleans charged with investigating the crime made its report, in which they failed to indict any person for the lynching.

This failure on the part of the Louisiana authorities to apprehend the perpetrators of a crime committed openly and with no attempt at secrecy placed the Federal Government in a very embarrassing position in view of the interpretation which had been placed on Mr. Blaine's note. President Harrison, in his annual message of 1891, evinced much chagrin at the outcome of the judicial proceedings, and recognized the inconsistency of the position in which it placed the United States. After deploring the lawless act of the New Orleans mob and the failure to punish the persons who shared in it, the President sought to find a solution for the difficulty in which the central Government was placed by the division of authority between State and nation under the existing practice. To that end he made the following suggestion to Congress:

"It would, I believe, be entirely competent for Congress to make offenses against the treaty rights of foreigners domiciled in the United States cognizable in the Federal courts. This has, however, not been done, and the Federal officers and courts have no power in such cases to intervene, either for the protection of a foreigner or for the punishment of his slayers. It seems to me to follow, in this state of the law, that the officers of the State charged with police and judicial powers in such cases must, in consideration of international questions growing out of such incidents, be regarded in such sense as Federal agents as to make this Government answerable for their acts in cases where it would be answerable if the United States had used its constitutional power to define and punish crimes against treaty rights."¹⁴

The force of this logic as to the responsibility of the United States for the act of local authorities seems irre-

sistible; but as to the power of Congress to define crimes against treaty rights, a question may be raised as to what rights can be granted by treaty other than those which find their origin in the accepted rules of international law. It involves that fertile subject of discussion, the extent and limitation of the treaty power, which cannot here be considered. But as to alien rights established by international law no question can be raised, for the Federal Constitution provides that Congress can legislate for the punishment of offenses against the law of nations.¹⁵

The effect of this declaration by President Harrison as to the responsibility of the United States and the unexercised powers which the Federal Government possessed in regard to domiciled aliens was twofold. First, Secretary Blaine, in delivering to the Italian Minister a sum of money for the families of the victims of the New Orleans mob, stated that the President felt that it was "the solemn duty, as well as the great pleasure, of the National Government to pay a satisfactory indemnity." Here is no reservation as to the Government's obligation, but an unequivocal admission of liability. Second, a bill was the same session introduced in the Senate which provided that any act committed against the rights secured to an alien by treaty, which constituted a crime under the laws of any State or Territory, should constitute a like crime against the United States and be cognizable in the Federal courts. The bill was reported favorably and debated at some length, but failed to become a law. Thus the efforts of President Harrison to change the policy of the United States, which had so long invited the complaints of foreign governments and taxed the ingenuity of American statesmen, came to naught.

Other lynchings of Italians occurred during the Administration of President Cleveland, and, after special investigations had been made by the Department of State, the Federal Government paid certain sums for "indemnity," although there was a return to the old practice, for the payments were made without "discussing the liability of the United States for these results (of lawlessness), either by reason of treaty obligations or under the general rules of international law."

Further outrages of a similar nature having taken place during the next Administration, President McKinley, in his annual message of 1899, quoted the language of President Harrison and urged legislation along the lines of the bill of 1892.¹⁶ Congress, however, failed to take any action. In his annual message of 1900 the President again renewed "the urgent recommendations" which he had made the year before. The enactment of such a statute, he says, "is a simple measure of previsory justice toward the nations with which we as a sovereign equal make treaties requiring reciprocal observance."¹⁷ Still the President's appeal was without result. Congress evidently hesitated to enact a law which seemed to infringe upon the exclusive criminal jurisdiction of the State courts, and to adopt a course which

¹³ Constitution, Article I, section 8, clause 10.

¹⁴ Foreign Relations, 1899, p. xxii.

¹⁷ *Ibid.*, 1900, p. xxli.

¹³ Foreign Relations, 1891, pp. 665-713.

¹⁴ Foreign Relations, 1892, p. xiv.

might be interpreted as a usurpation of authority by the Federal Government.

Seven months after President McKinley's message of 1900 a mob in the State of Mississippi killed several Italians. The Ambassador of Italy made complaint in vigorous language, and, after an investigation of the case, Congress in March, 1903, appropriated \$5,000 for the claimants "out of humane consideration, without reference to the question of liability therefor to the Italian Government."¹² Thus the United States, through the legislative branch of the Government, returned to the doctrine of former years, ignoring the declarations of Presidents Harrison and McKinley. But, considering the fact that no laws had been enacted by which the Federal courts were given jurisdiction of such cases, the position taken by Congress was natural. The fault lay in the failure to legislate as to crimes against aliens rather than in a denial of responsibility therefor.

Thus the question stands today. The United States has persistently held foreign governments liable in damages for wrongs done to American citizens when public authorities have willfully or negligently failed to protect them in their rights and to punish persons violating them, whether such rights are based on treaty stipulations or the general rules of international law. On the other hand, up to 1891, the United States has with equal persistency denied responsibility and liability for the failure of local officers to perform their duty toward aliens domiciled in the United States on the ground that under the Constitution the Federal Government has no authority over the police and judiciary of a State, and that these were charged with the protection of individuals and the punishment of crimes. After President Harrison's declaration as to the responsibility of the United States for the acts of State authorities, there is a noticeable change, in that the payments made for wrongs to aliens are termed "indemnities" and are not treated as merely charitable donations. And yet the Government has persisted in declaring that such payments must not be regarded as an acknowledgment of liability. In a word, the United States, when not the aggrieved party, clings still to a doctrine out of all harmony with the recognized practice of nations, a practice which it has uniformly required other nations to observe.

It is not the purpose here to discuss the constitutionality of the remedial legislation proposed by President Harrison and urged by President McKinley. That it was proposed by so distinguished a jurist is a strong argument in its favor. On the other hand, the arguments advanced by the opponents of the bill, that the laws against crimes would not, under its provisions, be uniform throughout the Union, but would vary with the penal codes of the different States and Territories, and that to punish acts against foreigners Congress must define the crime and fix the penalty,¹³ are not without force in determining the constitutionality of such legislation. That it would, if enacted, give a measure of relief in cases involving criminal acts seems probable, but to what extent it would do so is a question that can be

answered only after such a law has been put in operation.

There are, however, many other acts, particularly those of a public character, which are not criminal in their nature, that infringe upon the rights of aliens secured by treaty. A State statute or a municipal ordinance or regulation may be in contravention of such rights. How can these local legislative violations be prevented, so that foreign governments will not have just grounds for complaint? It is apparent that the problem presented is a complex one, and its solution difficult. But it must ultimately be solved; for, if it is the duty of the Federal Government to protect foreigners in their rights, there must be some constitutional method by which it can perform this duty.

The rights of individuals in a foreign land are far more extensive and definite than they were fifty years ago; and international obligations and liabilities are more fully comprehended and more universally acknowledged than they were then. A nation can no longer live within itself. It cannot ignore the generally accepted principles of international law, nor can it afford to defy the opinion of the civilized world by refusing to comply with them. Whatever political institution or political system a nation may possess for the government of its domestic affairs, such institution or system must not interfere with its international duties. No state, however powerful and enlightened it may be, can claim a place among the great nations which is not prepared to do as well as to demand "natural justice" in the broad sense which that term has acquired at the present time. The policy of national selfishness has become antiquated and must give place to those altruistic ideas which are consistent with the modern conception of international morality.

Justice and expediency alike require the United States to abandon a policy which is inconsistent and unreasonable, to recognize fully its responsibility for the proper protection of foreigners within its borders, and to put in operation the necessary forces to compel public officers and local governments, as well as private individuals, to respect the rights which the Federal Government has granted by its treaties to the subjects and citizens of foreign states, and the rights which belong to them under the accepted rules of international law. When that is done, the United States will be free from a policy that has caused its Government much perplexity and embarrassment in the past, and is out of harmony with the modern practice of civilized nations.

ASIATIC SILK TRADE.

CHINA.

Vice Consul Ernest Vollmer, of Tsingtau, writes as follows concerning the Chinese foreign silk trade for last year:

Customs returns of the silk exportation of China show that the past year has been a good one, at least as far as the quantity is concerned. The present state of the market in North China is, however, not satisfactory. Large stocks of pongees have accumulated at Chefoo and Tsingtau, and

¹² 33 Statutes at Large, p. 1032.

¹³ Cong. Record, vol. 23, part 5, p. 4551.

even with a price far below any on record for the past few years there seems to be no market for Shantung pongees. The United States in 1907 maintained its place as a large consumer of Chinese silk. Hongkong took, roughly, three and one-half times the amount taken by the United States, and was by far the heaviest buyer; France came second with just twice our purchases, and the United States occupied third place.

Consul J. C. McNally, of Nanking, furnishes the following statistics relative to the exports of Chinese silk in 1907:

The demands in this line were exceedingly good, and but for the financial crisis in the United States, which caused the collapse of the silk markets on both sides of the Atlantic, the demands would have absorbed the splendid crops of the silk producing countries. The exports of silk and silk products from China in 1907 increased 25 per cent. over those of 1906.

All qualities figured in the increase, except wild raw silk, which fell from 3,407,300 pounds in 1906 to 3,186,150 pounds in 1907. White raw silk increased from 3,628,959 pounds in 1906 to 3,801,515 pounds in 1907; yellow silk increased from 1,584,404 pounds in 1906 to 1,793,685 in 1907, and white filatures from 6,107,939 in 1906 to 6,704,457 in 1907, or within 39,900 pounds of the record year 1902. Waste silk, with 14,377,605 pounds, was 2,660,000 pounds more than in any other year of the silk history of China.

Silk piece goods and Shantung pongees showed substantial increases of 25 and 56 per cent., respectively.

JAPAN.

A YEAR OF GREAT ACTIVITY MARRED BY THE AUTUMN SLUMP.

Consul General Henry B. Miller, of Yokohama, transmits the following article from a local newspaper, reviewing the silk trade of Japan for the first eleven months of the year ended June 30, 1908:

One writer on economic subjects denies that the raw silk trade has been as unprofitable as is generally regarded. He points out that the arrival of silk at Yokohama during the eleven months to June last, the opening of the season, aggregated over 190,000 bales, which, added to the stock of old crop silk on the market, brought up the total to 204,000 bales. The total sales during the eleven months amounted to 182,500 bales, showing an increase of over 7,600 bales as compared with the corresponding period of the preceding year. Thus the sales cannot be said to be unsatisfactory, and the greater part of the silk sold realized 1,000 yen per picul (\$498 per 133½ pounds). No greater activity of the market has ever been seen. Latterly, it is true, the market has become depressed, with heavy congestion of stocks and depreciation in price, but this is due to the depression of the market abroad, while the congestion of stocks is partly to be accounted for by a marked increase in the arrival of stocks at Yokohama. What this writer desires to show, apparently, is that had it not been for the heavy slump of the autumn the year would have been a phenomenal one, but this is scant consolation for dealers and producers who have lost more by the slump than they gained by the previous months of prosperity.

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NEWCHWANG, East Asiatic Co., Agents.
PORT ARTHUR (COREA), East Asiatic Co., Agents.
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TIENTSIN, Carlowitz & Co., Agents.
TSINTAU, Diedrichsen, Jebsen & Co., Agents.
CHEMULPO (COREA), E. Meyer & Co., Agents.
FOOCHOW, Dodwell, Carhill & Co., Agents.

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MANILA, The Vacuum Oil Company, 39 Plaza Cervantes.
CEBU, The Vacuum Oil Company, Lizarraga Hermanos.

JAPAN

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NAGASAKI, R. H. Powers & Co., Agents.

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SOERABAJA, The Vacuum Oil Company, Willemskade.
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JOHN FOORD, PUBLISHER,
78 Beekman Street,
New York City.

IN his speech at the annual meeting, the retiring President of the Association, Mr. James R. Morse, paid a graceful compliment to his successor, Mr. Seth Low. All of our older members are conversant with the name and fame of the long-established China house of A. A. Low & Bro., which bore so important a part in Far Eastern trade in the palmy days of American shipping and the vigorous youth of American commerce. The civic virtues and exalted principles of Mr. A. A. Low live again in his distinguished son, and the father did not follow with closer interest the relations between the United States and the countries of Eastern Asia than does the gentleman who has just been chosen President of this Association. Though no longer in active business, Mr. Low is closely identified with American public life, and has had an important part to play in some of the issues which vitally affect the welfare of the nation. His close association with the leaders of public opinion in this country and with those who occupy the highest positions in the National Government give him exceptional opportunities to enlarge the influence of the Association. That influence has been, from the first, chiefly in requisition for the purpose of guiding legislation and diplomacy into the channels which were deemed best for the interests of all concerned. It is sufficiently obvious that the most important questions with which the Association will have to deal in the near future will be closely related both to our legislation and our diplomacy. The fitness of having a man of Mr. Low's type as the representative of the aims and purposes of this organization will thus be generally appreciated and unanimously approved.

IN the report of the Secretary, elsewhere published, reference is made to the clear apprehension and firm grasp possessed by Mr. William H. Taft of the principles for which the Association has contended throughout its entire history. Shortly after the issue of this number of the JOURNAL the election of Mr. Taft will be no longer a matter for speculation, and though the political preferences of our members doubtless partake of the ordinary amount of division, they are all prepared to recognize that their special interests would gain a very intelligent and influential advocate

were Mr. Taft to become President of the United States. It has been the duty of the officers of this Association to make personal appeals to two successive Presidents to take a large view of the political and commercial relations between China and the United States. They found both in Mr. McKinley and in Mr. Roosevelt most courteous and receptive listeners, and they were fortunate in having in the office of the Secretary of State during the greater part of both Administrations a man who was in thorough sympathy with the principles on which this Association was founded. In the event of Mr. Taft succeeding Mr. Roosevelt, there will be no need to instruct him in regard to the demands of our Far Eastern policy or the requirements of those identified with Chinese commerce. He has given admirably lucid expositions of both, and has studied on the spot the questions which vitally affect the future of this Republic as a Pacific Power. It is a notable, as well as a highly suggestive, fact that at a time when the problems of the Pacific are looming larger on the international horizon than they have ever done before, there should come prepared to deal with them an American statesman of a training so exceptional and an experience so useful as those which have been enjoyed by Ex-Secretary Taft.

CONSIDERATIONS like these have acquired new significance from the recent declaration of the German Emperor in regard to what he terms "eventualities in the Far East." In his interview with a representative Englishman which has just been made public, the Emperor asks: "Who can foresee what may take place in the Pacific in the days to come, days not so distant as some believe, but days at any rate for which all European Powers with Far Eastern interests ought steadily to prepare?" The somewhat disquieting suggestion which this conveys does not become more soothing when the Emperor adds that only those Powers which have great navies will be listened to with respect when the future of the Pacific comes to be solved, and, if for that reason only, Germany must have a powerful fleet. It is even suggested that England herself may be glad that Germany has a fleet when they speak together in "the great debates of the future." It will come as a surprise to most people on this side of the Atlantic that there should remain any doubt about the future of the Pacific, and that any great debate on that question should be among the possibilities of international politics. We have assumed that when Great Britain, Japan and Russia entered into a solemn compact to respect the integrity of China, and thus placed a bar on further territorial acquisition in Eastern Asia either by any one of themselves or by any other Power, that a league of Asiatic peace had been formed which was too powerful to be disturbed. Though this compact does not formally include the United States, this country is to all intents and purposes a party to it, since all of the agreement that bounds the area of European conquest or Japanese annexation in Eastern Asia correctly expresses the policy of the United States.

THE policy of Germany in China during the last ten years has been somewhat equivocal. Her long-time Minister at Peking, Herr von Brandt, wrote a good deal about

it, and in May, 1898, attempted to expound it, apropos of the seizure of the Bay of Kiao-chou, in an American magazine. In this latter paper the Minister said that from the arrival of her first Minister at Peking up to that time the primary aim of Germany had been to maintain with and among her sister nations a system of co-operation based upon an identity of interests. But, having also a watchful eye on her own interests, Germany came to the conclusion that the acquisition of a *point d'appui* in Chinese waters was an absolute and unavoidable necessity. In the words of the Minister: "Germany has certainly never intended to procure or hasten a partition of China, and she could have no interest in doing so; for she is not at present in a position to share in the benefits accruing from such an event. Germany has repeatedly declared that she desired only to be on the friendliest terms with China, and to see the Chinese Government as strong as possible. The concessions she has demanded from China had become necessary, owing to the turn which events had taken in the Far East; they were forced upon her by the action of other Powers in that part of the world. Her new acquisition is intended for defense, not for attack; and all she desires is a place in the sunshine by the side of others who are basking in it. That place she is determined to have; and, despite the political parties and the assertions of newspapers, she is supported in her demands by the whole German people." The world will await with curiosity, not unmixed with trepidation, some announcement from an official source in Germany as to what changes have supervened in the state of affairs in China to warrant the minatory declaration of the Emperor.

OUR exports to China for the eight months ending with August show a slight improvement over the corresponding period for last year, and it is not over sanguine to hope that this may mark the turn of the tide. The fact that the total value of these exports for the calendar year is likely to exceed \$24,000,000 affords a basis for comparison which is not at all discouraging. That is to say, the figures for this and last year, though below those of the two preceding years, mark a substantial advance on the value of this trade ten years ago. For 1898 the total reached by the exports was \$16,258,094, and that represented an advance of \$7,000,000 over the annual average of the preceding five years. The most disquieting feature in this year's returns of our trade with China is the sudden drop in imports. For the eight months these have fallen from a value of \$24,247,554 to \$13,018,419. A decrease in the value of silk imported from China accounts for \$3,000,000 of this; a decrease in tea for \$500,000 more, and as our wool imports from "Asia and Oceania" have declined over \$8,000,000, it is reasonable to suppose that China has borne the brunt of this shrinkage. The trade with Japan is somewhat lower in amount than last year, but the exports for the eight months are \$24,106,581, and the imports \$37,251,426. To British India there has been an increase of \$1,000,000 in the value of our exports, in presence of a decline of \$16,600,000 in the value of imports. The exports to "Japanese China" have attained the very respectable total of \$2,550,332 for the eight months.

Exports of Domestic Cotton Cloths, Mineral Oils, and Wheat Flour from the United States to China and Hongkong, during the eight months ending August 31, 1907 and 1908.

EXPORTS TO CHINA.

Months. 1907.	Cotton Cloths. Yards.		Mineral Oils (illuminating). Gallons.		Wheat Flour. Barrels.	
January.....	1,613,462	\$112,456	7,259,261	\$500,088	80,567	\$265,564
February.....	3,556,507	250,293	5,761,237	488,363	115,062	382,467
March.....	4,447,000	295,627	11,670,174	939,393	306,946	1,042,870
April.....	6,346,106	446,784	10,097,174	741,179	253,943	849,248
May.....	4,118,488	291,791	7,751,932	587,927	261,449	880,847
June.....	3,086,840	179,272	8,841,082	763,993	310,987	1,131,203
July.....	3,863,460	272,205	11,456,360	980,855	86,448	310,426
August.....	4,807,901	342,629	2,875,430	239,930	102,862	385,654
Total.....	31,839,764	\$2,191,057	65,558,368	\$5,221,105	1,518,264	\$5,248,279

1908.						
January.....	1,558,137	\$117,654	4,130,529	\$290,075	25,991	\$100,328
February.....	1,323,320	86,016	5,557,246	344,315	41,968	164,104
March.....	5,203,069	323,061	15,878,620	1,475,370	112,510	405,197
April.....	7,237,119	407,477	5,743,270	626,554	54,389	192,578
May.....	10,699,661	620,347	16,510,370	1,408,938	12,229	45,578
June.....	8,579,909	509,503	21,600,784	1,719,948	1,929	7,574
July.....	12,875,988	745,822	18,680,160	1,567,131	20,163	73,439
August.....	10,985,762	619,716	12,626,650	955,186	24,260	85,250
Total.....	58,462,965	\$3,429,596	100,727,629	\$8,387,517	293,439	\$1,074,048

EXPORTS TO HONGKONG.

1907.						
January.....	26,890	\$4,052	250	\$ 100	56,708	\$193,828
February.....	46,467	7,610	1,996,250	205,345	101,949	387,496
March.....	66,397	7,630	115,967	13,243	40,509	147,965
April.....	83,997	11,462	985,871	107,746	67,685	248,296
May.....	28,328	3,217	.....	.....	121,187	443,033
June.....	5,000	1,305	3,319,545	312,423	146,593	526,930
July.....	222,044	30,804	1,500,000	159,750	97,292	355,580
August.....	11,628	2,615	1,775,960	207,984	51,144	205,970
Total.....	490,751	\$68,695	9,551,500	\$987,884	683,067	\$2,509,098

1908.						
January.....	33,055	\$6,586	.....	.....	78,140	\$298,671
February.....	16,555	2,691	.....	.....	44,743	171,538
March.....	16,403	2,476	3,389,710	227,055	27,396	105,350
April.....	74,647	10,113	.....	.....	66,290	256,589
May.....	21,282	3,973	2,842,000	312,218	118,505	409,684
June.....	2,000	185	.....	.....	83,898	307,728
July.....	74,730	11,950	750,900	81,750	42,569	162,421
August.....	34,209	3,496	3,621,240	259,387	166,130	654,949
Total.....	272,881	\$41,470	10,602,950	\$880,410	627,671	\$2,366,930

DEPARTMENT OF COMMERCE AND LABOR,

WASHINGTON, D. C., September 30, 1908.

Bureau of Statistics.
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Imports of Tea and Silk into the United States for the eight months ending August 30, 1906, 1907 and 1908.

TEA.

Imported from	1906		1907.		1908.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
United Kingdom.....	5,469,039	1,183,024	5,596,518	1,357,928	5,086,995	1,193,071
British North America....	1,458,396	351,414	1,602,907	389,022	1,591,426	422,573
Chinese Empire.....	19,046,871	2,371,835	17,671,115	2,264,234	12,538,404	1,712,272
East Indies.....	5,517,345	791,314	4,262,232	721,411	3,784,552	622,361
Japan.....	17,111,846	3,073,593	19,232,800	3,561,884	21,165,870	3,803,781
Other Asia and Oceania ..	457,178	86,738	327,206	51,299	379,898	54,250
Other countries	146,519	37,672	247,209	63,497	172,283	74,713
Total.....	49,207,194	7,895,590	48,939,987	8,409,275	44,719,428	7,883,021

RAW, OR AS REELED FROM THE COCOON.

SILK.

Imported from	1906		1907.		1908.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
France.....	336,409	1,332,986	399,425	1,671,569	231,896	792,360
Italy.....	2,298,850	9,315,698	2,291,853	11,379,962	1,974,771	7,463,408
Chinese Empire.....	1,552,667	4,548,550	2,004,603	7,346,461	1,602,902	4,135,121
Japan.....	4,641,859	17,457,550	4,851,900	22,961,759	6,366,050	22,388,398
Other countries	60,001	206,760	101,422	436,421	24,141	88,976
Waste .....lbs...free..	1,300,816	665,071	1,394,513	908,103	686,981	471,583
Total unmanufactured	10,190,602	33,529,601	11,343,716	44,704,275	10,886,741	35,339,915

THE ANNUAL MEETING OF THE ASSOCIATION.

The eleventh annual meeting of the Association was held in the rooms of the Chamber of Commerce of the State of New York, on Thursday, October 22, at 3:30 P. M. Mr. James R. Morse, the President of the Association, occupied the chair, and opened the proceedings with the following remarks:

PRESIDENT'S ADDRESS.

In making my last appearance as President, I have to congratulate my fellow-members on the continued increase of the Association in strength and influence, and to express the hope that the same united policy and purpose which have guided the Association in the past may continue to guide it in the future. At a time when the relations of the United States with the countries of the Far East are a favorite topic for the sensational journalist, the professional alarmist and the unscrupulous demagogue, it is more than ever desirable that there should exist such an Association as this to give expression to the sober, unprejudiced sentiment of the American people.

That sentiment has been profoundly stirred by the warmth of the welcome accorded to our fleet in Japan. In all its history this Republic has never been the object of so impressive a demonstration of international amity, and the man who would call in question either its sincerity or its spontaneity, must himself be destitute of both honor and generosity.

While our relations with China were never in better shape, I regret that I cannot say as much for our trade. I believe, as you all do, that the worst of the period of depression is over, and I see, as I think most of you do,

some signs of revival. But I cannot say with too much emphasis, that I have not been able to find, nor has anybody been able to present to me, any satisfactory evidence that our trade in the three Eastern Provinces of China has been in any way hampered or restricted by a lack of respect on the part of Japan for the principle of the Open Door. It is as much the interest of Japan as it is our own to preserve equality of commercial opportunity in the neutral markets of Eastern Asia, and whether all her merchants and producers appreciate this fact or not, I am quite sure that her Government does appreciate and act upon it.

In bidding you good-bye as President, I can only express my thanks for all the courtesy I have received at your hands, and my satisfaction that your committee should have been able to place in nomination so able and thoroughly representative a man as Mr. Seth Low as my successor. If I may be permitted to anticipate his election, I should take the liberty of congratulating the Association on so felicitous a choice.

The report of the Secretary was then read as follows:

SECRETARY'S REPORT.

The most notable feature of the year, as bearing on the work of the Association, has been the improvement which has taken place in the relations between China and the United States. Convincing demonstration of this was given during the visit of Secretary Taft to China last October. The unanimity and earnestness with which representatives of the higher grades of Chinese officialdom, from Viceroys to Taotais, co-operated with members of the thirty-two

Chinese Guilds in doing fitting honor to Mr. Taft, were recognized as being of auspicious presage for the betterment of our relations with the Chinese Empire. Speaking on behalf of His Excellency Tuan Fang, Viceroy of the Liangkang, Taotai W. C. Tong found no shadow of doubt that a complete understanding of each other's modes of thought and methods of action would be arrived at between the peoples of the two great coastal empires of the Pacific. It was rightly regarded as marking a considerable step toward such an understanding to have the admission of Mr. Tong that the claims of China and the Chinese to just and proper treatment are now definitely recognized by the Government of the United States. Mr. Taft gave this perfectly satisfactory summary of American policy toward China, that of seeking her permanent peace and safety, the preservation of Chinese territorial and administrative entity, the protection of all rights guaranteed by her to friendly Powers by treaty and international law, and, as a safeguard for the world, the principle of equal and impartial trade with all parts of the Chinese Empire. He made plain the change which the last nine years had brought about in the conception by our Government of its duties toward American trade in China, by the declaration that the trade was sufficiently great to require the Government of the United States to take every legitimate means to protect it against diminution or injury by the political preference of any of its competitors. Mr. Taft went even further than this in his declaration that the merchants of the United States are being roused to the importance of their Chinese export trade, that they would view political obstacles to its expansion with deep concern, and that this feeling of theirs would be likely to find expression in the attitude of the American Government.

In view of the possibility that Mr. Taft will succeed on the fourth of next March to the office of President of the United States, it is matter for special congratulation that he should have so clear an apprehension and so firm a grasp of the principles for which the Association has contended throughout its entire history. Nor are his views of the problems which affect a new and progressive China less sound and satisfying. He intimated at Shanghai that he did not think the cry of "China for the Chinese" should frighten any one, because this merely meant that China should devote her energies to the development of her immense resources, to the elevation of her industrious people, to the enlargement of her trade and to the administrative reform of the Empire. On this point he was in entire agreement with that very competent British authority, Dr. G. E. Morrison, who was dealing with the same subject at about the same time at the annual dinner of the China Association.

Equally satisfying, as manifesting the impression which the work of the Association has made on the official treatment of Chinese immigrants, were the allusions to this subject made in the annual report of the Secretary of Commerce and Labor. Secretary Straus took issue very emphatically with the assumption underlying all our exclusion legislation that the purpose of our Government's policy was rigidly to exclude persons of the Chinese race in general, and to admit only such individuals of the race as fell

within certain expressly stated exemptions. Instead of exclusion being the rule and admission the exception, the entire purport of our treaties with China shows the reverse of this to have been the case. In the treaties that survive there is nothing that can possibly be construed as tending to abridge the right of all Chinese, not laborers, to enter and leave this country as freely as people of any other nationality. Secretary Straus thus performed a public service in urging that our legislation should be made to conform to the plain requirements of existing treaties, though, as President Roosevelt made the same recommendation, without result, two years ago, it would be over sanguine to expect Congress to give more serious attention to the suggestions of the Secretary.

The only subject on which the Association found it necessary to make a direct appeal to Congress during the year related to the provision of improved accommodations for the consular establishment of the United States in China, Japan and Korea. A letter was addressed in February to each member of the Association accompanied by a copy of the Joint Resolution appropriating the sum of \$1,373,643 for the purpose indicated, and requesting the recipient to commend the bill to the Representative of his district in Congress and to the Senators from his State. No request which has been addressed to our membership during the entire history of the Association has elicited so general and so hearty a response as this one. But, notwithstanding the number of members of both Houses and of both political parties who declared their readiness to support the Resolution, the policy adopted by the majority in Congress in regard to new appropriations compelled the postponement of the provision for new consular buildings in the Far East.

A better fate attended the Senate Resolution providing for a remission of a portion of the Chinese indemnity. As passed by the House and Senate on May 23, this Resolution provides that the President be authorized to consent to a modification of the bond for \$24,440,788.81, dated December 15, 1906, received from China for indemnity against losses and expenses incurred by reason of the Boxer disturbances during the year 1900, so that the total payment to be made by China under this bond shall be limited to the sum of \$13,655,492.69 and interest at the stipulated rate of 4 per cent. per annum, and that the remainder of the indemnity to which the United States is entitled may be remitted as an act of friendship. Out of the total payment to be made by China the sum of \$2,000,000 is reserved for the satisfaction of such judgments as may be awarded by the Court of Claims in favor of persons able to prove actual losses and expenses caused by the anti-foreign disturbances in China during the year 1900, which were disallowed in whole or in part by the Department of State.

Congress showed the proper amount of liberality in providing for the representation of the United States at the International Exposition which was at first to be held at Tokyo in 1912, but which has since been postponed to 1917. The sum of \$1,500,000 has been appropriated to provide for the erection of suitable buildings and the making of an appropriate exhibit of arts, industries, manufactures

and products of the soil and mines, and, as far as practicable, of the functions of the General Government of the United States. The spirit which dictated this appropriation furnished the best possible answer to the mischief-makers at home and abroad who have so persistently endeavored to create bad feeling between Japan and the United States. The campaign of calumny and misrepresentation which has been kept up ever since the emergence of the San Francisco school question seems to have almost expended itself, though from quarters where sounder views might be looked for there occasionally comes a note of distrust of the intentions of Japan. The Government of that Empire has through its accredited representatives given so many expressions of an earnest desire to cultivate the friendship and good will of the United States, and has so frequently gone out of its way to testify to the sincerity of these professions, that nothing short of invincible prejudice or deliberate malice will serve to explain the attitude of those public men and newspapers who persist in representing Japan as our natural enemy.

A treaty between the United States and Japan was signed at Washington on May 19 for the protection in China and Korea of inventions, designs, trade marks and copyrights of American citizens and Japanese subjects. While this Convention will tend to remove many of the causes of complaint brought by our merchants and manufacturers against Japanese methods in the markets of China and Korea, the fact cannot be too much emphasized that registration in Japan is a condition precedent for the protection of inventions, designs, trade marks and copyrights intended for use in China by citizens of the United States. Like Germany, Austria, Mexico and the South American Republics, Japan applies what is known as the attributive system to the regulation of patents and copyrights, and of this priority of registration is the essential element.

The guest of honor at the annual dinner of the Association, held on April 21, was His Excellency Wu Ting-fang, who had then recently resumed his post as Envoy Extraordinary and Minister Plenipotentiary of China to the United States. Mr. Wu took occasion to enter a vigorous repudiation of the charge that he had been in any way responsible for the initiation or application of the Chinese boycott to American goods, and he showed a sympathetic appreciation of the magnanimity and toleration which Americans brought to their judgment of the manifestations of a new birth in China.

The long depression which has been felt in the trade in American cotton piece goods with China has been due to causes which are unfortunately beyond the reach of any influence which can be exerted by this Association. Happily, there are evidences of growth in our general export trade with China which serve to offset the diminished demand for our cotton cloths. There are also some slight evidences that the accumulated stocks of American cotton piece goods have been pretty well absorbed, and that a return to normal conditions in the Chinese market is not far off. There is at least some satisfaction in the reflection that a restoration to normal dimensions of our hitherto chief article of export would bring the annual total of our trade with China to an amount hitherto unexampled.

With Japan our entire trade shows a continuous increase, and when account is taken of the exports which figure in the returns as destined for "Japanese China," a very substantial increase. The fact is certainly highly suggestive that, in Japanese occupation, the Liaotung peninsula should have furnished last year a market for American manufactures to the value of over eight million of dollars.

The following is a report of the summary of the Treasurer:

TREASURER'S REPORT.

The last annual report was dated October 17, 1907, and showed funds in hand of..... \$1,322.56
Since that date receipts have been as follows—

To dues collected from members.....	2,560.00
To contribution from William P. Clyde.....	100.00
Total	\$3,982.56

The disbursements by the Treasurer during the same period were.....	\$2,767.50
Balance in National Bank of Commerce in New York.....	1,215.06
	<hr/> \$3,982.56

REPORT OF THE NOMINATING COMMITTEE.

The following report of the Nominating Committee was read, and on motion, the Secretary was instructed to cast a single ballot on behalf of all the members present for the entire ticket, which was accordingly declared elected:

NEW YORK, October 22, 1908.

The undersigned, appointed a Nominating Committee to report a ticket for officers of the Association to be elected for the coming year, beg to submit the following:

For President—Seth Low, New York.
For Vice Presidents—
Lowell Lincoln, New York.
John J. Converse, Philadelphia, Pa.
Theodore B. Wilcox, Portland, Ore.
S. G. Hopkins, Washington, D. C.
John B. Cleveland, Spartanburg, S. C.
F. Hellyer, Chicago, Ill.
Ellison A. Smyth, Pelzer, S. C.
For Treasurer—William S. Brown, New York.
For Secretary—John Foord, New York.
For Executive Committee, Class of 1911—
James R. Morse, New York.
Elisha P. Cronkhite, New York.
A. G. Mills, New York.
D. A. Tompkins, Charlotte, N. C.

S. D. WEBB,
THOS. E. JEVONS,
WM. H. STEVENS.

THE PROBLEM OF THE TWENTIETH CENTURY.

The president of the American Asiatic Association remarked at its annual meeting yesterday that, in all its history, this republic had never been the object of so impressive a demonstration of international amity as that of which the visit of our fleet to Japan has been made the occasion. This is unquestionably true, but the demonstration has a significance quite apart from that derived from the proof it offers of the undiminished warmth of the friendship existing between Japan and the United States. The interchange of courtesies has been one not only between two friendly nations, but between two of the great powers on whom very largely depends the development of half the human race inhabiting the great Pacific area. The magnificent spectacle in the harbor of Yokohama and all the professions of mutual confidence and esteem which it has evoked merely illustrate the depth of the conviction that with the destiny of the countries of Eastern Asia the future of the United States must be closely identified. It is only ten years since that there began to be anything like a general recognition of that fact, either among our own people or by the rest of the world. As recently as 1897 a process of alienation had begun under which it seemed probable that the whole of north China would pass under the dominion of the Czar. At first it seemed as if our Government were hopelessly incapable of meeting the requirements of the situation. Dispatches came from Washington which indicated either a deplorable state of apathy or an equally deplorable amount of misinformation on this subject. It was intimated that an understanding had been reached at a Cabinet meeting to the effect that the United States was interested only in the protection of American interests in China, and by some inexplicable process of reasoning that was held to be equivalent to removing this Government from the field of controversy.

This was in December, 1897; early in January of 1898 two distinguished public men put themselves on record in newspaper interviews in regard to the Chinese situation. One of them was the then Secretary of State, Mr. John Sherman, who professed himself as being quite unable to see any danger to our commercial interests in the threatening attitude of some of the European powers toward China. He went so far as to say: "Should it be conceded that China is to be partitioned by the powers, how, pray, is that to interest us materially? The powers would gladly seize the opportunity to trade with us. Our commercial interests would not suffer, so far as I can see, in the least—quite the contrary." The other, Mr. Nelson Dingley, Jr., the chairman of the Ways and Means Committee of the House of Representatives, echoing the sentiments of Mr. Sherman, said: "Were the powers to partition China the result would be no injury to this country, none in the least. China would be developed and our trade with the conquered provinces naturally increased. The governments in possession of the conquered provinces would only be too glad to encourage trade with the United States." It was pointed out in these columns how serious

was the misconception of the facts which dictated these opinions. The powers that were seeking to establish spheres of influence, to be afterward developed into spheres of sovereignty, in China, were intent on making close preserves for their own trade guarded by their own tariffs and fortified by the exertion of official pressure. What that would have meant for American trade had been very clearly demonstrated after the French occupation of Madagascar. Stimulated by the appeals made in this journal, a committee was formed of those interested in trade with the Far East, which was afterward developed into the American Asiatic Association. This committee addressed a petition to the New York Chamber of Commerce, calling upon it "to take such immediate action in the premises as may be deemed expedient and proper, to the end that the present situation may be brought to the attention of the Department of State at Washington, and that the important interests of the United States, together with the existing treaty rights of citizens in China, may be duly and promptly further safeguarded."

This movement marked the turning point of the relations between the United States and the problems of Eastern Asia. In the work of education the business community and the people of the United States in regard to the magnitude and the importance of these problems, the American Asiatic Association has borne a distinguished share. It is gratifying to have the assurance of its president that the association, after ten years of highly useful activity, continues to grow in strength and influence. Perhaps no better measure of the distance which has been traversed in our Asiatic policy since Secretary Sherman made so feeble a statement of it could be desired than in the statement made by Mr. Taft on his visit to Shanghai a year ago. He defined American policy toward China to be that of seeking her permanent peace and safety, the preservation of Chinese territorial and administrative entity, the protection of all rights guaranteed by her to friendly powers by treaty and international law, and, as a safeguard for the world, the principle of equal and impartial trade with all parts of the Chinese Empire. Mr. Taft went further than this in declaring that the trade was sufficiently great to require the Government of the United States to take every legitimate means to protect it against diminution or injury by the political preference of any of its competitors. He added that the merchants of the United States were being roused to the importance of their Chinese export trade, that they would view political obstacles to its expansion with deep concern, and that this feeling of theirs would be likely to find expression in the attitude of the American Government. In view of the possibility of Mr. Taft's accession to the office of President of the United States, the American Asiatic Association properly makes it matter for special congratulation that he should have so clear an apprehension and so firm a grasp of the principles for which the association has contended throughout its entire history. The election of Mr. Seth Low as president of the association is at once an evidence of the importance of the part which it plays in public affairs and a fresh guarantee that the principles underlying its organization will not fail for lack of influential advocacy and intelligent expression.—*New York Journal of Commerce.*

JUDICIAL AND COMMERCIAL TOPICS IN CHINA.

PASSPORTS FROM CHINA TO THE UNITED STATES.

We have been requested to publish the following letter addressed by his Honor Tsai Nai-huang, Customs Taotai of Shanghai, to the Acting Consul General in Shanghai for the United States:

SIR—As you are aware, the Shanghai Customs Taotai has hitherto been the only official authorized to issue permits to persons proceeding from the Province of Kiangsu to the United States. Now I have been informed by H. E. the Chief Commissioner of Commerce for the Southern Ports that your Government has complained that, in consequence of the fact that the Shanghai Customs Taotai is the only person having power to grant these permits, intending emigrants to the United States often experience great difficulty in getting them, and suggested that in the future the Viceroy of the Liangkang Provinces may also be empowered to grant permits to go to your country.

When I assumed office here I discovered that the great majority of the applicants were not permanent residents in Shanghai but hailed from Kwangtung and that they were really working men falsely representing themselves to be merchants or students; so I at once caused the most exhaustive inquiries to be made into the whole matter. The result of the inquiries showed that there was a certain shop in Hongkew to which all these emigrants went and which undertook to provide them with the necessary permits for a consideration. Sometimes as much as one thousand taels was paid for a single permit. It appeared to me that to allow this pernicious and illicit trade to be carried on would not only seriously injure the standing and good name of *bonâ fide* Chinese merchants and students in the United States but obstruct, if not altogether bar, their way hither in time to come, and that if I were not to discriminate between the fraudulent and *bonâ fide* applicants I should be violating the treaties concluded between our countries.

Therefore I inaugurated a very rigorous policy in regard to the granting of these permits and I decline to issue them to persons other than merchants with capital or having been doing a substantial business in Shanghai and *bonâ fide* students so as to put a stop to the misrepresentations and deceit which have hitherto been practised. I have, on one or two occasions, issued notices to this effect. Yet I have lately received a number of applications which have, either upon inquiry by my deputies or upon cross-examination of the applicant by myself personally, been proved to be fraudulent.

However, all who are entitled to proceed to the United States are always supplied with permits without any undue delay and not the slightest obstacle is ever placed in their way for the sake of extorting money from them. The sole object of my scrutinizing every application and being so careful in granting these permits is strictly to observe the treaties concluded between our countries and to protect the interests of my fellow-countrymen. I do not and have no desire to hinder *bonâ fide* emigrants from any ulterior

motive. But from the fact that your Government has thought fit to complain as it did, I cannot help thinking that your Foreign Office and Minister in Peking, not being in possession of all the facts of the case, have an erroneous impression of my action and I am bound, in justice to myself, to try to disabuse their minds of it.

I have already explained the matter to the Chief Commissioner of Commerce for the Southern Ports. Now I beg to send you this communication together with a list of some of the applications I have refused and the reasons therefor, translations of which will be published in the foreign newspapers. And I should feel much obliged if you would be so kind as to transmit their contents to your Foreign Office and Minister in Peking so that they may know that I have never refused or delayed granting applications for permits with a view of extorting money from the applicants. I have the honor to be, sir,

Your obedient servant,

TSAI- NAI-HUANG,
Shanghai Customs Taotai.

To W. R. DORSEY, Esq.,
Acting U. S. Consul-General for Shanghai.

LIST REFERRED TO IN LETTER.

1.—Applications of Kwan Kin-mun and Chang Yi-kwong. Applicants' allegations: To start business in America. Been in business in Shanghai for a considerable time. Having capital of their own. Found on inquiry: Neither having any money or been engaged in any trade. Having been engaged by Yan Loong, dealers in foreign and Kwangtung goods in San Francisco as assistants. Applications refused.

2.—Applications of Ko Shiu-hung and two others. Applicants' allegations: To go to America to do business. Been trading to Shanghai for a long time and having large capital. Found on inquiry: Their guarantors, Kwang Cheang and Co., did not know them personally and had only been asked to guarantee them by a friend. They did not know whether they had any money or what were their vocations. Their fellow-villagers could not give any information regarding them. Applications refused.

3.—Applications of Ching King-chin and Kan King-yung. Applicants' allegations: To proceed to America to start business. They had Taels 20,000. Found on inquiry: Their guarantors Wing Cheong-cheung only had an office in the Fook Hing Boarding House in Hongkew and were a sort of emigration brokers having no regular business. The applicants were not known to their fellow-villagers. Applications refused.

4.—Application of Lam Tze-ming. To go to America to study. Found upon examination of applicant by the Taotai personally: Applicant did not know the English alphabet and could not give his grandfather's name. Applicant not the lease like the photograph sent in. Application refused.

5.—Applications of Liang Siu-lu and three others. Applicants' allegations: To go to America to study. Been studying Chinese for eight or nine years and been educated

at Queen's College, Hong Kong. A date was fixed for their examination but none of them turned up.

6.—Applications of Li Man-yuen and Liang Hoi-tung. Applicants' allegations: To go to America to open a company. Having Tls. 30,000 capital. When asked to produce evidence of same they talked a lot of nonsense and could not produce any. Applications refused.

7.—Applications of Chu Kit-hing and four others. Applicants' allegations: To go to America to start tea business. They had over forty thousand taels' worth of red and green tea. When asked for evidence of same they could only produce a bill of lading for ten chests of black tea worth a very small sum. Applications refused.

JUDGE WILFLEY ON THE QUESTION OF BAIL.

In the case of the United States vs. S. R. Price, Judge Wilfley, of the United States Court for China, has delivered the following interesting opinion in regard to the discretion of the court in granting bail to offenders pending an appeal to a court of review:

The prisoner, having been convicted of the crime of assault and having taken an appeal to the United States Court of Appeals for the Ninth Circuit, now makes application for bail pending his appeal.

This motion raises two questions, viz.: first, does the law in force in China make release on bail a matter of right or a matter of discretion? and second, if it be held to be a matter within the discretion of the Court, have circumstances of such an extraordinary character been presented to the Court to entitle the prisoner to admission to bail pending appeal.

1.—Prior to the creation of this Court the law provided that certain judicial functions should be exercised by Consular officers and others by the Minister. An examination of the law will show that jurisdiction in matters of appeal and admission to bail was given to the Minister. Section 4095 of the Revised Statutes of the United States reads as follows:

"When any final judgment of the Minister to China or Japan is given in the exercise of original or of appellate jurisdiction, the prisoner charged with the crime or offence, if he considers the judgment erroneous in point of law, may appeal therefrom to the Circuit Court of the District of California; but such appeal shall not operate as a stay of proceedings unless the Minister certifies that there is probable cause to grant the same, when the stay shall be such as the interests of justice may require."

The statutes also make it the duty of the Minister to promulgate regulations providing for procedure in the Consular Courts: (Sec. 4117, 4118, Revised Statutes U. S.). Pursuant to the provisions of this statute the Minister promulgated regulations, section 66 of which reads as follows:

"After conviction and appeal the prisoner can only be admitted to bail by the Minister."

Section one of the act creating this Court provides that it shall exercise jurisdiction in all cases and judicial pro-

ceedings formerly exercised by the Minister, and section five of said act provides that the procedure of this Court shall be in accordance, as far as practicable, with regulations of the Minister which contain the procedure for the Consular Courts, and further provides that the Judge of this Court shall have authority to modify and supplement said rules of procedure. Pursuant to the foregoing provisions of law this Court changed said Section 66 of the regulations of the Minister to read as follows:

"After conviction and appeal the prisoner may be admitted to or refused bail in the discretion of the Court."

It is clear from the foregoing provisions of law that the question of admission to bail prior to the creation of the Court was a matter within the discretion of the Minister and that the law creating this Court invested it with the authority formerly exercised by that official. The reason for making this matter one of discretion and not one of right is not far to seek. A release on bail in China is tantamount to a permanent release. There are no extradition treaties applicable to Americans in China. There is not even authority for returning fugitives from the United States to China. When once a prisoner escapes from the jurisdiction of this Court (a very simple matter) there is no way as the law now stands to have him brought back. This being so, anyone who is able to give bond puts himself in a position to escape punishment.

The Court ruled on the question herein raised at the former trial of the prisoner, and the position then taken has since been commented on with approval by the acknowledged leader of the American Bar—the Honorable Elihu Root. In discussing the proposition he used the following language:

"The Judge was quite right in refusing bail, unless he considered that there was probable cause based upon doubt as to the correct jurisdiction formerly exercised by the United States Minister to China, and as to that jurisdiction section 4095, United States Revised Statutes, expressly provides that an appeal to the circuit court of the ninth circuit 'shall not operate as a stay of proceedings unless the Minister certifies that there is probable cause to grant the same, when the stay shall be such as the interests of justice may require.' The refusal to grant the bail after conviction was in strict accordance both with the letter and the spirit of the law. Whether the Judge was mistaken or not in thinking that there was no probable cause cannot be determined without a critical examination of the record, but if he was mistaken on that subject that is no ground for removal. The petitioner is mistaken in supposing that bail could not be allowed after conviction as a matter of course. It is not so very long since there was no appeal at all from a criminal conviction in the courts of the United States. An appeal is now allowed, and properly so, but it is not yet the law that a conviction means nothing, and it ought not to be the law. This is especially true under the conditions existing in China."

The general rule in the United States in the absence of a mandatory statute making bail substantially a matter of right on appeal is that the release on bail pending appeal of a person convicted of a crime rests upon the Court's discretion under the evidence. There are cases in which

there has been an unqualified denial of bail as a legal right, and others in which bail has not been denied on principle, but only under the facts.

In construing a Utah statute which provided that after conviction a defendant who has appealed may be admitted to bail, first, as a matter of right when the appeal is from a judgment imposing a fine only; second, as a matter of discretion in all other cases, the Supreme Court of the United States said:

"As the judgment did not impose upon the appellant a fine only, his admission to bail, pending the appeal from that judgment, was not a matter of right, but was distinctly committed, by the statute, to the discretion of the court or judge to whom the application for bail may be made. The granting of a certificate of probable cause for appeal, under the statute, is not so far conclusive of the question of bail as to prevent the court from considering every circumstance which should fairly and reasonably control or affect its discretion."

Clawson v. United States, 113 U. S., 148.

The California Code has a statute similar to the Utah statute passed on by the Supreme Court. Wallace, C. J., in *Ex parte Marks*, said:

"I think that upon the true construction of the statute (in view of the provision which authorizes a stay of proceedings pending an appeal in a criminal case upon certificate of probable cause) bail upon appeal should not be allowed, except by a judge authorized to grant a certificate, *and then only in cases where circumstances of an extraordinary character have intervened.*" 49 Cal. 683.

Later the same judge, in commenting on the conclusion reached in *Ex parte Marks*, said:

"If the practice were otherwise, it would result that no person however guilty, if he had wealth and friends, could be punished at all."

In *Hill v. State* the Supreme Court of Mississippi held the law was violated in admitting the defendant to bail under the circumstances disclosed. An affidavit showed the defendant would be ruined financially by being confined and that his wife was frail and delicate.

The Court said: "Imprisonment is doubtless generally inconvenient and undesirable to the person suffering it, and in any case it may be supposed that the party would like to be with his wife, and be permitted to pursue his usual business, but the statute declares that one convicted of felony shall not have bail except as a special favor, granted by court or judge, not on personal grounds, but under peculiar circumstances to be judged of as a matter of sound judicial discretion." *Hill v. State*, 1 Southern Rep. 496.

2—Turning now to a consideration of the question whether facts have been presented to the Court which would warrant the release of the prisoner pending appeal, it appears that only one fact has been mentioned upon which the motion is based. It is claimed that by reason of the great distance between this Court and the Appellate Court that a refusal of bail operates to deprive the prisoner of the benefits of an appeal. The grounds of this contention are more apparent than real. The same situation exists in almost every State in the Union; the only difference being that there the prisoner may be kept in prison longer

than the period prescribed in the sentence because the case cannot be reached by the Appellate Court, while here the delay is due to distance. It is idle to contend that the prisoner should be released because he may be finally adjudged innocent. That possibility inheres in the very operation of the rule. If that argument were sound, no court would ever refuse bail pending appeal because there is a possibility that every case may be reversed. The rule appears to be well settled that a prisoner should be refused bail pending appeal unless facts are presented to the court which show probable cause for granting the same. Such facts must be of an extraordinary nature which will tend to raise a doubt in the mind of the court as to the correctness of the judgment. As to what character of facts constitute circumstances of an extraordinary nature, the Supreme Court of California cites the following instances:

"It might be that after conviction of a felonious homicide the supposed victim was produced and seen to be alive; or it might be discovered that property, the subject of a supposed larceny, had all of the time been in the possession of the owner, and overlooked by mistake." (*Ex parte Smallman*, 54 Cal. 36.)

No extraordinary circumstances have been called to the attention of the Court in this case. It has never been held that mere inconvenience of the prisoner or of the mere possibility that the Appellate Court may reverse the judgment of the lower Court constitute probable cause.

This Court held that the guilt of the prisoner was established at the trial by his own testimony beyond a reasonable doubt, and nothing has transpired since the trial to alter that opinion.

The motion is therefore overruled.

(Signed) L. R. WILFLEY,
Judge of the United States Court for China.

THE UNITED STATES COURT IN CHINA.

To the Editor of the North-China Daily News:

SIR—A discussion is now taking place among the American members of this community, which, while of more immediate interest to themselves, carries a strong collateral interest to every foreigner in China. I refer to the question of the recommendations to be made to Congress as to a code of laws for the new United States Court for China. The last JOURNAL of the American Association touches on this subject at some length and, after an introduction in which two Bills are referred to, goes on as follows: "Two different Bills were drawn up and presented in the House and in the Senate. . . . One presented by the Hon. Edwin Denby was prepared by the Court and represented its view."

In view of the fact that the committee of the Association are at this time soliciting the views of Americans both within and without the Association on one point of this matter, it may be of more than ordinary interest to know what this Bill endeavors to accomplish and to lay bare some of its more objectionable features. For it may be safely said that at no time since that interesting and im-

portant conference between King John and the Barons at Runnymede has a more obnoxious measure been put forward for the governing of Anglo-Saxons.

The Bill is given *in extenso* in the No. 6 JOURNAL issued last July, and it will be unnecessary to give it in detail here or to do more than touch on some of the points which would suggest themselves to the layman as pernicious, and contrary to our ideals of law. In the first place no provision is made for a trial by jury nor anything remotely analogous. Section 5 provides for assessors, but they are completely emasculated, as may be seen by reading the following portions of the Bill in question.

"The duties of an assessor shall be to attend court throughout the course of the action, and until discharged or dismissed, to give findings of fact in the course of the action, *if required by the judge* and before the final order, judgment or decree shall be rendered; *but the findings of fact and the decisions made in the final order, judgment, decree or sentence shall be solely that of the judge.* The italics are mine, and call attention to the puerility of this section. What American would care to sit as assessor in an action knowing his status is worse than useless, that it is undignified and that his opinion may be rendered of no value by a prejudiced judge. This is far from being in the nature of a full trial by a jury of his peers which is guaranteed by the Constitution of the United States and which works so effectively in His Majesty's Court for China. A jury to be had at the request of the defendant in a criminal case, not necessarily numbering twelve as at home, but say five, will fill the requirements of the situation here and can be had in each of the ports where the Court sits, namely Shanghai, Tientsin, Hankow and Canton. The jury in civil cases may be had at the request of either party, or in cases of a character wherein technical knowledge would aid in promoting the ends of justice, the jury may be waived by mutual consent in favor of assessors of technical training, as in Admiralty cases or commercial law.

The Denby Bill makes the code of California applicable in part, but puts in the following joker: "Provided, however, that the judge of the United States Court for China shall have authority from time to time to modify and supplement the rules of procedure contained in said laws of the State of California, and the modifications and amendments so made by said judge shall have, upon the approval of the Secretary of State, the force and effect of law."

The exact scope of the words "to modify and supplement the rules of procedure contained in said laws of California" is a matter of interpretation for the trained legal mind, but to the average layman it looks as though when the Court had waived the findings of the assessors aside and found his unaided verdict, that if the fool law did not warrant a conviction (*vide* Biddle case) it is a very simple matter to "*supplement*" the law. The co-operation of the Secretary of State is relatively valueless as a safeguard against persecution, as his knowledge of Eastern affairs with reference to legislation must be necessarily perfunctory and would most certainly be swayed by the opinion and action of the judge. Section 7 provides among other things that "there shall be no review of the findings of

fact in actions of whatever nature, originally involving a value not exceeding \$500 (gold), or a penalty of \$100 (gold) fine or sixty days' imprisonment, or both, if heard without assessors, or in which, whatever the value or penalty involved, being heard with assessors, the judge and a majority of the assessors shall have agreed in the findings.

In view of what has been written above concerning the power of the judge to ignore the findings of the assessors and to make his final findings or judgment irrespective of the assessors, or indeed to neglect to call assessors at all, it would seem as though any appeal from the acts of the judge under this law would be impossible.

There might be many cases arise in which the punishment is less than sixty days, but in which the defendant would spend any money and pains rather than lie under the stigma of an unjust conviction by a possibly prejudiced judge, and to shut him off from the possibility of rehabilitation where no check exists on the unbridled power of a one man court is dangerous and unwise.

Another interesting phase of this proposed law may be found in Section 2 defining the duties of court officials, and referring to those of the District Attorney we find the following: "For the detection of crime and investigation of criminal cases, the District Attorney may subpoena witnesses to appear before him and give evidence, and for this purpose he is empowered to administer oaths and affirmations to such witnesses; and if any person to whom such oath or affirmation shall be administered shall wilfully and falsely swear or affirm touching any matter or thing material to the point in question on which he shall be examined he shall be deemed guilty of perjury and punished accordingly."

This power which is even greater than that given to grand juries in most of the States at home is subversive of our ideals of procedure and is almost certain to be abused by any prosecuting official at some time in an excess of zeal or a desire to convict. It gives an inquisitorial power which should not be at any one man's disposal.

These, Mr. Editor, are some of the more glaring features of this attempt to fasten mediaevalism upon us, but there are other minor features that are equally objectionable and which may be seen by a careful perusal of the measure in question.

The Lodge Bill is shorter and more concise and provides for the application of the laws of the State of California, eliminating, however, a trial by jury. If this elimination were in its time eliminated and a jury trial guaranteed, it would seem to be an acceptable measure. The codification of the laws of California together with that of Texas follows closely that of New York, and was, I believe, in large measure the work of Justice Field, of the Supreme Court of the United States, who served a longer term as justice of that court than other members of the Court, exceeding even that of Chief Justice Marshall.

These matters are of paramount importance to the community, as we know that the present personnel of the court is but mortal and the judge may be called to higher spheres, either spiritual or temporal, and it is not impossible, knowing the slovenly way these appointments are sometimes

made at Washington, that we might find in the successor to Judge Wilfley a man who would imagine that he had a mission to purify Shanghai or who might conceive that we are steeped in vice, or who might become possessed of the opinion and give utterance to it that Shanghai is ruled and controlled by vice.

Of course we here know that these things are not true and that the municipal control of Shanghai is exceptional in its purity and freedom from unworthy motive, but unfortunately a slander is hard to overtake and our knowledge of local conditions may not overtake the spoken word of prejudice or ignorance.

Any of these might come to pass, Mr. Editor, and to avert such a calamity is my only excuse for asking for so much of your valuable space in bringing to my fellow Americans the only way in which to remove from the foot-path of this hypothetical judge any stumbling block. This can best be done by each American joining in a petition to Congress, either through the American Association or otherwise, for a safe code of laws fashioned after traditions that have become a part of Anglo-Saxon consciousness for centuries and to avoid any experiments whether they emanate from the Philippines or not.

G. E. TUCKER.

STREET RAILWAYS IN CHINA.

Vice Consul General Frederick D. Cloud, of Shanghai, furnishes the following report on the completion of the street railway system, which is considered an epoch in the development of that city:

The advent of the horseless and engineless cars, moving smoothly up and down the crowded streets, occasioned no end of surprise and wonder on the part of the native population. In some quarters there was, while the tracks were being laid, considerable hostility manifested against the whole scheme of having street cars in Shanghai, because of the fear that a large class of men would be deprived of their livelihood. The concession for the building of the lines was granted to a Scotch company in 1905 and by that company transferred, with the consent of the municipal council of the international settlement, to another construction company on condition that the obligations of the original concessionaires should be carried out. According to the franchise the concessionaires were to build 24 miles of railway. The franchise is given in perpetuity, but at the end of thirty-five years, or at the end of any subsequent seven years, the municipality may purchase outright the whole of the company's interest therein.

The rails, which are of British manufacture, are of the grooved girder pattern, weighing 90 pounds to the yard, and the gauge is 1 meter (39.37 inches), the narrow gauge being used on account of the narrowness of the streets. Two steel bridges were thrown across the creek which runs through the heart of the settlement, adding greatly to the comfort and convenience of the public. These bridges were built by an English company at a cost of \$117,951 for the steel work alone, the foundation work having been constructed by the engineers of the municipality at an additional cost of \$288,750. While there were American and

German firms among the original competitors for this work, the contracts were let without exception to British firms.

The cars for the entire system were built by a British company and, while fairly comfortable and apparently well built, are not of a strictly up-to-date pattern. By reason of the gauge the cars are narrow and small, a complete carriage weighing but 10 tons. The driving platforms are very small and open.

The cars are divided into two compartments, one for first-class and the other for second-class passengers. The first-class compartment has seating capacity for 12 persons, while the second-class compartment will accommodate 20.

The destination of each car is shown by a transparent roller sign bearing both English and Chinese characters at each end of the car, which are set at the beginning of each trip. Notices in English, French and Chinese warn passengers against smoking, spitting, or bringing dogs on board. The route each car is to take is further indicated by a colored slide over the headlight. The seats are not fitted with push bells for stopping the cars.

The routes are divided into sections. A section is approximately one mile in length. For first-class passengers a fare of 5 cents Mexican (2.1 cents gold) for each section is charged, while for second-class passengers a fare of 3 cents Mexican (1.3 cents gold) for the first and 2 cents Mexican (0.8 cent gold) for each subsequent section is charged. The object of such an arrangement was to induce the Chinese population to patronize the cars by giving them a cheap fare, and to induce foreigners to pay the higher rates by providing them separate compartments. It was also thought that unless some such tariff scheme was adopted the foreign population would not patronize the cars; yet on all the routes, except at the busiest hours of the day, the first-class compartment is practically deserted. So universal has become the use of the second-class compartment that only 10 per cent. of the daily revenue comes from first-class passengers, and as the first-class is double the second-class fare, it means that out of a total of 38,000 passengers carried daily only about 5 per cent. of them travel first class.

The operation of tramways in Shanghai is beset with rather unusual difficulties. The motormen and conductors are of necessity Chinese.

It is doubtful if any other city in the world presents such a conglomerate street traffic on such a large scale as does Shanghai. During the busy hours of any week day upon the main thoroughfares may be seen heavy handcarts loaded with a ton or more of merchandise, each drawn by ten or twelve coolies; wheelbarrows heavily laden with freight or passengers (sometimes as many as twelve persons ride on one wheelbarrow), dodging hither and thither in an effort to avoid collisions with faster vehicles; numberless rickshas running pell-mell, bicycles and motor cycles with bells ringing, and motor cars and public and private carriages endeavoring to pass everything on the street. When to this surging mass of people, horses, and every kind of vehicle is added a double-track street railway, running down the middle of the streets that in some places are less than twenty feet in width, one is able to realize

something of the difficulties encountered in maintaining an efficient street car service. The difficulties of operation, however, are gradually growing less as the native employees become more experienced and as the public grows accustomed to the new means of transportation.

NEW CHINESE MARKET.

Consul J. C. McNally, of Nankin, discussing the new conditions developed by the opening of the Shanghai-Nankin Railway, urges American exporters to make a study of the situation so that they may take an intelligent part in the development of the trade of that portion of China.

While the present growing demand for things foreign in the Nankin consular district is not such as to encourage American manufacturers to ship in wholesale quantities, the tendency of the people to Western ideas indicates that the time is at hand for a careful study of the local markets with a view to their profitable exploitation later on.

The advent of the Shanghai-Nankin Railway, passing through the important city of Chingkiang, and traversing the richest part of the district, brings Nankin into close communication with Shanghai. This latter city, modern and up to date in its everyday life, will reflect its influence over the conservative outport natives in the matter of foreign products. The Chinese is an inveterate traveler, and as communication with the great port city has been facilitated, he will seize the opportunity to make periodical visits, and will imbibe the tastes of his metropolitan brother.

The Nankin consular district, embracing the cities of Chinkiang, Nankin and Wuhu, with the intervening territory, is practically a virgin field as far as foreign products are concerned. While it is true that representatives of the various European and Japanese firms are frequently seen in the district, their purpose is seemingly not to sell goods, but to study the demands of the trade, and incidentally to select a comprador to represent the firm when the opportune time arrives. This labor and the accompanying expense may seem superfluous, but the time spent now in gaining an intelligent idea of the general trade demands will prove a decided advantage later if the competition becomes keen.

Those contemplating entering the local markets, and more particularly interior places, should secure the services of a person with a knowledge of the Mandarin language, and if this is impossible, a suitable interpreter should be employed. A careful study should be made of the wants of the local dealers, their manner of doing business, the nature of the goods wanted, paying particular attention to taste as to color and sizes; but above all an attempt should be made to remove the suspicion the native has of a foreigner. It is perhaps a little early to introduce large machinery or machine tools other than those used in the erection of buildings or railways, but in the matter of the smaller articles an opening wedge could be entered.

Soap and other toilet articles would find a ready sale, while cheap articles of adornment, particularly in the hair dressing line, lighting systems other than kerosene, which is now exclusively used, and the sale of which in 1907

amounted to over a million cases in the Yangtse valley, and inexpensive jewelry, might find a market.

At present all these as well as the more important foreign articles are purchased in Shanghai, the people making a personal trip to buy them. The advantages enjoyed by a firm already located there are manifest, inasmuch as they are in a position to fill a hurry order as well as to keep in stock the varied articles of usual demand.

The coming of the railway has certainly stimulated the business of residence and schoolhouse building. One may observe throughout the whole city large buildings in the course of construction. It would seem as though the whole list of building materials would find a market in Nankin. The city will continue to grow now that it is within easy reach of Shanghai, and the municipality plans to build a public park and open an exposition in 1909.

Of all the interior cities of China, Nankin can truly boast of having the best roads—about forty-two miles in extent. Part of these roads are suitable for light motor cars and motor cycles, which up to the present are an unknown quantity in Nankin. The present system of locomotion is by ricksha or carriage. The motor car and motor cycle are a common sight in Shanghai and are operated as well as owned by Chinese who indulge their tastes in this regard.

The good work of doctors from Western countries, as evidenced by the curing of hundreds yearly in their respective hospitals in China, has wrought a wonderful influence in behalf of the modern pellet and tabloid medicines. The various native chemist shops carry the proprietary medicines as well as those of local compound. Heretofore the British and Japanese have controlled this market in the medicine line, but the field is yet open, and the American article would, with energetic handling, share the market.

China is the natural market of the Pacific Coast producers, and more particularly in the matter of manufactures. A little more effort to place their goods would show results, while an intelligent study of the various inland markets would greatly enhance their opportunities. Geographically they are as advantageously situated as any country, with the exception of Japan, and the foothold gained by that country in the markets of China could be readily lessened on account of the better quality of the American goods.

PRESERVATION OF CHINESE MONUMENTS.

The following letter has been received by the Secretary of the Association:

PEKING, Sept. 2. 1908.

DEAR SIR—A great increase in vandalism has occurred in China since 1906, especially in North China. Some of the most celebrated and valuable monuments, sculptures, etc., are threatened with destruction. This can be said of the monoliths at the Ming Tombs to the north of Peking, where the statues in the famous avenue of stone images have been defaced, and where depredations of images, carvings, etc., by visitors are increasing.

During 1907 a foreigner abroad, otherwise respected, financed an expedition to Sian-fu in the province of Shensi.

The head of the expedition asserted afterward that his primary object had been to filch the Nestorian Tablet and float it away by the Wei and Yellow rivers. The enterprise failed owing to the presence of foreign residents at Sian-fu and the precautions of the Governor of Shensi, who removed the monument into the city of Sian-fu.

Recently one of the Government boards called the attention of the Throne to foreign vandalism in the Temple of Heaven enclosure at Peking. Last year foreign trespassers committed outrages there which attracted the attention of the Throne. About the same time the depredations of foreigners caused the temple "Ta-Kao-tien," in Peking, to be closed to visitors.

The destruction of the carvings around the base of the famous marble tope in the Yellow Temple begun before 1900 has continued.

Depredation is apparently accelerated by the visible destruction performed by foreigners in 1900. Other instances than the above might be cited if required.

It is urgently necessary to commence the discouragement of senseless destruction of monuments in China. The press advertised the depredations made upon the Nestorian Tablet, and has called attention to the destruction going on elsewhere in China. But the efforts of the press are insufficient. On the other hand the conditions of foreign travel in China and the relationship of foreigners to the Chinese in China make it possible for foreigners to discourage if not to entirely eliminate vandalism and to encourage the preservation of all forms of Chinese monuments and art. It is possible not only to discourage the activities of vandals but to encourage mutual respect amongst foreigners and Chinese for the monuments which in China mark the great and interesting achievements of the past.

At the present rate of progress there is danger that the monuments that are to be the chief attraction of China's future parks, museums and historic shrines will be effectually destroyed within a few years.

The improvement of railway connections with Europe during the past year has been the means of this rapid development of vandalism. The destruction at the Ming Tombs has occurred since the opening of the railway to Nan-kou, little more than a year ago. In a short time a railway will be opened to the Tomb of Confucius, where similar outrage will most certainly be committed if something is not done to prevent it.

The formation of a "Society" which shall receive sufficient prominence to give it power to impress upon travelers and other visitors that vandalism in China has reached a state of aggravated grievance would be a means toward its arrest. The practical step that should be immediately taken is the placing in public places in China and upon such monuments in danger of mutilation and destruction notices of authoritative remonstrance. Even a simple action like this ought to have at least the initial effect of arresting vandalism and promoting a public sense of responsibility in the matter.

For the sake of these monuments and their service to future generations, as well as for the good name of foreign

residents and travelers in China, some organized action should be immediately started.

In view of these facts can you aid in the matter and suggest what steps should be taken? Please consider the matter and reply. Yours very truly,

FREDERICK McCORMICK.

P. S.—If you can furnish information regarding the location, condition and importance of monuments and the possibility of the proposed "Society" being useful in guarding them, you will aid in carrying forward an urgent and important work, and in making it possible to promote an organization. Address

FREDERICK McCORMICK.

Peking, China.

RECEIPTS AND EXPENDITURES OF THE SHANTUNG RAILWAY.

Vice Consul Ernest Vollmer has compiled the following statistics from the annual report of the Shantung Railway Company for 1907, which had reached Tsingtau from Germany early in July, 1908:

The year 1907 was considered a satisfactory one for the railway, enabling it to pay a $4\frac{3}{4}$ per cent. dividend, against $4\frac{1}{4}$ in 1906. The year would have been better but for the stoppage of work in the Shantung mines, on account of an accident, and a heavy decline in silver, which constitutes the receipts of the company.

Prospects for the future are rather bright. A start has been made on the Tientsin-Pukow Railway. One of the main stations on this line will be Tsinanfu, the present terminus of the Shantung line. It is confidently hoped that when once a connection with the new line is had at Tsinanfu a large increase in the freight of the Shantung line will result, as a much larger territory can then be supplied through the port of Tsingtau. While the line from Tientsin to the Yangtze is under construction, it is also practically certain that the Shantung road will transport a large part of the needed material into the interior.

The rolling stock of the road consists of 30 locomotives, 107 baggage and passenger cars and 760 freight and construction cars. As a rule there are 14 mixed trains daily. A total of 7,259 trains, covering 496,190 miles, were necessary to handle the traffic during the year. Freight and passenger traffic were as follows: Passengers, 896,027; freight, 409,430 tons.

The total receipts of the road were \$1,174,874 gold, of which \$306,577 was from passengers, \$803,572 from freight and \$64,725 from other sources. The operating expenses were \$507,095 gold.

CANTON-HANKOW RAILWAY.

Minister W. W. Rockhill sends from Peking the following translation of a Chinese Imperial edict, issued on July 18, directing Chang Chih-tung, grand councilor and member of the grand secretariat, to assume absolute control of the Canton-Hankow railway:

Ch'en Ch'i-t'ai (governor of Kiangsu) memorializes to the effect that the Canton-Hankow railway should be car-

ried through under the direction of a single policy and requests that a high official of probity and intelligence be appointed to have supreme control of the affairs of the line.

The Canton-Hankow railway is of vital importance, in that it affects so intimately the means of communication between the north and the south. Chang Chih-tung was in charge of the negotiations at the time of the redemption of this line and was untiring in his efforts at that juncture. But during the last few years the divergent policies advocated by officials, gentry and financiers have prevented any substantial accomplishments. If this state of affairs continues the consequent loss and delay in the progress of the road will be great. It is necessary, therefore, that we appoint an official who shall have supreme control of the affairs of the railway, so that they may be brought to a successful conclusion.

We command that Chang Chih-tung, grand councilor and member of the grand secretariat, shall assume, in addition to his other duties, absolute control of the Canton-Hankow railway. Let him act in consultation with the board of posts and communications and with the viceroys and governors of the three Provinces. Let him see that the officials, gentry and financiers connected with the enterprise fulfill their duties with integrity. The said official may at all times come to such decisions as shall seem to him best, in view of the circumstances of the three Provinces. Let all dissensions now be terminated and unity of purpose prevail, to the end that useless expenditures and delays to the vital interests of transportation may be prevented.

SHIPPING TRAFFIC IN CHINA.

TRAFFIC ON THE YANGTSE RIVER.

Consul General Charles Denby, of Shanghai, transmits the following article from a local newspaper concerning the shipping congestion on the Yangtse:

The growth of the shipping traffic on the Yangtse has been rapid and remarkable. Japan, the United Kingdom, France, Germany and China have each a line of steamships on the river, and at the present time there are about 90,000 tons of merchantmen engaged in the traffic. Last year the four Japanese companies united in one organization and placed many new vessels in the service, which helped to bring on an exceedingly violent competition. On top of the tremendous increase in the number of vessels placed in the service came the period of trade inactivity in China, but the decrease in freight did not decrease the number of the ships, and the competition became unbearable. Toward the close of last year the rate on passenger traffic on the Yangtse dropped to an unheard-of extent. The fare from Shanghai to Hankow, 600 miles, was reduced to 1 yen (50 cents gold). Three years ago it was 6 yen. The freight rate dropped in proportion.

The other day representatives of the British, German, French and Japanese companies met in conference at Shanghai and discussed the possibility of working out an equitable passenger and freight rate, but nothing resulted therefrom.

The Japanese company ranks first in tonnage of ships,

with its fifteen vessels of a total tonnage of 29,000. Against this combination the Chinese Government line, the Jardine Line and the Butterfield Line have combined. Those three companies have long experience and have a strong hold on the business, which they created long before the newcomers entered the field. The German line is comparatively new, and the French line has only three vessels.

SINO-JAPANESE TRADE.

The trade between China and Japan has, according to the *Tokio Keizai Zasshi*, yearly increased, so that for the year 1907 it exceeds a quarter of Japan's foreign trade. At all events, it exceeds in the past year that for 1906 by 1,165,071 yen. The following table gives details of the growth of the Sino-Japanese commerce for the past ten years:

	Imports, Yen.	Exports, Yen.
1898.....	30,523,861	29,193,175
1899.....	28,687,731	40,257,034
1900.....	29,960,740	31,871,576
1901.....	27,256,986	42,525,579
1902.....	40,590,858	46,838,545
1903.....	45,453,057	64,994,180
1904.....	54,801,339	67,985,873
1905.....	52,618,408	98,681,998
1906.....	57,396,737	117,779,533
1907.....	67,992,044	106,019,916

The leading lines of export from Japan to China are cotton yarns, cotton stuffs, matches, marine products, coal, copper, handkerchiefs, cigarettes and porcelain. The imports from China to Japan consist in the main of raw cotton, beans, bean-cake, hemp, skins, rice, sugar and iron.

CONTRACTION OF JAPANESE COTTON YARN MARKETS.

Consul-General Henry B. Miller sends from Yokohama the following clipping from the *Japan Gazette* on the depressed cotton spinning industry there:

In view of the gradual diminution in the exportation of Japanese yarns to China, the domestic cotton spinners are now proposing to send in a petition to the Government asking for a State subsidy at the rate of 3 yen (\$1.50) per bale. Until the end of last year the exports to China amounted to 20,000 piculs per month, whereas the figures for July last were only 7,500 piculs. Such a remarkable diminution was partially due to the development of the cotton spinning industry in China and partially to the adoption of an export encouragement measure by the Bombay spinners, who have made an arrangement with the shipping company concerned for a reduction of freight by 5 or 6 yen (\$2.50 to \$3). The Japanese spinners have, therefore applied to the Nippon Yusen Kaisha (Japanese Steamship Company) for a reduction of freight, but their request could not be entertained. Such being the case, the domestic spinners have now turned to the Government, and it is proposed by them that a subsidy of 600,000 yen (\$300,000) is necessary, presuming that the annual exportation will amount to 200,000 bales altogether.

DEVELOPMENT OF SIBERIA.

The following report, covering the geographical divisions, population, railways, canals, shipping, commerce and industries of Siberia, together with the opportunity which it offers for American trade, has been prepared by Vice Consul Charles Lyon Chanler, of Dalny:

Siberia, as considered by the Russians, embraces the two political divisions of western and eastern Siberia. Western Siberia is composed of the governments general of Tobolsk and Tomsk, and eastern Siberia of the governments general of Irkutsk and the Amur. The government general Irkutsk is in turn divided into the governments of Yeniseisk and Irkutsk and the Province of Yakutsk; while the government general of the Amur embraces the Province of Transbaikalia, the Amur Province and the Maritime Province (Primorskaya), the latter comprising the Russian half of Saghalien and the Peninsula of Kamchatka.

The following statement shows the area and population of the several divisions:

Divisions	Area <i>Sq. miles</i>	Population January 1, 1906	Density per square mile
Amur, province.....	172,826	148,700	0.84
Irkutsk, government.....	280,429	552,700	1.97
Primorskaya, province....	712,585	252,100	.35
Saghalien, section.....	16,598	17,000	1.02
Tobolsk, government.....	535,739	1,656,700	3.09
Tomsk, government.....	327,173	2,412,700	7.49
Transbaikalia, province....	229,520	742,200	3.23
Yakutsk, province.....	1,530,253	300,600	.57
Yeniseisk, government....	981,607	657,900	.67
Total.....	4,786,730	6,740,600	1.41

This area does not include inner waters, and the population is based on estimations on the basis of the census of 1897 and the yearly increase, according to the last issue of the Russian central statistical committee (1906).

The population of Siberian cities, mostly based on the 1900 census, is as follows: Tomsk, 63,533; Irkutsk, 51,473; Vladivostok, 38,000; the population of Vladivostok in 1908 is estimated at 60,000, and is very rapidly increasing; Omsk, 37,376; Blagovyeshtchensk, 37,368; Krasnoyarsk, 33,337; Barnaul, 29,850; Tyumen, 29,651; Nikolsk, 22,000; Irbit, 20,062.

There is very little city life in Siberia. In 1902 only 8 per cent. of the population of Siberia lived in cities, and the general growth of most Siberian cities is slow, though there are a few "boom towns," as Stretensk, which grew from 1,710 in 1897 to 8,000 in 1900.

According to the medical department of the Ministry of the Interior, the vital statistics for 1904 were: Births, 874,311; deaths, 542,775; increase, 331,536.

On December 10, 1892, the Trans-Siberian Railway committee was created to colonize the land opened by that road, and generally to promote the economic development of Siberia. The committee began at once to promote emigration from European Russia to Siberia, and as a result of their endeavors, not merely did the numbers of the emigrants greatly increase, but their mortality rapidly dimin-

ished. In 1894, of 56,000 emigrants, 3,000 died on the way; while in 1899, of 220,000 emigrants, only 300 died on the way. From 1861 to 1892, 550,000 Russian farmers entered Siberia, while from 1893 to 1899 these figures rose to 1,000,000. This great increase was due not only to cheaper and better methods of travel but to the better terms on which land could be obtained, and to the constant care and watchfulness of the committee mentioned. Before the Russo-Japanese war most of the emigrants did not go beyond Lake Baikal, remaining in the governments of Tobolsk and Tomsk and in the district of Akmolinsk, where they found the soil much better, on the average, than that of those parts of Russia whence they came. At the present time every colonist arriving in Siberia receives 37 acres of land free, paying no taxes on this land for the first three years, and only half the regular taxes for the next three. Penniless emigrants have their passage paid by the Government, and wood from the Crown lands to build their houses.

The Government has established depots for the sale of agricultural implements of all kinds to the immigrants, often selling them at reduced rates and on easy terms of payment. During 1907 over 500,000 persons, according to the latest official figures, emigrated from European Russia to Siberia, and of this record breaking number fewer than ever before returned to their former homes.

In 1877 the Samara-Orenburg Railway was completed, uniting the fertile South Ural steppes to European Russia, and on November 7, 1901, through rail communication was established between European Russia and the Russian port of Vladivostok, on the Pacific coast, by the completion of the Trans-Siberian Railway, begun at Vladivostok in 1891. This railway, which is 4,125 miles in length from Tcheliabinsk to Vladivostok (and 6,677 miles from St. Petersburg to Vladivostok), does not at present (August, 1908) pass wholly through Russian territory, traversing for 1,072 miles of its length the Chinese provinces of Hoi-Lung-Kiang and Kirin, the northernmost provinces of Manchuria. This portion of the line is operated by the Chinese Eastern Railway Company, a nominally Chino-Russian corporation.

At the end of the year 1903 the cost of the Trans-Siberian Railway was \$172,525,000. From motives of economy the railway was laid out in as straight a line as possible, passing 45 miles from the large and important city of Tomsk, while the important cities of Tcheliabinsk, Kurgan and Omsk are all from 1 to 6 miles from their respective stations. The station of Irkutsk is separated from the city of that name by the broad River Angara. Save for the bridges over the large rivers, such as the Irtysh, Obi and Yenisei, and the tunneling around the southern end of Lake Baikal, no special technical difficulties were encountered in building the Trans-Siberian Railway; in fact, these tunnels around the southern end of Lake Baikal are, with but one exception, the only ones on the whole line of the railway.

Since the war the traffic on the railway has greatly increased, making it one of the greatest highways of the

world's commerce. Through tickets to points in the Far East via the Trans-Siberian are now sold at all the principal European cities and at several places in the United States. The journey between Vladivostok and Irkutsk takes four and a half days, and that between Moscow and Irkutsk six and a half days, making eleven days between Vladivostok and Moscow. The journey between Vladivostok and Harbin takes thirty-six hours, and Peking may be reached in eighteen or nineteen days from the chief European capitals by rail. In addition to the regular Government biweekly Trans-Siberian express, an international train de luxe is run weekly, and this, though more expensive, is much more comfortable and convenient for passengers.

No later figures for the Trans-Siberian passenger and freight traffic and receipts are available than the following, but it is believed that the increase of 1906 over 1905 will not merely be maintained, but will be exceeded in 1907 and 1908:

Year	Passengers	Freight Tons	Receipts
1905.....	1,565,000	241,600	\$14,072,000
1906.....	1,841,000	259,200	18,838,000

The most important branches of the Trans-Siberian Railway are those between Taiga and Tomsk, about 45 miles in length, built to connect Tomsk with the main line of railway, and from Karamskaia to Stretensk on the River Shilka, which it is proposed to continue along the Amur to Blagoveshtchensk and Khabarovsk, giving Russia a trans-Asiatic railway entirely in her own territory. Nearly 200 miles of this railway are now (August, 1908) in working order, but it will be at least four years before it can possibly be completed. The important railway from Nikolskoe to Khabarovsk, in the Primorskaya, or Maritime Province, is 474 miles long, and is of great strategic and commercial importance. Its growing prosperity may be seen from the following table, the figures being the latest available:

Year	Passengers	Freight Tons	Receipts
1905.....	557,000	28,800	\$1,249,000
1906.....	779,000	56,000	3,219,000

It is expected that those for 1907 and 1908 will, owing to the great influx of immigrants into this region, show a marked increase. Though this railway connects with the Trans-Siberian at Nikolskoe, passengers on the latter cannot change cars there, as the trains on this railway all start from Vladivostok. This railway is often called the Ussurian Railway, as it passes near the River Ussuri.

Siberia has many navigable rivers. The Obi, the Yenisei, the Lena and the Amur, with their tributaries, make communication easy between the interior of Asia and the Arctic and Pacific oceans. These rivers are, however, only navigable for a small part of the year, owing to the severity of the long Siberian winter. The Obi and its tributaries water more than 2,000,000 square miles of territory and are 3,875 miles long; and the Irtysh is the highway followed by Siberian trade going across the Urals to European Russia. While the River Yenisei is nearly as navigable as the Obi, it is not nearly so important, as it passes through a less cultivated and more sparsely peopled country. The Amur is a splendid natural highway, busy with

traffic, and the Irtysh is a beautiful and much used stream. The Angara, on which Irkutsk is situated, is of less importance, and the Lena, while large on the map, is too far north to be of much commercial value.

While merely of local importance as far as traffic and commerce are concerned, Lake Baikal, extending from 51° 29' to 55° 50' north latitude and from 103° to 110° longitude, deserves attention as the sixth in size of all the lakes of the world, being 376 miles long and from 20 to 70 miles wide. Its area is 13,500 square miles, and it is some 1,500 feet above the sea level. The greater part of this lake is of extraordinary depth, the maximum being 791 fathoms. Lake Baikal receives more than 300 streams of various sizes, but has only one outlet, the lower Angara.

The only canal of importance in Siberia is that between the rivers Obi and Yenisei, joining the cities of Tyumen and Irkutsk. This canal was opened in 1894, and is 62 miles long. It has not proved a commercial success, owing to the competition of the railway, the high rates, the short season, and its remoteness from centres of trade.

In 1874 an English merchant explorer was the first to sail from Europe to the mouth of the Yenisei River. He continued to make this voyage at irregular intervals for the next few years, and in 1887 English capital became invested in the enterprise of opening this line of communication. A company was formed to trade from London into the interior of Siberia by the river route. This soon failed, and trade was established on a genuinely commercial basis by a London merchant, whose fleet sailed from Hull or London near the end of July, steamed into the Kara Sea, and reached the mouth of the Yenisei River in three weeks. When the steamers arrived their cargoes were transferred to light draught barges in tow of steamers, the larger vessels returning to London, leaving the river fleet to move up the Yenisei to Krasnoyarsk, where the Trans-Siberian Railway crosses the Yenisei.

The difficulties of transport across Siberia, and the quickened interest of all Russians during the Russo-Japanese war about their Asiatic dominions, caused the appointment, in 1905, of a commission to test the practicability of this Kara Sea-Yenisei-Krasnoyarsk route on a large scale. The work was carried on with the most strenuous energy and skill, and remarkable time was made on the trial trip, in July, 1905, along the entire route, large vessels laden with iron, coal and other supplies being selected to make the test. The official report of this journey, which has just been published, states that this voyage fully demonstrated the practicability of this Arctic Sea route for commercial navigation from the Murman coast (on the Arctic Ocean, in the province of Archangel, in European Russia) to the mouth of the Yenisei for from two to two and a half months in the summer season. The wide channels opened between the ice and the coast in Barents Sea in summer always afford good navigation to the Kara Sea. The difficult part of the voyage is in the Kara Sea, but according to our present knowledge the route is always open along one of two passages along this expanse during the two to two and a half months that there is any possibility of making the journey. Operations are now under way to make the whole River Yenisei to the Siberian Railway at Krasno-

yarsk available for European commerce during the season of navigation. The Russians are very desirous of establishing a steamship route around Cape Chelyuskin and completely around Siberia to Bering Strait, but the difficulties of climate have thus far proved insuperable.

The vast area of Siberia is as yet scarcely touched commercially, when we consider the richness and capability of production of its soil and its constantly growing population. Factories are few, and nearly all these are mills, butter factories, alcohol distilleries, tanneries and foundries, making local products into cheap articles for local consumption. Most of the foundries are very small and unimportant. The Trans-Siberian Railway has made it so easy to bring all goods of the better quality from European Russia and from abroad that it does not yet pay to manufacture high grade articles for use in Siberia, with its comparatively scanty population.

Mining has the greatest future of any Siberian industry. Gold in placers is the chief mineral product at present. The chief centres of gold mining are the Altai, the Marinsk district of Tomsk, the southern parts of the province of Yeniseisk, the Yenisisk district in the north of the same province, the Nerchinsk and the Vitim districts of Transbaikalia, the Olekma and Vitim districts of Yakutsk, and the Bureya and Zeva districts of the Amur province. Some gold is also extracted by the Chinese in the south Ussuri region. No statistics as to the amount of gold produced in Siberia can be obtained, as the figures are contained in the total output of the Russian Empire.

The average annual production of pig iron in the Ural and Siberia (separate statistics for Siberia not given) from 1902 to 1906, inclusive, was 657,440 tons. The Siberian output of coal, chiefly from the province of Akmolinsk, rose from 660,770 tons in 1902 to 1,325,400 tons in 1905. Copper is mined in small quantities. More and more foreign capital is becoming interested in the mineral wealth of Siberia, and American miners are prospecting in those parts of the Primorskaya, opposite and near Alaska. The engineers of the trans-Siberian committee have undertaken to thoroughly investigate the mineral resources of Siberia, and have discovered the oil wells of Soudjenka and Tcheremkovo, which furnish some oil for the Trans-Siberian Railway.

In 1906, in the four governments of Tobolsk, Tomsk, Yeniseisk and Irkutsk, the area under crops was as follows, in acres: Cereals, 9,773,000; potatoes, 171,000; grass land, 10,645,000; total, 20,589,000.

The average yield of cereals, potatoes and hay, in tons, was as follows:

Crops	1901-1905 (average yield) Tons	1906 Tons
Wheat	893,712	1,228,400
Rye	581,624	688,560
Oats	684,384	979,120
Barley	76,880	109,216
Various	53,824	82,656
Total cereals.....	2,290,424	3,148,952
Potatoes	386,024	408,096
Hay .....	.....	7,325,874

In 1900 it was estimated that out of a total of 19,727,000

acres of cultivated land, 11,625,000 acres were under crops in Siberia. Crops greatly fluctuate in Siberia; the yield in a good year is two or three times that of a bad one.

Siberia's exports of dairy products are rapidly increasing, and have a most promising future. In 1898, 4,000 buckets of butter, each containing 36 pounds, were sent, as an experiment, to the London market; 30,000 buckets of butter a week were sent thither in 1901. The pasturage in this butter producing region, which lies chiefly in the district of Tomsk, is so good that there is 7 per cent. of butter fat in the milk. In 1901 there were only two steam dairies in Siberia, nearly all the butter being made in a primitive fashion by hand. Later information concerning this industry is not available, but it is believed that but few, if any, more steam dairies are now in operation. In the eight governments of Russia in Asia there were 4,938,000 horses, 5,712,000 horned cattle, 11,921,000 sheep and goats, and 898,000 pigs, in 1907.

In 1900 the number of reindeer in Siberia was estimated at 206,420. Transbaikalia exports cattle to the Amur, and, in 1899, 113,772 tons of beef and pork were shipped from Siberia. It is expected that, should this industry develop as it has done in the past, Siberian meat may compete with that from New Zealand and the United States in China and Japan. In 1902 a Danish firm was the first to export salted beef, mutton and pork from Siberia to London. Their success showed that Siberian mutton was good enough to compete with the best Icelandic mutton, and may in future become an important factor in the meat markets of western Europe. In 1902 the first canning establishment in Asiatic Russia was opened at Omsk. Exports of hides and skins from Siberia increased from 2,800 tons in 1899 to 5,200 tons in 1902. More than 1,600 tons of Siberian eggs are exported annually, many of them finding their way to the London market.

The fisheries of Siberia are very important; the River Amur is especially rich in salmon. The amount of preserved fish exported from Siberia grew from 640 tons in 1899 to 2,000 tons in 1902. The high price of salt and tin plate and the lack of skilled knowledge are retarding the Siberian canned fish industry.

The vast coniferous forest zone of Siberia is yielding ever increasing quantities of timber. On January 1, 1906, the state forests of Russia in Asia included 361,945,497 acres, exclusive of the Amur region, which had 288,742,000 acres; total, 650,687,497 acres. The timber industry has scarcely begun to be developed in Siberia.

The fair holds an important position in the commercial life of Siberia. Though not strictly speaking in the limits of Siberia, the great annual fair of Irbit is held so near the borders that it serves as a vast mart for the exchange of Siberian products with those of Europe. In Tobolsk government 507 annual fairs are held, in Tomsk 68, in Yeniseisk 13 small ones, and in Transbaikalia (Irkutsk and Yakutsk) from 3 to 12. The aggregate returns of all these fairs is \$25,000,000 a year.

Siberia's chief exports to Russia are grain, cattle, sheep, animal products, furs, game, feathers and down, and the chief imports therefrom are iron and steel, machinery of all kinds, especially farming machinery, cement and manu-

factured articles of various kinds, these latter coming chiefly from Lodz and other industrial centres in Poland. As there is only one sugar refinery in Siberia, that in the government of Yenisei, much sugar is imported through European Russia. Tobacco and petroleum likewise are sent from European Russia to Siberia in ever increasing quantities. The balance of Siberian-Chinese trade is greatly in favor of China; Siberia imports \$10,000,000 worth of goods from China annually, almost entirely tea, by caravan, while Siberia only exports to China \$750,000 worth of articles annually, and many of these originated in European Russia, merely passing through Siberia in transit.

Few countries in the world offer such opportunities for American trade and commerce of all kinds as do Siberia. There is no other country so vast and so temperate in climate whose resources are in such a partial stage of development, or whose mineral wealth, now mostly latent, only awaits the pick and shovel of the prospector. The English traveler Fraser, journeying through Siberia in 1901, was everywhere struck with the prevalence of American machinery and of American goods of all kinds. The needs of Siberia so closely resemble those of our own great West that no peculiar or rare machinery needs to be made for export thither.

The extension of the enormous Trans-Siberian Railway line, and the new railways to be built in Siberia, will create a demand for more of that American rolling stock which has stood the test so well on the Trans-Siberian and other Asiatic railways, as well as for new and finer types required by the development of Siberian industries, viz., refrigerator cars for butter, meat and eggs, and Pullman and library cars for the constantly developing tourist travel. Harvesting and farming machinery of all kinds will always find a ready market on some of the most fertile plains in the world—plains every year extended by the gradual diminution of the forests and remarkable increase of population.

American firms sending representatives to seek business in Siberia should only employ men with a thorough knowledge of the Russian language, who should be fully conversant with the somewhat peculiar business conditions often prevailing in Siberia, as in most new countries. All circulars and descriptive matter should be in good, clear Russian; English advertising matter is worse than useless. A salesman should carefully plan his tour through Siberia, and have enough money for emergencies.

AMERICAN TRADE IN CHINA.

Writing from Canton, Vice Consul General Willard B. Hull says that consular officers in China are constantly in receipt of commercial letters of inquiry from the various manufacturers in the United States requesting information as to the prospects for business in that country and what opportunities are open for their particular line of goods. Catalogues of various kinds are usually forwarded with these letters for filing purposes. Mr. Hull continues:

A review of the list of foreign imports into China during 1907 shows that there is in China a market for a multitude

of foreign made articles. In fact, there is no reason why this country should not in time adopt and have in common use much that is today used in all civilized countries. Many foodstuffs in common use in foreign countries are now finding a market here, numerous articles of foreign clothing are being worn, while as regards general articles of common manufacture in modern countries, the list of sundries in the table of foreign imports shows an ever increasing variety, so we may be led to believe that in the future the bulk of our modern utilities will be in use among the Chinese.

This may take many years to bring about, but we can easily imagine that the practice of adoption from foreign countries, which has been so common in Japan, may soon be followed here. The field may, therefore, in some ways be compared with what Japan has been, with the exception that China is a much vaster empire, having many more natural resources awaiting development and about ten times the population, but at the same time an almost instinctive conservatism which in numerous ways must be overcome. The field has practically just been opened up and the development has yet to be brought about. To these facts the foreigners seeking a market here must give due recognition, and must keep them constantly in view. For some articles the work of securing their adoption by the Chinese has in a large way been completed, and the conditions of the market, therefore, divide themselves into two general phases: (1) The market for goods which have already been taken into use by the Chinese and have been long enough established as to be considered by them necessary, and (2) the market for articles the value of which the Chinese have yet to be shown before they will adopt them.

Manufacturers of articles coming under the first classification, having demonstrated to the Chinese the usefulness of their product, have now only to meet their foreign competitors in the field, usually in price, and thus secure the business. For those dealers who wish to create a market for their products among the Chinese the task of educating them up to their use and of persuading them of their advantages must be met. In this work patience is necessary and price the great factor. Many articles of foreign manufacture, which the Chinese readily see the usefulness of, find a limited market owing to their high price. If a cheaper grade can first be given the people to buy, its adoption and use in time makes it indispensable, and then the market may be gradually supplied with a higher grade article of a greater value.

A careful study of the existing or future markets must be made by manufacturers, and when once they understand conditions they must adapt themselves to them. American business firms are constantly sending out catalogues in English, with occasionally Spanish, French or German translations, which is a mistake for the Chinese market. The Chinese people do not come to the office and ask to see catalogues of foreign goods. The person who wants to sell to them must go with prices and catalogues and persuade them of the merit of the articles. To do this necessitates a representative of some kind, and it is just this feature in which American business houses are behind.

Of course many American firms have local business

houses as their agents, but as these houses are usually German, French or British, the sale of American products is handicapped by the fact that a foreign firm will scarcely endeavor to sell American goods as long as its own country can supply them, nor give preference to an American machine over one of its own of the same type. This results in American goods being kept in reserve as a second choice, while practically nothing is done to properly exploit the field in our lines. Manufacturers in the United States must, therefore, not expect the business they are entitled to unless they are willing to send personal representatives to this country to patiently study and work up a market. This is the only way to be sure of selling goods here, for regardless of how good consular reports may be on the conditions, they can never bring manufacturers in close enough touch with the market.

Consular officers may be consulted as to the advisability of sending representatives and as to what the prospects for consumption are, but it is out of the question to expect them to build up a trade for American goods on the catalogues and price lists they have on file in their respective offices. Some firms have already sent out personal representatives, but in many cases these persons have merely traveled from one port to another, spending a day or two in each place, and accomplishing nothing aside from possibly securing a British or German firm to act as their agent, which could have been done by mail.

What American firms need in China are more salesmen and representatives who will come and study the situation patiently, and gradually build up a paying business, and fewer catalogues, which in many cases do not give sufficient specifications or details and are often without prices, or when prices are given there is a trade discount which can only be ascertained by writing home, requiring the time in which the article could actually be received from Europe.

JAPAN YARN TRADE.

The *Nippon* has an article dealing with the cotton-spinning industry of Japan. Never in the annals of the spinning industry, says the Tokio journal, has there been such an acute depression as that which is now experienced by the Japanese spinners in general. In the spring of this year the Cotton Spinners' Guild at Osaka, while devising the "lottery" scheme, passed a resolution to reduce the output after May 1 by abolishing night work for a period of six months, thereby attempting to encourage the export of Japanese yarns to China in the future. But their efforts were of no avail. Not only the Japanese spinners, but also the British merchants in the same line are experiencing great hardship at present. Under these circumstances the Japanese Cotton Spinners' Guild convened an extraordinary meeting on the 8th instant, when it was agreed that the period of the suspension of night work should be further prolonged until April 30 next. With the abolition of night work, the number of operatives has naturally decreased at the ratio of over 4,000 every month, so that their number at the end of July this year had diminished to 67,709. It may be remarked that, as the result of the

abolition of the night work, the value of yarns exported abroad at the end of July this year was only Y.14,000,000, against Y.20,000,000 for the corresponding period of last year, showing a diminution of six million yen.

CHINESE FLOUR.

The following information, as given in a local newspaper concerning the present condition of the flour trade in Newchwang, is furnished by Consul Thomas E. Heenan, of that Chinese port:

The stock of flour at this port is small, and the imports are equally small, yet sales are slow. One of the reasons for this condition of the trade is said to be the large wheat crop of the Fengtien Province. The present market price for flour made from this wheat is 5 cents Mexican per catty (2.1 cents gold per 1½ pounds), which is cheaper than the price of the Shanghai (foreign) flour. The flour made from Fengtien wheat is dark and does not come up to the quality of the Shanghai flour, and cannot compete therewith, although it is at present a hindrance to the sales of the better product.

On August 3 American steamers entered at Newchwang with 60,000 sacks of "boat" brand flour, which was imported by a Japanese merchant. Some of this flour was contracted for by Chinese merchants, who had sold it on speculation for \$2.47 Mexican (\$1.05 gold) per sack, to be delivered on the 11th. As these goods had arrived, payment should have been made on delivery, but on account of lack of money to meet such payments 4,000 sacks were suddenly sold at the rate of \$2.40 Mexican (\$1.02 gold), which has disturbed the market somewhat.

MANCHURIA.

CAUSES OF THE PRESENT DEPRESSION IN THE FLOUR TRADE.

From an article in a local newspaper on the condition of the Manchurian market, transmitted by Vice Consul General E. G. Babbit, of Yokohama, the following extract concerning foreign flour is taken:

According to an estimate furnished by a reliable authority, the total quantity of flour imported for this year will not exceed 800,000 sacks, which is less than one-third the quantity imported in 1906. All the flour merchants are suspending new orders and are trying to clear their stocks as quickly as possible, even at a loss. Up to 1903 the quantity of foreign flour annually imported was 100,000 sacks or thereabouts. Subsequently the sudden expansion of the purchasing power of the natives on account of the war and the rise in silver resulted in a great increase in the import of flour. With the fall of silver and the resumption of a normal condition of exchange, however, the importation of flour has begun to decline, resulting in the existing dullness of the trade. In view of the scale of living prevailing in Manchuria, it is believed that the demand for a large quantity of imported flour cannot be expected in the near future. The rise in the price of flour owing to the fluctuation of exchange has been very great, as may be seen from the fact that a brand that was quoted at Mukden at \$2.30 (Chinese currency = 98 cents gold) per sack in January last year is now sold at \$2.95 (\$1.26). In such circumstances it is not surprising that the foreign flour trade in Manchuria should experience such a depression as at present.

THE TIENSIN-NANKING RAILWAY.

The following information concerning the railway to unite Tientsin with Nanking, work on which was begun with attendant ceremonies at Hsiku, a suburb of Tientsin, on June 30, is furnished by Consul General E. T. Williams, of the latter place:

This enterprise is undertaken in accordance with an agreement signed at Peking on January 13, 1908, the parties thereto being the Chinese Imperial Government, on the one side, and the Deutsche-Asiatische Bank of Shanghai and the Chinese Central Railway, a British corporation, on the other.

It is expected that the entire line will be open for traffic within four years. This will be one of the most important trunk lines in China, providing the connecting link between the railways of the north and those in the south. It will pass practically through the same region as that served by the Grand Canal. It is more than 600 years since the Grand Canal was completed by the Mongol Emperor, Kublai Khan. What was rightfully regarded as a work of great importance, providing as it did an interior line of water communication between Hangchow and Peking. For centuries it served as the main artery of commerce between the north and the south, and the grain and silks sent to the imperial court in tribute by the rich provinces of southeastern China were carried over its waters. Most of this transport in recent years, however, has been done by steamships going by sea. The canal has not lost its usefulness, but the section through Shantung has never been an unqualified success, and is in need of repair now.

The Tientsin-Pukow Railway is to be divided into two sections, the northern to be constructed with German capital, the southern with British and a moiety of French capital. The line will follow the course of the Grand Canal from Tientsin to Techou, on the border of Shantung Province, the course being a little west of south. From Techou it will go southeast to Tsinan, the capital of Shantung, crossing the Yellow River near that city. From Tsinan it will run, in a southerly direction, through the mountainous region of Shantung, to Ihsien, near the southern border of that province, where the northern and southern sections unite. It will probably pass through Tai-an in Shantung, not far from Mount T'ai, the sacred mountain of China, and the home and tomb of Confucius.

The southern section will pass from Ihsien, southwest to Suchau, in northern Kiangsu Province, crossing the Grand Canal about midway between the two cities. Suchau is in the bed of the old Yellow River, a low lying region of lakes and streams, but a very fertile country, and the source of a variety of opium highly prized by the smoker. From Suchau the line will run southwest to Suh, in Anhui Province, thence a little east of south to Fungyang, crossing the Huai River just north of that city. From Fungyang it will follow, in a general way, the old highway, built by the founder of the Ming dynasty, from Nanking to K'aifeng, but diverging a little to the west to pass from Fungyang through Tingyuen to Chuchou. This highway has from very ancient times been the route taken by caravan traffic between Nanking and northwest China. Pukou,

the southern terminus, is a small town opposite Nanking, at one time on the north bank of the River Yangtze, but now some two miles inland, the intervening ground being a reed marsh formed by the deposits of the river.

The region traversed by the Tientsin-Pukow line is not one of the richest in China, but there are many fertile districts, and the mountainous region at Shantung doubtless contains mineral deposits of value. Agriculture, mining and manufacturing will all be stimulated when cheap and rapid transportation is substituted for the slow and expensive methods now employed; but the chief value of the line will be, perhaps, its usefulness for through communication between the capital and the wealthy and populous regions of Central China, devoted to rice growing, sericulture and manufacturing.

INAUGURATION CEREMONIES.

A clipping from the Peking and Tientsin Times, furnishing an account of the ceremonies attending the inauguration of the enterprise, accompanied Consul General Williams' report, wherein it is stated that all the leading foreign residents of North China, some 600, official, civil and military, were present, and that the American consul general, as senior consul, returned thanks for the foreign guests in a happily worded speech. As noting the great change which has taken place in Chinese feeling in regard to railways, the following extract from the speech of Director General Lu is significant:

"Though the funds for the construction of the Tientsin-Pukow Railway are borrowed from Germany and England, the construction and control of the road are entirely vested in the Imperial China Government. By availing ourselves of the good part achieved by the various railways in China and utilizing the good methods now in operation in the different foreign countries, we expect that we shall make a perfectly good railway.

"I therefore conclude by wishing every success to our work and speed to our employees in their undertakings; that we may complete work in due time and that our trade may grow day by day by the facilitated communication and transportation between the north and south. I wish also that the railways in the various provinces of this empire will be greatly extended, so that they may be connected with each other, and then we can make them as the basis upon which to erect the wealth and power of our country, and then we may walk hand in hand with the powers. I consider this the greatest blessing both for China and other countries, and I sincerely hope that the time will soon come."

TRAVELING SALESMEN AND CONSULS.

Consul J. C. McNally, of Nanking, repeats the statement made by many other officers that it is unusual for an American salesman to call on a consul, either to obtain trade information or in the nature of a social call. Mr. McNally points out what this neglect means:

This apparent indifference may be due to the inherent confidence of the American pathfinder in his ability to work out a commercial success, or to the belief that the

consul is either ignorant of existing trade wants, or that he is too busy to give him the attention he requires. It matters not how well fortified a salesman may be in his own country, either as to the nature or quality of his goods, or his peculiar fitness to intelligently demonstrate their merits, his first introduction to the foreign trade will force the discovery that the prevailing competition has created new demands for him to meet before he can entertain the hope of placing an order.

National prejudices may have to be removed; local characteristics and tastes may have to be consulted; small concessions may have to be made, and innumerable other elements may enter into the probability of success; elements known to the consul, the knowledge of which would prove valuable to the harbinger of America's commercial supremacy—at least in his line.

Salesmen of other nations are sure to visit their consuls when entering a new field, and the measure of success they seem to enjoy would indicate that the information received was of great benefit. The consul no doubt imparted information that enabled the salesman to go into the matter with a knowledge of the demands that the prospective buyer is certain to make, and, being forewarned is forearmed, to meet the demands, or at least to formulate a plan of action based on the information received.

What foreign consuls can do the American officer can do, and I believe more effectively. His advice, valuable by reason of his local experience, will convince that the same "time is money" attitude that would be accepted at home, as a matter of course, would be interpreted abroad as being rude and ungentlemanly; that the same practices that serve to ingratiate a salesman with his prospective buyer at home would invite disaster abroad. Of course, different localities have native dispositions and tastes that must be humored if one hopes to win a customer.

No better start can be made in a foreign market than by absorbing whatever information the consul can impart. His pursuit for information on which to base his reports, his daily contact with the local tradespeople, gives him an opportunity to learn the conditions that invite in his market goods other than American. Once the reason for the preference is ascertained it is easy to point out the way to remove the bar, if any, or at least to mitigate its importance.

The prevailing trade peculiarities, the temperament of the people, the national characteristics as to tastes, as well as other matters, are necessary to the salesman's general knowledge. The consulate is the only reliable source of information, and the advice obtained there will form a valuable asset to one about to exploit the markets of his consular district.

WILD SILK OF MANCHURIA.

The following information concerning the wild silk of Manchuria, introductory to a report on the condition of American trade in Manchuria and what American importers and exporters must do to secure and maintain their full share thereof, is furnished by Vice Consul General Charles J. Arnell, of Mukden, but who is located at Antung:

Estimating the average annual export of wild silk from southeastern Manchuria in 1907 to have consisted of 10,000 piculs (1 picul = 133 $\frac{1}{3}$ pounds) of tussah, 5,000 piculs of waste, and 60,000 baskets (180,000 piculs) of cocoons, and calculated at the medium market rates of the past season (tussah, \$140 per picul; waste, \$14.50 per picul, and cocoons, \$22.50 per basket) it was worth \$2,822,500.

The foregoing figures are as nearly correct as it was possible to make them from the statistics at hand, and are believed to be very close approximations.

The farmer or manufacturer in southeastern Manchuria usually sells his silk through hong, or brokers. The hong enjoy better connections with Chefoo and Shanghai than the farmer could easily establish, and are thus able to bring him into touch with the best buyers. They also possess large courtyards and godowns in which he is able to store his silk while awaiting sale and shipment. As soon as the season opens the buyers—foreigners as well as Chinese, and in most cases representatives of large filatures—come from Chefoo and Shanghai, as well as other southern ports, and during their stay are entertained by the hong, who introduce them to the sellers and help them to arrange satisfactory bargains. For their services the hong charge the seller and the buyer each a commission of 2 per cent. All payments for silk are usually made on delivery. There are five large silk hong at Antung, besides scores of smaller ones. Since the opening of this port the local Japanese merchants have bought up large quantities of tussah for direct shipment to Japan.

The wild silk industry of southeastern Manchuria seems destined to considerable expansion. There are two recent inventions which should open up new and larger markets for its products. One of these is a process for bleaching the silk, the natural color of which is a golden yellow, and the other is a spinning machine which will make it possible to turn the thread out with fewer knots and much more uniform in thickness than by the present methods. This machine is said to have been invented by an expert in the Yokohama silk examination office. It is predicted that wild silk, as a result of these improvements, will before long reach a market value of but 20 per cent. less than that of the white kind.

Tussah enjoys a growing market in Europe, Japan and the United States, while waste and pongees are exported in increasing quantities to Great Britain and France. The productive capacity of southeastern Manchuria should easily keep pace with the widening demand. It still has many idle hillsides, and offers opportunities for more producers, as well as for production on a larger scale. The improvement which has already taken place, and which is about to take place, in the matter of transportation facilities should serve as an additional encouragement to the industry.

The United States has for some time been a purchaser of Chinese tussah and pongees. The exports of tussah thereto during the past four years have averaged 534,000 pounds per annum. The highest figure was reached with 599,600 pounds in 1904, a year in which the total foreign export was exceptionally large. The year 1906, with 508,666 pounds, showed an increase over 1903, but a decrease as compared with both 1904 and 1905. The American fig-

ures in pongees have experienced a regular tendency to fall, beginning with 55,066 pounds in 1903 and ending with 11,466 pounds in 1906.

Of the total foreign export of tussah and pongees, the portion taken by the United States during the past four years has averaged 14 per cent. in the former and 6 per cent. in the latter case. While the United States as a purchaser of tussah has been equaled only by Italy and Macao and surpassed only by France as buyers of pongees, it has stood much nearer the foot of the list, the countries that have outrivalled it being, named in their order of importance, Hongkong, France and Great Britain. (Hongkong is considered as a distinct country in the Chinese customs returns. Adding the Hongkong figures to those of Great Britain, the latter becomes by far the largest buyer of pongees.)

Japan formerly only equaled the United States in the importation of the cloth, but since the close of the recent war it has been surpassing us in the importation of both cloth and thread.

EXPORTS OF TUSSAH AND PONGEES FROM CHINA.

The following table gives comparative statistics of China's foreign export of tussah and pongees during the years 1903-1906:

Country	1903	1904	1905	1906
TUSSAH				
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
France			1,078,200	1,160,800
Italy			450,600	588,666
Macao	424,138	481,886	412,000	411,333
America	338,272	509,800	554,533	508,666
Japan	286,400	204,666	583,200	547,833
Hongkong	158,833	270,933	181,333	49,466
Great Britain	18,800	31,466	30,133	18,666
Other countries	1,758,862	1,588,531	167,001	121,868
Total	2,980,400	3,177,062	3,411,000	3,407,298
PONGEES				
Hongkong	166,933	154,000	164,266	146,800
France			87,600	154,000
Great Britain	111,200	43,733	54,533	95,333
America	56,066	38,000	28,000	11,466
Japan	33,733	32,400	23,200	22,533
Other countries	306,268	196,800	87,334	68,801
Total	733,200	464,933	444,933	498,933

The totals, in both tussah and pongees, for 1903 and 1904 include France and Italy, which are not given separately in the customs returns for those years.

Of the waste exported from China, the United States has taken but an inconsiderable portion, practically all of this form of wild silk having gone to Hongkong, Great Britain and the Continent of Europe, mainly France. Until the close of the late war, since which Japan has been importing limited quantities, scarcely any wild silk cocoons were sent abroad.

DIRECT MANCHURIAN-AMERICAN TRADE.

Based on the desirable purchase of this wild silk for American manufacture, Mr. Arnell then draws attention to the large possibilities of supplying American manufactured

goods through mercantile houses that would handle both ends of the trade:

As a result of the opening of Manchuria to international commerce and the consequently increasing interest which the United States will doubtless continue to manifest in the trade of this territory, American importations of tussah and pongees, as well as of waste, should, it is believed, commence to increase, and such an increase should exert a most beneficial influence on American commercial interests in general in this region. Particularly would this be so if the conversion of the cocoons into thread and cloth should ultimately be centralized in Manchuria—a condition most likely of realization—and the entire export of those products destined for the United States should be made directly from Newchwang, Antung and Dalmy. American firms should in this manner become direct purchasers from Manchuria, and as such should enjoy proportionately greater advantages as sellers thereto. At present the trade of the United States with this territory is entirely one-sided. It sells but does not buy, and this fact constitutes one of the principal causes which are destined to handicap American sellers in competition with Japan, which purchases practically the entire output of beancake, Manchuria's most important export. If, therefore, American manufacturers could arrange to buy a larger proportion of wild silk—the export ranking second in importance—this disadvantage would most likely considerably diminish.

AMERICAN BUSINESS BRANCH HOUSES IN MANCHURIA.

In order fully to enjoy the benefits which might result to the import trade into Manchuria of American products from an increase such as mentioned in the export trade therefrom, it would be almost necessary that American merchants establish branches here, and combine in their business the export of the products of wild silk to the United States with the import of cottons, flour, oil and other goods therefrom. This is what the Japanese are doing in the trade between Japan and Manchuria, and with marked success; they sell their piece goods and miscellaneous articles largely to the same Chinese merchants from whom they buy the bean cake. If American merchants should not consider it advisable to establish their own branches here, the next best plan, though a far inferior one, would be for them to appoint others as their representatives to conduct a direct trade, both export and import, between Manchuria and the United States. But it is believed that resort to such a plan should not be necessary; in other words, that American merchants could establish themselves at Newchwang and Antung, and probably at Dalny also, with profit. Others have done so, and there is no reason why Americans, whose present commercial interests in Manchuria, are exceeded only by those of Japan, should not do likewise.

Speaking with special reference to this port (Antung), it is believed that the conditions will before long be favorable to the location here of at least two American firms. In addition to the importation of American oil, flour and cottons, which is already large, as well as of other goods whose introduction should be possible, and the exportation of wild silk and timber—an import and export business which

should alone furnish suitable returns—the opportunities offered for the erection and operation of steam filatures and looms for wild silk may without hesitation be said to be exceptionally good. An American establishing such a factory should be able to dispose of the larger part of his product in the United States. The advantages of direct exportations of tussah from Antung, as compared with Chefoo and Shanghai, have already been described. An American firm at Antung, it would seem, should also be able to establish an export trade in Yalu timber with the Philippines, and in return import Philippine sugar into Manchuria.

With or without reference to the desirability of an increase in the trade in wild silk, there is no doubt that American merchants can establish themselves profitably in the ports of Manchuria; and, if American commercial interests in this region are to grow, they must do so. Shanghai is too roundabout a channel through which to conduct trade in a promising region where others are conducting theirs directly, and as a consequence more effectively. [A complete report from Vice Consul General Arnell covering the wild silk industry of Manchuria—cultivation, manufacture, etc.—is on file for public reference in the Bureau of Manufactures.]

CHINESE RAMIE EXPORTS.

Writing from Hongkong, Vice Consul General Stuart J. Fuller says that the annual report of the acting commissioner of Chinese customs at Swatow makes some remarks in regard to ramie, which may be of interest in the United States in view of the recent investigation into the use of this fibre on the part of textile manufacturers. Mr. Fuller continues:

This is the first year that ramie has appeared in the exports from Swatow, and indeed it has not been hitherto of commercial importance in the South China market. Considerable interest is taken in this matter at Swatow, and it is thought possible that in ramie will be found a product that can successfully replace sugar, Swatow's former staple. The commissioner says that the industry is not yet extensive, being confined to the Chaoyang district.

Plants are said to grow rapidly and can be cut three or four times a year. The prepared ramie is worth \$40 Mexican (at present rate of exchange equivalent to about \$17 United States gold) per picul of 133½ pounds, as against \$20 for the Hankow article. It is important to note that the amount of ramie handled at the port of Swatow in the year 1907 aggregated 64,133 piculs, equivalent to 1,551,066 pounds.

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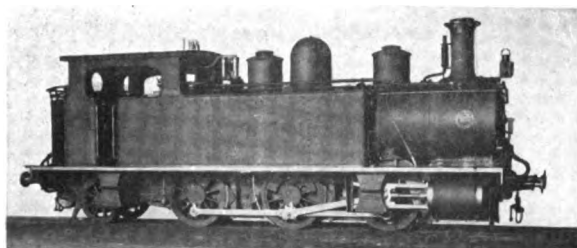
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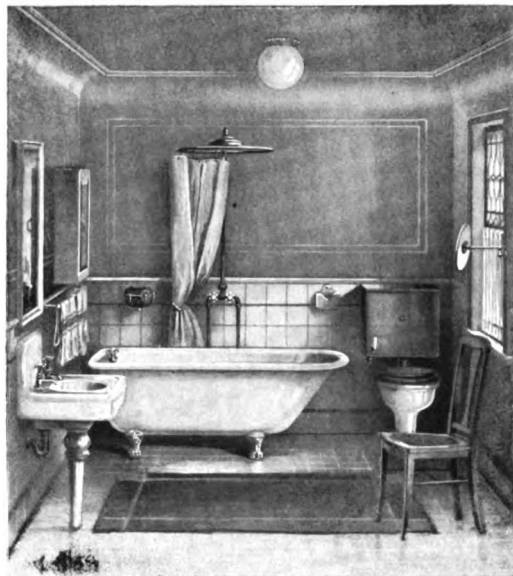
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THAT the transfer of power in China should have been effected without serious disturbance, and without the slightest hint of foreign interference, speaks well for the intelligence and patriotism of the men who are at the head of the great provincial governments, no less than of those who have the direction of affairs at the capital. If there has been any endeavor or desire to promote factional strife, it has been carefully kept from public view, and the apparent absence of any disposition among foreign powers to trade upon divisions within the ranks of the Imperial Clan may, not unreasonably, be attributed to the absence of invitation to interfere. While China remains true to herself she has little to fear from abroad, and as at least three among the Great Powers are fully agreed that it is for their interests, and the interests of the world at large, that the integrity of China should be preserved, it may be assumed that the area of international intrigue in Peking is much more circumscribed than it used to be. The ridiculous agitation which is so persistently kept up by a great American newspaper for an alliance between China and the United States has at least this to recommend it, that it keeps before the minds of the American people the fact that an independent China is an American interest, and that both on commercial and on political grounds we are as deeply interested as any nation in the world in leaving China free to work out her destiny in her own way. There is, happily, no public man in either hemisphere more thoroughly imbued with that idea than the President-elect of the United States, Mr. William H. Taft.

THAT from a Western point of view China's way of working out her destiny should be a wholly intelligent one is perhaps impossible. As Dr. J. B. Fearn remarked in an address elsewhere republished, made at Shanghai two months ago: "The desire to make China an up to date nation, equal to if not superior to any foreign nation, is perhaps the uppermost thought in the minds of all awakened Chinese, but to accomplish this without the aid of any outside help makes the hardest possible task out of what could be made much easier by a wise attention to the selection of experienced advisers." The Chinese attitude to for-

eigners is, as Dr. Fearn remarks, somewhat capricious. Only the year before last the Americans were in the worst possible repute, as the British came to be shortly after in regard to their attitude on the Chekiang Railway loan. But it required only a few months to have the grievances against Great Britain and the United States forgotten in the hard feelings of the Chinese toward Japan. Now that our country is on the crest of the wave of popular approval, because of the return of the indemnity, it seems probable that a good deal of the anti-foreign feeling in China will subside. The newly arrived special envoy, His Excellency Tong Shao-Yi, refers very sensibly to his mission in the statement given out by him at San Francisco. This, taken in connection with the entire concord of action between men, in some respects so far apart, as Chang-Chi-Tung and Yuan-Shi-Kai, affords fair ground for the expectation that the new régime in China will be one of intelligence, toleration and progress.

In the last analysis it seems probable that the position of the foreigner in China will be pretty much what the rectitude of his character and intentions deserve. As Dr. Fearn remarks, there was a time when the fact that the man was a foreigner was ample proof to the Chinese of integrity and uprightness. In former days they trusted every foreigner. Now they go forward with care, and unless a man can prove himself to be trustworthy he is looked upon with distrust. That is a consideration which lends new significance to the attitude of this Government toward Judge Wilfley. In the estimation of all impartial onlookers here, and presumably in the case of most of them resident in China, Judge Wilfley has performed a much needed service in clearing the American name of a reproach which it had justly incurred for abuses which had long existed under its sanction in more than one of the great Treaty Ports. In suppressing the vicious elements which claimed American protection in Shanghai and elsewhere Judge Wilfley has necessarily made many and bitter enemies. There is always a considerable harvest to be gleaned from the toleration of vice and crime, and those who participate in it are not likely to view the contraction of their ill-gotten gains with anything like equanimity. But it is surely a matter of vital consequence to every self-respecting American that his countrymen should stand, in the estimation of the Chinese, for the highest type of rectitude. It is obviously undesirable that they should be known as keepers, inmates or protectors of bagnios and gambling dens. Whatever may be alleged on the score of lack of tact by Judge Wilfley in carrying out the reforms in Shanghai and Tientsin which he has succeeded in doing, there can be as little question about his honesty of purpose as there can be in regard to the beneficial character of the results which he has accomplished.

It is, therefore, with the unquestioned approval of the vast majority of the members of the Association that its Executive Committee has adopted and transmitted to Washington the following resolution:

RESOLVED: That this Association is in full accord with the efforts of Judge L. R. Wilfley of the United States Court for China to free the reputation of this Republic from the reproach which it has incurred by the grave abuses that have been allowed to exist in some of the chief Treaty Ports, under the sanction of the American name and authority; that the members of this Association emphatically desire that these efforts should have the unwavering support of our Government, and that no occasion should be given to the enemies whom Judge Wilfley has made in the courageous pursuit of a righteous endeavor, to claim that they have the sympathy or support of any Americans conversant with conditions in China now resident here, who value their country's good name and desire it to stand in China for the highest ideals of Christian civilization.

A copy of this has been transmitted to the Secretary of State at Washington.

THE trade statistics for the month of September show signs of further improvement over those of August. For the nine months of the calendar year thus concluded the exports of cotton cloths to China reach about twice the number of yards that they did for the same period of last year. It is true that the volume of the trade is still comparatively insignificant, but it is visibly growing, month by month, and there is some reason to assume that it will have reached normal dimensions by the end of the present year. The gross exports to China and Hong Kong for the nine months are somewhat in excess of those of last year, though the imports continue to show a steady decrease. To Japan the exports for the nine months ending with September are valued at \$25,458,432, or only a few hundred thousand dollars more than those to China and Hong Kong. But the imports from Japan are valued at \$43,272,796, or \$26,000,000 more than those from China and Hong Kong. The chief article of import from Japan continues to be silk, which accounts for considerably more than half of the whole trade, while from China the value of silk received for the nine months has been only slightly in excess of \$5,000,000. In tea also Japan succeeds in holding her own, and has sent us for the nine months 1,500,000 pounds more than she did last year, while in the case of China there has been a reduction in quantity of 4,400,000 pounds. The exports to "Japanese China" still reach the considerable figure of \$2,587,755, but are nearly \$1,500,000 less in value than they were for the same period of last year. The growth of imports to the British East Indies continues to be steady, and has already brought the total up to \$8,841,672 for the first three-quarters of the year. The imports have decreased by fully 33 per cent. as compared with those of the preceding year.

Exports of Domestic Cotton Cloths, Mineral Oils, and Wheat Flour from the United States to China and Hongkong, during the nine months ending Sept. 30, 1907 and 1908.

EXPORTS TO CHINA.

Months. 1907.	Cotton Cloths.		Mineral Oils (illuminating).		Wheat Flour.	
	Yards.		Gallons.		Barrels.	
January.....	1,613,462	\$112,456	7,259,261	\$500,088	80,567	\$265,564
February.....	3,556,507	250,293	5,761,237	488,363	115,062	382,467
March.....	4,447,000	295,627	11,670,174	939,393	306,946	1,042,870
April.....	6,346,106	446,784	10,097,174	741,179	253,943	849,248
May.....	4,118,488	291,791	7,751,932	587,927	261,449	880,847
June.....	3,086,840	179,272	8,841,082	763,993	310,987	1,131,203
July.....	3,863,460	272,205	11,456,360	980,855	86,448	310,426
August.....	4,807,901	342,629	2,875,430	239,930	102,862	385,654
September.....	1,859,085	136,873	6,802,922	557,972	41,289	147,457
Total.....	33,698,849	\$2,327,930	72,361,290	\$5,779,077	1,559,553	\$5,395,736

1908.						
January.....	1,558,137	\$117,654	4,130,529	\$290,075	25,991	\$100,328
February.....	1,323,320	86,016	5,557,246	344,315	41,968	164,104
March.....	5,203,069	323,061	15,878,620	1,475,370	112,510	405,197
April.....	7,237,119	407,477	5,743,270	626,554	54,389	192,578
May.....	10,699,661	620,347	16,510,370	1,408,938	12,229	45,578
June.....	8,579,909	509,503	21,600,784	1,719,948	1,929	7,574
July.....	12,875,988	745,822	18,680,160	1,567,131	20,163	73,439
August.....	10,985,762	619,716	12,626,650	955,186	24,260	85,250
September.....	7,582,100	398,796	4,582,180	318,529	1,802	7,278
Total.....	66,045,065	\$3,828,392	105,309,809	\$8,706,046	295,241	\$1,081,326

EXPORTS TO HONGKONG.

1907.						
January.....	26,890	\$4,052	250	\$ 100	56,708	\$193,828
February.....	46,467	7,610	1,996,250	205,345	101,949	387,496
March.....	66,397	7,630	115,967	13,243	40,509	147,965
April.....	83,997	11,462	985,871	107,746	67,685	248,296
May.....	28,328	3,217	.....	.....	121,187	443,033
June.....	5,000	1,305	3,319,545	312,423	146,593	526,930
July.....	222,044	30,804	1,500,000	159,750	97,292	355,580
August.....	11,628	2,615	1,775,960	207,984	51,144	205,970
September.....	76,096	10,227	.....	.....	99,184	367,031
Total.....	566,847	\$78,922	9,551,505	\$987,884	782,251	\$2,876,129

1908.						
January.....	33,055	\$6,586	.....	.....	78,140	\$298,671
February.....	16,555	2,691	.....	.....	44,743	171,538
March.....	16,403	2,476	3,389,710	227,055	27,396	105,350
April.....	74,647	10,113	.....	.....	66,290	256,589
May.....	21,282	3,973	2,842,000	312,218	118,505	409,684
June.....	2,000	185	.....	.....	83,898	307,728
July.....	74,730	11,950	750,000	81,750	42,569	162,421
August.....	34,209	3,496	3,621,240	259,387	166,130	654,949
September.....	29,430	4,235	500,000	54,500	79,108	316,641
Total.....	302,311	\$45,705	11,102,950	\$934,910	706,779	\$2,683,571

DEPARTMENT OF COMMERCE AND LABOR,

WASHINGTON, D. C., October 31, 1908.

Digitized by Google Bureau of Statistics.

Imports of Tea and Silk into the United States for the nine months ending September 30, 1906, 1907 and 1908.

	1906		1907.		1908.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
TEA.						
Imported from						
United Kingdom.....	6,069,173	1,309,948	6,644,297	1,566,079	6,142,418	1,439,564
British North America....	1,718,113	404,817	1,830,027	443,696	1,819,659	471,207
Chinese Empire.....	22,204,933	2,844,423	20,889,751	2,750,838	16,404,323	2,174,119
East Indies.....	6,018,121	861,186	4,547,336	770,756	4,754,018	754,938
Japan.....	23,350,520	4,039,268	27,501,494	4,965,272	29,063,302	5,118,253
Other Asia and Oceania ..	504,914	94,156	369,064	58,201	401,094	57,216
Other countries	175,331	47,175	247,289	63,536	180,186	76,272
Total.....	60,041,105	9,600,973	62,029,258	10,618,378	58,765,000	10,091,569
RAW, OR AS REELED FROM THE COCOON.						
SILK.						
Imported from	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
France.....	354,675	1,417,089	430,211	1,819,651	306,652	1,024,949
Italy.....	2,594,173	10,518,286	2,555,090	12,690,872	2,414,855	9,155,952
Chinese Empire.....	1,832,117	5,474,280	2,303,547	2,026,509	1,951,594	5,103,639
Japan.....	5,668,300	21,462,600	6,075,893	28,803,157	7,359,741	26,050,621
Other countries	77,475	273,807	103,179	444,527	24,295	89,502
Waste .....lbs...free..	1,339,531	680,046	1,429,709	921,130	721,516	492,329
Total unmanufactured	11,866,271	39,826,108	13,486,846	52,705,846	12,778,653	41,916,992

THE RAILWAY SITUATION IN CHINA.

(From the Far Eastern Review.)

With the laying of the first 26-pound rail at Shanghai on the Shanghai-Woosung Railway by Mrs. Morrison, wife of the engineer in charge of the work for the Woosung Road Company, on January 20, 1876, was inaugurated under the most unfavorable conditions one of the most important eras in the history of China, and the rapid and satisfactory progress made, in opening up the country by means of the railroad, is one that evokes general admiration among those who have familiarized themselves with the many obstacles and prejudices overcome by the pioneers among foreigners and progressive Chinese, and the many natural difficulties to be surmounted. To-day there are approximately 9,000 miles in all of lines constructed and in operation, under construction or projected. Of this estimate there are approximately 3,600 miles in operation and tapping the most important commercial centres of the empire.

The Four Trunk Lines.—The most satisfactory division of the railways of China, for the purposes of this article, is that recently proposed by the Board of Posts and Communications in their recommendations for the reorganization and centralization of the control of the entire system. For the purpose of centralization, Hankow and Hsian-fu have been respectively proposed as the point from which the system should be controlled. With this in view the Board recommended the division of the system into four trunk lines as follows:

Southern-Trunk.—The Peking-Hankow and the continuation of that line, including the section between Hankow and Canton when completed throughout. The Peking-Han-

kow section is 753 miles in length and the Canton-Hankow section of this proposed trunk line is 750 miles long, making in all from Peking to Canton a distance to be traversed of 1,503 miles.

Branch Lines of Southern Trunk Line.—A line from Changsintien, a point on the Peking-Hankow, 13 miles south from Peking to Fengtai, making connection with the present Imperial Railways of North China and proposed Eastern Trunk line. Fengtai is about five miles east of Lukouchiao, the original terminus selected for the Peking-Hankow road. Changsintien is a point two miles south of Lukouchiao on the Peking-Hankow line.

Liangsienhsien-Yuli Branch, nine miles in length, to tap coal mines and quarries at the latter point. Lianghsienhsien is a point on the Peking-Hankow line 20 miles south of Peking terminus.

Liuliho-Chowkowitz Branch, 10 miles in length and tapping coal, lime and stone. Liuliho is 39 miles from Peking on the line to Hankow.

Kaoyhsien-Liuchang Branch, 11 miles in length, tapping coal supply. Kaoyhsien is 203 miles south of Peking on the main line.

The Chengfai Line or Shikiachwang-Taiyuanfu Branch in Shansi province covering a distance of 150 miles. Shikiachwang is about 15 kilometers south of Chengtingfu and the line is used principally for carrying coal from the Tsingking mines and coke. The continuation of this line from Taiyuanfu 100 miles southwest to Pingyaohsien is projected with a view to continuing it to Hsianfu in Shensi province.

Other branches proposed are: From Tatungfu, North Shansi to Kalgan, and from Puchowfu in southwest Shansi to Tungkwang in Shansi and from that point ultimately westward to Hsianfu. Another proposed line is from Pingyangfu to Tsechow, where it will connect with the Peking Syndicate road when the line is extended to that point.

Taokow-Tsinghachen Railway is a Peking syndicate enterprise that connects with the Peking-Hankow at Sing-siang about 320 miles south of Peking. It runs from Taokow on the river Wei, from which point communication eastward is made with Tientsin by way of the Grand Canal. The length of the road is 93 miles and runs westward from Taokow, crossing the Peking-Hankow line at Sing-siang and proceeding west to Tsingwachen, a distance of 48 miles from Sing-siang. The line will be extended from this point westward to Tsechowfu to connect with future Shansi lines. A branch about a mile and one half in length makes connection with the Jamieson Mines worked by the syndicate.

Kaifeng-Honanfu Railway, the entire length of which when completed will be 115 miles, runs from Kaifeng westward, crossing the Peking-Hankow at Chenchow, 40 miles distant, and proceeds westward to Honanfu. This line will be extended to Hsianfu and may be completed and in operation this year. The country tapped is rich in minerals and agricultural products.

The Shantung Railways connect the German settlement at Tsingtau with Tsinanfu, a distance of 256 miles. The concession to the Germans provided for an extension from Tsinanfu to connect with the Peking-Hankow Railway at Chentingfu. With the withdrawal of the German garrison the concession for this section was resold to China. A branch of the Shantung railway of 1.4 meter gauge, 27 miles in length, connects Poshan and the Tsechuan mines with this railway at Changtien. A railway connecting Chefoo with Tsinanfu via Weihsien is being agitated, but so far without success.

Tientsin-Pukao or the Tsinpu Railway connecting Tientsin with Pukou, a point opposite Nanking on the Yangtze River, is now under construction. The northern division between Tientsin and Yihsien will be built by German capitalists and from Yihsien to Pukao by British capital. The two sections are 674 miles in length. It will connect with the Shanghai-Nanking Railway on the south and the present Imperial Railways of North China at Tientsin on the north, while a projected line running west from Pukao is proposed to connect with Peking-Hankow at Hsingyang, about 200 miles north of Hankow.

The Shanghai-Nanking or Howning Railway covers a distance of 193 miles and connects the terminus at Woosung Forts via Shanghai, Soochow, Wusieh, Changchow, Tanyang and Chinkiang, with Nanking opposite the terminus of the Tsinpu line. This line may find connection with the Peking-Hankow as indicated in the previous paragraph. The entire line of the Shanghai-Nanking Railway was completed last March.

The Shanghai-Hangchow-Ningpo or the Hai-Hang-ning Railway, the agreement for the construction of which was recently signed between the British-Chinese Corporation, is the result of negotiations over what was known as the Soochow-Hangchow-Ningpo Railway concession. Demands

had been made for its cancellation, but finally the matter was satisfactorily adjusted. This line as projected will be 200 miles in length.

Kashing-Ningpo line or the Chekiang Railway.—This will connect Kashing with Hangchow, and an extension is proposed from Hangchow to Shaoshingfu and Ningpo. Over 40 miles of the Kashing-Hangchow section is under construction and a short branch from Hangchow to Tsientangkiang has been in operation for some time. The line runs east of the Grand Canal toward Haning.

Kiangnan or Hufong Railway.—Chinese opposition to British enterprise, runs from Tungkado terminus at Shanghai to Sunkiangfu and Kashing, where it will connect with the Chekiang and Anhwei system. This line is under construction.

The Anhwei or Wu-Kwang Railway.—This line runs from Wuhu to Kashing by way of Siuenchanghsien and Kwangtechow to Kashing via Huchowfu. This is a Chinese enterprise also and construction is under way.

The Canton-Hankow or Yueh-Han division of this proposed trunk system when completed will be 750 miles in length. The construction has been greatly delayed for lack of organization on the part of the provinces of Kwantung, Hunan and Hupeh, through which the line passes. The prospects for greater expedition are now much brighter. The branch lines are as follows:

Canton-Samshui line, 32 miles, completed by the American-China Development Company.

Chuchow-Pinghsiang line, 66 miles, constructed by Chinese in 1906, connecting with the coal mines of Pinghsiang.

The Szechuan Railway or Chentu-Hankow line, projected, some preliminary work done, 600 miles.

Canton-Kowloon line, which, when completed, will place Hongkong in a favorable position for the trade of South China, is 122 miles in length, with the construction well under way on the British section, which will be completed next year. There may be some delay on the Chinese section. This line is considered the most important under way.

Canton-Macao Railway, projected and concession granted to China-Portuguese Railway Company in 1904. No work done and franchise agreement reported cancelled recently.

Canton-Amoy Railway, length of section under construction between Canton and Whampoa and from the latter point it has been surveyed to Amoy via Haifung, Lufung, Hwai-lai-hsien, Puning, a point near Kityang, Chao-chowfu junction with the Swatow branch and then over the hills by way of Hwangkiang and Cahoon to Amoy.

The Kiangsi or Nansiang Railway; Kiukiang to Nanchang, a distance of 100 miles, and a continuation to Shaochow is proposed.

The Fukien Railway or Amoy-Foochow, a proposed line connecting these two points by way of Changchow.

Foochow to Kwantung, a proposed branch along the Min River, connecting these two points.

Changchow-Chaochow, a proposed road to connect the Fukien railways with the Canton-Amoy line.

Swatow-Chaochow branch, 24.5 miles, connecting these two points. This is a Chinese enterprise costing \$1,500,000 and three trains run daily from each terminal.

Yunnan-Tongking Railway.—This line is surveyed and under construction between Laokay and Yunnanfu, a distance of 291 miles, and will be completed under favorable circumstances by 1910. The section between Hokow and Tahati, a distance of 44 miles, was completed this year. The construction is through most difficult country, there being about 150 tunnels, approximately 10 miles in all and a large number of bridges of long spans. It is proposed to continue the line from Yunnanfu to Chentu and from there to Chunking to connect with the Szechuan Railway.

Langson-Lungchow-Nanning-Pakhoi Railway.—The first extension from Langson to Lungchow was conceded to the Fives-Lilles Company in 1895. This projected line is 220 miles in length and the extension to Nanning from Lungchow and from Nanning to Pakhoi is proposed. There is also a proposed extension from Nanning to Wuchang and a number of short branches radiating from Wuchow would connect Canton, Kweilin, Kwangchow, etc.

Sunning or Ningyueung Railway.—This is a fifty mile line in operation connecting Kungyifou via Sunning with Samkahoi, five miles east of the coast port of Kwonghai in Kwangtung Province. A Chinese enterprise.

Bhamo-Tengyueh Line (Yunnan).—This proposed line is narrow gauge, about 150 miles in length, connecting Bhamo, in Burma, with Tengyueh in Yunnan. It is also proposed to continue this line to Talifu, and from there to Yunnanfu and thence northward to connect with the Szechuan Railway at Chengtufu or Chungking.

Northern Trunk Line.—This division of the entire system for the purpose of this article makes the Peking-Kalgan Railway the first section of the trunk line, and its projected extension to Kulum (Urga) and Kiachta. The total length of the section to Kalgan is about 130 miles and is expected to be completed by the end of 1909. The first section from Chatao two miles east of Fengtai, where it connects with the Imperial Railways of North China to Nankow, a distance of 33 miles, was opened to traffic in September, 1906. The construction work on the balance of the road is most difficult and much tunnelling is necessary. The 14 mile section from Nankow to Chatao requires four large tunnels which are well under way, while the line from Chatao to Kalgan has been surveyed and construction commenced.

The branches of this proposed Northern Trunk line have been but vaguely suggested, one connecting Kalgan and Jehol to the east about 200 miles, and another to the west a distance of 150 miles to Suiyuan (Kukukoti), also one connecting Tatungfu in North Shansi with Kalgan. And when the proposed extension to Kulum (Urga), a distance approximately of over 700 miles, is effected it will be divided into two sections; viz., Outer and Inner Mongolia, and all the future lines in Mongolia and Jehol will be included in this division.

The Eastern Trunk.—This division includes the Imperial Railways of North China or the Peking-Mukden line commencing at Peking and proceeding by way of Tientsin, Tongku, Shanhaikwan, Chinchowfu, Kowpangtze, Kiuliuh, Hsinmingfin and Mukden, in all 521 miles in length. This line has a standard gauge of 4 ft. 8.5 in. The principal branches include the line from Peking to Tungchow, a

distance of 15 miles; a branch from Kowpangtze to Yingkow (Newchwang), a distance of 59 miles; from Chingwantao to Tangho, six miles; from Kaopetien on the Peking-Hankow line to Siling, the Western Tombs. This line is 25 miles in length and is used exclusively by the Imperial family. As previously stated the connection between the Peking-Mukden and the Peking-Hankow is made by a branch to Changsitien from Fengtai. The South Manchurian Railway, which runs north from Dalny to Changchun, a distance of 460 miles, connects at Mukden with the Eastern Trunk. The Chinese Eastern Railway, the main line of which runs for about 950 miles in Chinese territory from the border of Manchuria to Vladivostock, and the branch running south to Kwangchengtze, a distance of about 130 miles, connecting with the South Manchurian line at Changchun, thus making connection with the Eastern Trunk at Mukden. The Russians who control the Chinese Eastern and the Japanese who control the South Manchurian Railway still maintain two distinct termini and each company has a line of its own making connections between Kwangchengtze and Changchung, a distance of five miles. The Russian line has a gauge of five feet and the original narrow gauge of the South Manchuria has been widened to standard gauge. The feeders for the South Manchurian line include a branch from Nankwanling to Port Arthur, a distance of 29.5 miles; from Liushutun to Tafangshen, 3.5 miles; Tashihkiao to Yingkow (Newchwang), but does not connect with the Eastern Trunk, the terminus being on the opposite bank of the river from the Chinese station; Yentai-Taiking, 9.75 miles; Suchiatum-Fushun, 37.25 miles, and several short spurs to the mines; narrow gauge line, 2 ft. 6 in., from Mukden to Antung, 186 miles, leased by Japan, 1905, for 18 years, and connects with the Korean terminus across the Yalu. The distance by rail on the South Manchurian Railway lines from Dalny to Kwangchengtze is 465 miles, and from Yangkow to Kwangchengtze 330 miles. There are several projected lines in Manchuria, among which are the Faku-men Railway and a line connecting Kirin with Changchun. This latter has the approval of the Chinese authorities and latest reports have it that Tls. 3,000,000 have been subscribed to carry out the work of construction. It may be built jointly by Japanese and Chinese capital and the survey is under way. The proposed Fokumen Railway, which would connect Hsinmintun and Fakumen is objected to by the Japanese on the ground that it would compete seriously with the South Manchurian line. The matter is still unsettled.

Western Trunk Line.—This proposed trunk line in its relation to the other divisions into which China's railways may be divided comprises the line connecting Chentingfu and Taiyunfu and joined with the proposed Tungpu Railway; extended westward together with the proposed line between Tunkwan and Lanchow in Kansu province, and from there westward a proposed line to Ili in Turkestan. While this is as yet on paper and will take years to realize, it is the proposed Western Trunk line. The branches which will ultimately feed this proposed trunk road will commence at Taiyunfu, where a line from Tatung would tap the proposed Kalgan-Suiyuan line; at Pingyang, a line to

Tsechow to tap the Peking Syndicate line; at Tungkuan, a line to Loyang to connect with the Loyang-Honan Railway; from Lanchow tapping the lines converging at Hsianfu, including a line connecting Chengtu via Hanchung with Hsianfu and forming a connecting link with the Szechuan Railway and the British and French extensions to the south. On the west at Lanchow, lines to Tsinghai (Kokonor) Tibet and Ili in Chinese Turkestan are proposed as branch lines.

It may easily be concluded from the foregoing résumé of the different systems of railways in operation, lines being constructed or projected and the many suggested railways designed to open up the country, that, for the present, no other branch of enterprise is engaging the attention of the Chinese Government or the Chinese people to a greater degree, and that the development of the resources of the empire will surely be measured by the progress made.

Throughout the entire history of railways in China there has been a marked conservatism on the part of the Chinese Government. At first a strong prejudice prevailed against the introduction of Western ideas, and Western transportation methods did not escape. This prejudice has been gradually overcome, and in its stead there is a well defined national policy that has for its purpose the control by China of all its railways and, ultimately, their nationalization. The advantages of the railroad are now recognized, and from almost every section of the country petitions for concessions are forwarded continually by Chinese companies to Peking. One marked feature of the policy of the Peking Government is its purpose to repurchase foreign concessions or to so provide in all agreements that the control should remain with the Chinese Government or revert to it ultimately. There is also a movement favoring the construction and operation of the lines by Chinese engineers. In this connection it might be said that during the last two decades many young Chinese have taken engineering courses in American and European colleges and, in several instances, railroad construction has been carried on under the direction of these graduates with marked success. However, the best general results may be traced to the foreign engineers, who have made a life study of railroad building and of conditions in China, co-operating with Chinese engineers and receiving the moral support of the Chinese Government and the Chinese people.

When the first Woosung-Shanghai line was closed upon its repurchase by China in 1877, the prospect for railroad construction in China was not encouraging. The closing chapter of this enterprise points to the tearing up of the track, with the shipment of the rolling stock, etc., etc., to Formosa, and the erection, on the site of the Shanghai terminus, of a temple to the Queen of Heaven. The policy at this time was to keep foreigners at arm's length at all costs.

It was not until 1878 that any successful attempt was made to introduce the railroad. It came finally with the assistance of Director General Tong King Sing, of the China Merchants' Steam Navigation Company, and Li Hung Chang, Viceroy of Chihli. The former was interested in securing a coal supply, and the latter, while pre-

viously opposed to the Shanghai-Woosung line, became interested with Tong King Sing in establishing collieries in the Kaiping district in Chihli and, between them and their friends, the Chinese Engineering and Mining Company was formed. The first shaft was sunk at Tongshan in 1878. From this point to Pehtang, the nearest port available, was about 30 miles. The question of transportation became vital to the success of the company, and even to Viceroy Li Hung Chang the railroad now appealed strongly. After some delay a railway was sanctioned by the Peking authorities, and Mr. C. W. Kinder was appointed resident engineer in charge of construction. Suddenly for some reason the approval of this line was withdrawn.

The company, failing to secure reconsideration, proceeded to construct a canal from the colliery to Lutai, the nearest point on the Pehtang River. There were 7 miles between the end of the possible canal and the colliery, and to cover this distance the Imperial authorities were induced to permit the construction of a tramway of standard gauge, with the proviso that mules only would be used for motive power. The standard gauge for this mule tramway was secured only after a hard fight by the resident engineer, and in 1880 the line was completed and the first permanent step taken in introducing the railway in China.

Mr. Kinder did not propose to depend upon mules for his tramway for lack of persistence. He had succeeded in his fight for a standard gauge, and he was encouraged to fight for a locomotive. Without consulting Peking he proceeded to build a locomotive out of a portable winding engine and old iron picked up at the mines. It was not a fancy production, but it served the purpose. Its cost was approximately 500 Mexican pesos, and it was christened "The Rocket of China" on June 9, 1881, by Mrs. Burnett, wife of the engineer in chief of the company. As soon as Peking heard of this monster being substituted for the mules an order was received prohibiting its use. It took some weeks to induce the authorities to withdraw their objection, but this was finally accomplished, and "The Rocket" went into commission on construction work. This was the thin edge of the wedge that made for the general introduction, slowly but surely, of railways into China, and it is of interest to note that the success of this initial venture was entirely due to the recognition by Viceroy Li Hung Chang and Tong King Sing of the advantages of the railway for transportation purposes in opening up the rich coal deposits of Kaiping, and especially so in view of the fact that each of these enterprising Chinese was personally interested in the success of the mining venture.

This initial railroad venture from the mines to Hsukochuang was a success, and two additional locomotives were secured in 1882. But Mr. Kinder saw his opportunity to extend the line. He succeeded Mr. Burnett as engineer in chief in 1882, and at once began to urge the extension of the tramway to Lutai, and succeeded with the assistance of Viceroy Li Hung Chang, now impressed with the value of the railroad. The Kaiping Railway Company was formed with a capital of \$250,000 to take over the tramway and carry out the construction of the extension. A Chinese member of the British bar named Wu Ting Fang was

given the management of the company, and work was begun at the Hsukochuang end in 1886, and six months later it was completed, and rolling stock, including an American locomotive and forty ton coal cars, purchased.

Then Viceroy Li Hung Chang became the champion of railway extension in earnest, and by the time this line was completed to Lutai the Viceroy had a memorial before the Imperial authorities urging the extension of the line to Tongku and on to Tientsin on the grounds that such a road was a military necessity and would tend to the better protection of the empire from invasion. This fortunately struck the right chord and the scheme was approved and directed executed. The name of the company was changed to the China Railway Company and a prospectus issued asking for subscriptions of 1,000,000 taels, the Hongkong and Shanghai Banking Corporation being made bankers. This prospectus was indorsed by the Viceroy, but notwithstanding this influence it was with great difficulties that the promoters financed the scheme. The section to Tongku was completed in April, 1888; in August Tientsin was reached; in October the Viceroy inspected the entire line, and in November two trains passed daily between Tongshan and Tongku. The item of cost of construction of this line was exceedingly low. It averaged about £5,000 a mile.

Permission was then asked to extend the railway from Tientsin to Tungchow, a point about 12 miles east of Peking, as well as to extend the line eastward to Shanhaikwan. This roused the reactionary party at the capital, who opposed the Tungchow extension on the ground that it would expose the capital to foreign attack. This fight against the extension was carried to extremes, and resulted not only in blocking the decree, but by inciting the junk owners to the extent that the bridge over the Peiho at Tientsin, then being constructed to connect the foreign settlements with South Tientsin, was directed destroyed by the Viceroy to quiet the people. But the extension to the east was completed to Kuyeh in 1890. In 1891 the extension to Shanhaikwan was authorized, and the Chinese Imperial Administration was formed, with Mr. Kinder engineer in chief, to carry on the work, which was completed in 1894.

In the meantime permission had been granted to continue the railway to beyond the great wall, and in 1894, at the outbreak of the war with Japan, the line had been constructed to 40 miles beyond Shanhaikwan. The following year the war was concluded by the treaty of Shimonoseki, at which His Excellency Li Hung Chang represented China. Upon his return he took up the matter of the Tungchow extension, the sanction for which had been withdrawn in 1888, with the result that it was renewed with a change of terminus to Lukouchiao and construction began in 1895. The line, however, was not built to Lukouchiao, but to Fengtai and from there later to Machiapu. This change was made without authorization, but was accepted by the Chinese apparently without protest.

In the meantime the line of the China Railway Company from Tientsin to Kuyeh was taken over by the Imperial Railway Administration and the shareholders of the company were reimbursed for their script by government bonds bearing five per cent. Up to this time the liabilities of the

Imperial Railway Administration were 2,540,000 taels, divided as follows:

Hongkong-Shanghai Banking Corporation advances, 1,240,000 taels; due the Russo-Chinese Bank, 600,000 taels, and due the Deutsche-Asiatische Bank, 700,000 taels. To take up these liabilities and carry on the extension to Hsinminting it became necessary to float a loan, and for this purpose Hu Yen Min, the governor of Peking and Director General of the Chinese Imperial Railway Administration, with the British and Chinese Corporation, a syndicate formed by the Hongkong and Shanghai Corporation and the firm of Messrs. Jardine, Matheson & Co., and a loan for 16,000,000 taels to be used as implied in the contract: "For the construction of a railway line from Chunghousa to Hsinminting, and a branch line to Yingkow, and for the redemption of previous loans to the Tientsin-Shanhaikwan and Tientsin-Lukouchiao lines." Then followed a Russian protest on the ground that it interfered with Russian rights in Manchuria. The Russo-Chinese Bank entered into competition to handle the loan on more favorable conditions. Finally the matter was adjusted and an understanding arrived at by which Russia was practically recognized as having the right to extend her railway interests to south-western Manchuria, and by which Russia agreed not to seek railway concessions in the Yangtze valley. The reference to the construction of the line to Hsinminting provided that it should be built by China and that European engineers be allowed to inspect the work. The loan agreement was, however, signed June 15, 1898, and construction commenced in the autumn of the same year. After overcoming many difficulties the line was extended to a point 30 miles beyond Yingkow by February, 1900. From Kao-pangtzu the line was then extended further for 20 miles when the Boxer troubles intervened.

In the meantime, Hu Yen Mei was succeeded by Chang Yen Mao. The latter was not in sympathy with Engineer-in-Chief Kinder and not a few attempts were made to have Mr. Kinder removed, but without success, and it must have been gratifying to this successful and enterprising engineer and railway pioneer that his services were recognized by his sovereign at this time and as a mark of Her Majesty's esteem created a Companion of the Order of St. Michael and St. George.

The Boxer troubles interfered greatly with the programme under way and the invasion of the allies for a time threatened international complications over the line. The council of the allied admirals gave over the control of the Tientsin-Tonghu section to the Russians. The latter later assumed control of the Tientsin-Yangtsun section but found the British establishment at Fengtai. The strained relations between the British and Russians were somewhat accentuated by the proposal of Count von Waldersee to give the Russians the supervision of the Yangtsun-Shanhaikwan section and the German military to take charge of the Peking-Yangtsun. The British landed at Shanhaikwan in September, and in October a Russian force arrived and claimed the line from Newchwang to Tonghu by right of conquest. Count Waldersee's order was revoked soon afterward and by January, 1901, an agreement was arrived at by the different powers whereby the Russians re-

tired and the Peking-Shanhaikwan section was turned over to the British the latter part of February. In March there were more conflicts of interests in Tientsin, but a clash was avoided, and while the differences were engaging the British and Russian governments the British Railway Administration was busy repairing the line. In August, 1902, the provisional military government in Tientsin retired and Viceroy Yuan Shih Kai took charge and it was not until October, 1902, that the British Administration assumed charge of the Shanhaikwan-Newchwang section, to be turned over later to the Chinese Imperial Railway Administration. During the period that the British Administration was in control a 12 mile branch was built to Tungchow at a cost of £30,000.

With the renewal of active construction after the Boxer troubles the line was completed to Hsinminting in the latter part of 1903. An estimate of the cost and equipment of this line, a distance of 588 miles in all, is placed at about \$40,000 gold a mile. The net revenue for this line has given a return of 4.75 per cent. on capital invested, for 1903; 7 per cent. for 1904; 20.75 per cent. for 1905 and 18.25 for 1906.

The connection between Hsinminting and Mukden is a narrow gauge built by the Japanese during the Russo-Japanese war and taken over in 1907 by purchase by the Imperial Railway Administration.

The building of the six mile branch from Tangho on the Peking-Shanhaikwan line to Chinwangtao, a few miles to the south of Shanhaikwan, was another addition to the facilities of the line as a result of the Boxer troubles. Chinwangtao is an ice free port and much of the supplies for the allies was landed there. In 1901 when the Chinese Engineering and Mining Company, Limited, was organized under British law and took over the holdings of the old company, by arrangement with the Admiral in command, this company took the railway over. Since that time it has been greatly improved and the port facilities enlarged at a cost of £220,000.

The Chinese Eastern Railway.—The agreement between the Chinese Government and the Russo-Chinese Bank for the construction and management of the Chinese Eastern Railway Company was signed September 8, 1896. The company was to be organized with a capital of 5,000,000 roubles, to be subscribed to by Russian and Chinese subjects exclusively. It also provided for the survey of the line through Manchuria toward Vladivostok, covering a distance of about 950 miles in Chinese territory and its construction. The gauge provided for was five feet. The line was to be the property of the company for eighty years, upon the expiration of which time it reverted without cost to China. It also provided for the purchase of the line in thirty-six years after it was put in operation at a price representing the cost of the line and interest. It further provided that upon the opening of the line for traffic the company would pay the Chinese Government the sum of 5,000,000 taels.

In the spring of 1897 work of construction was started and the same year the city of Harbin was founded and made the headquarters of construction. The following year Russia secured a lease from the Chinese Government

of the Liaotung peninsula extending over a period of 25 years and with it a concession to the Manchurian Railway Company to construct a southern line from Harbin to Port Arthur of five foot gauge. The construction of the line was pushed rapidly and by the date of the Boxer outbreak, with the exception of a number of bridges, it was practically completed. During this trouble much of the line was destroyed and especially between Harbin and Port Arthur. The work was, however, renewed with vigor and in the fall of 1901 the entire Chinese Eastern Railway connecting the Trans-Siberia with Vladivostok across Manchuria and the line south from Harbin to Port Arthur was completed. This system in Manchuria in all measured about 1,600 miles.

The war between Russia and Japan broke out in 1904 and the Japanese early seized the line to a point above Mukden. By the Portsmouth Treaty in 1905 the control of the line from Port Arthur to Kwanchengtze passed to the Japanese. The gauge was reduced by Japan during the war to a narrow gauge to suit the Japanese equipment and a light railway was constructed between Mukden and Antung for military purposes.

With the transfer of the railway to Japan preliminary agreements were entered into for the construction of a branch from Kwanchengtze to Kirin by Japanese and Chinese capital; for the transfer of the Mukden-Antung line and providing for its construction as a standard gauge. The Mukden-Antung concession extends over a period of eighteen years, when it reverts to China upon payment of a price decided by arbitration.

To carry out the substantial programme outlined the South Manchurian Railway was organized with a capital of Yen 200,000,000 to take over the interests of the Japanese Government and improve the property. A loan was floated to equip the line with rolling stock and widen the military narrow gauge to a standard gauge, and to double track between Dalny (Tairen) and Suchatun, a distance of 235 miles. All this work has been practically accomplished and a splendid service has been inaugurated.

Peking-Hankow Railway.—The history of the Peking-Hankow line may be said to begin with the declared policy of Chang Chih Tung that China should first devote her energies to the construction of trunk lines as the initial step in the development of her railways, when the memorial was presented asking for permission to extend the North China Railway to Tungchow in 1889, at which time he advocated a trunk line connecting Hankow and Lukouchiao. The only hope of carrying out the scheme was to secure the assistance of foreign enterprise. Several companies were organized and submitted proposals, and finally these simmered down to the consideration of a proposal from a group of American financiers, one from British capitalists, and another from the Belgian Syndicate. At this time Tatotai Sheng Kung Pao was director general, having been placed in charge by Imperial edict, in 1896, of the projected line.

It appears that the American and British proposals were too precise in regard to certain stipulations, or appeared so to Chang Chi Tung and Sheng Kung Pao, and especially so in view of the fact that the Belgian Syndicate were

willing to meet every wish of the Chinese Government without question. The result was that the agreement between the Belgian Syndicate and the Chinese Government was signed in June, 1897, by Sheng Kung Pao. The syndicate soon found, however, that in order to finance the project in Europe it would be necessary to secure improved terms from the Chinese Government.

Finally the arrangement was revised and ratified at Peking. The agreement in this form provided for the issue of a loan of 112,500,000 francs, bearing interest at 5 per cent., and to be amortized within twenty years after 1909. The Chinese Government were given the right to repay the loan in or after 1907, thereby canceling the agreement. The Imperial revenue and profits of the railway were made security for the loan and the financial arrangements were placed in charge of the Russo-Chinese Bank. In this connection there is every reason to believe that French and Russian influence combined to the furtherance of the Belgian Syndicate's interests during these negotiations, with the ultimate purpose of securing a link in the Peking-Hankow for a railway through the empire. A proposal was made by the China Association that the British Government should guarantee a loan covering the construction of the line in order to checkmate Russia and France. These efforts were of no avail. The Belgian Syndicate secured a working agreement covering a period of forty years, with full control of the line. When the loan was floated the fact that over three-fifths was subscribed in Paris confirmed the belief in the injection of Russian and French influence. And it was about this time that Russia renewed her efforts to secure a concession for a railway from Peking to some point on the Siberian line, but without success.

Previous to 1899, and before the Belgians took over the work of construction, the Imperial Railways of North China had surveyed the line south from Lukouchiao to Paotingfu under the direction of Mr. Kinder and Mr. T. J. Bourne in 1896 and the work practically completed. On the Hankow end Chinese engineers had constructed a few miles. In connection with this construction it is of interest to direct attention to the fact that much of the steel was supplied by the Hangyang Government Iron and Steel Works.

Construction began under the syndicate in 1900, and was soon interrupted by the Boxer troubles. When peace was restored the line was extended to the Chienmen gate at Peking, and the name changed from Lu-Han line to the Pe-Han line. The construction was then pushed so rapidly that by the fall of 1905 the line was opened for traffic, with the exception of the bridge over the Yellow River, the construction of which presented many serious engineering problems. The length of this bridge is 3.03 kilometers.

This line is a standard gauge; the steel used is 85 pounds, furnished by the Hangyang Iron and Steel Works, and the approximate cost per mile construction was \$35,000 gold. The length of the line is about 756 miles. Recently a movement was inaugurated to arrange a loan for the purpose of redeeming the line from the Belgian Syndicate.

Hankow-Canton or Yueh-Han Railway.—The concession for the construction of this line, which is to connect Canton and Hankow, was granted to an American syndicate in 1898,

and, under the contract entered into, the syndicate, which was formed by Mr. Calvin Brice, under the name of the American-China Development Company, undertook to furnish funds to the amount of \$20,000,000, to be secured by the issue of Imperial gold bonds at 90 and drawing interest at 5 per cent., subject to redemption at the option of the Chinese Railway Company, the title of the company formed for the purpose of concluding the agreement, to which Mr. Wu Ting Fang signed as director-general on behalf of Sheng Kung Pao. The Development Company was to receive 5 per cent. of the cost of construction for supervision and share in 20 per cent. of the net profits. Three years were given for the completion of the work. Great opposition was met with from the Chinese authorities of Hunan when the survey was attempted, and it was suggested that a route through Kiangsi be chosen. The chief engineer, Mr. Parsons, refused to accept this suggestion, and under Imperial protection the Honan section was surveyed. The line between Wuchow and Canton by the Parsons survey is 742 miles in length, and includes the Samshui extension. Another line was run to the Pinghsiang mines from Chuchow, and which has since been constructed and operated by the Chinese.

It was found, however, that the estimate of the cost upon which the original loan was based would not cover half the cost, and it became necessary to have the agreement amended so as to increase the loan to \$40,000,000. This was fought by the French and Belgian interests, but without success, and the Development Company not only secured an increase in the amount of the loan but an extension of time to five years. This was ratified by the Chinese Government in 1900. A clause was also inserted prohibiting the American company from transferring its rights in the agreements to any other nationality. At this time the American company made a proposal to the British and Chinese Corporation to merge their interests in China, and this took the form of a proposition of an exchange of one-half interest in the Hankow-Canton for one-half interest in the Canton-Kowloon. Unfortunately, the war in South Africa intervened, and British capitalists were not sanguine for foreign investment, and the result was that this opportunity for advancing the prestige of both countries in southern China was neglected. The death of Mr. Brice had its effect on the enterprise of the company for the reason that he took a personal pride in the project, and desired above all the advantages to be gained to see the American railroad introduced successfully in the empire. The American shareholders were skeptical about the enterprise on account of the disquietude among the Chinese that followed on the heels of the Boxer troubles. It was at this time that the Belgians saw their opportunity and easily managed to secure the controlling shares of the American company, and upon the death of Mr. Brice the first evidence of Belgian predominance developed when General Whittier, the agent of the Belgian syndicate, was chosen president in place of Mr. Parsons, who had succeeded Mr. Brice. Then followed the introduction of Belgian engineers. Up to this time the construction included the completion of the Canton-Samshui branch, a line by way of Fatshan, 32 miles long. This branch was opened in 1904.

The Chinese Government was aroused over the control of the company by the Belgians, until finally the American Government gave assurances that the company would remain controlled by Americans and Mr. John Pierpont Morgan responsible for the resumption of control. The Russian-Japan war broke out at this time and the Belgians became discouraged in their attempt to control the line, as the fortunes of war indicated Russian defeat and necessarily the abandonment of her policy in regard to China. However, the inactivity on the part of the company and the unexplained delay in carrying out the work resulted finally in the conclusion of negotiations for the purchase of the line built and the cancelling of the concession. The sum of \$6,750,000 in gold was paid over to the company, which covered the two surveys, the construction of 32 miles of track, and in addition 50 miles of grading at the Canton end of the line. The cost of this work was estimated at \$3,000,000, and the rights given up were valued at \$3,750,000. This sum was raised by a loan of £1,350,000 from the Government of Hongkong, and with the understanding that British engineers should make up half the staff of the line should the Chinese employ foreigners on the work. Following the American company, a Chinese company was formed, and the capital of \$40,000,000 was subscribed for by the Chinese, of which at least 20 per cent. was paid up, but owing to internal dissensions and lack of cohesion of the different elements much delay has been occasioned.

The completion of the Pingsiang branch connecting the mines with Wuchow by way of Liling was completed in 1905 by Chinese capital.

It is conceded that the apathy and generally unsatisfactory manner in which the American company conducted its operations in China, and the manner in which it withdrew from its agreement, has had much to do with the attitude of the Chinese Government in the matter of granting concessions to foreigners, and nothing has done more to injure American prestige in China than the manner in which this company scuttled after the death of Mr. Brice, who, had he lived, would have taken the greatest degree of personal pride in carrying out the agreement to a successful conclusion, with the result that a monument to American enterprise would have been established in China and American prestige enhanced.

A correspondent of the *North China Daily News*, writing from Mongfukong in June of this year, has the following to say of the progress made on the Hankow-Canton:

"The completed survey to Yingtak gives a mileage of 93 miles. The track, from the ancient temple at Tai Miu, mainly follows the course of the river. When completed it will open the magnificent scenery of the North River to many who have hitherto been deterred from viewing it because of the unsatisfactory accommodation of the present launches to Yingtak or the provoking slowness of the more commodious house-boat.

"The survey gives no less than three tunnels to Yingtak—one, 300 feet long, at Tai Miu; another of similar length at the Blind Boy's Pass, a few miles above the mouth of the Lienchow River, and a larger one of over 500 feet some 5 miles below the city of Yingtak. The latter is through a rather soft sandstone, but I am afraid that although some are

speaking confidently of a completed railway running to Yingtak by Christmas, 1909, the arduous work of cutting these tunnels will mean that another year at least will be required before trains are running.

"The road is divided in 10-mile sections, and construction parties are now merrily working up to the seventh section from Canton. Wooden bungalows have been erected at Tai Miu to accommodate the resident engineer, and negotiations are in progress for land for similar buildings in the neighborhood of Yingtak.

"The East River, which enters the North River at Yingtak, will require to be bridged. It is a waterway of considerable size, and where the railway crosses it half a mile above the North River it is some 800 feet wide. On the present plan this will involve the station being placed at least a mile from Yingtak city, half of which distance will be covered by ferry."

The Canton-Kowloon Railway.—Among the five concessions acquired from the Chinese Government by the British and Chinese Corporation, one of the most important was the railway to connect Canton and Kowloon, granted in 1899. The preliminary survey of this line was concluded a few years later, but it was not until 1906 that the construction of the Kowloon section was commenced. The entire line as surveyed runs about 20 miles in British territory and 100 miles in Chinese territory, the latter section being the line involved in the concession from the Chinese Government. Some delay was occasioned in arranging a loan agreement with the Chinese Government, but finally provision was made for a loan of £1,500,000, redeemable in thirty years, at 94 per cent. of the face value of the bonds, the latter bearing 5 per cent. interest, secured by first mortgage on the undertaking and guaranteed by the Chinese Government. The administration was to consist of a Chinese managing director, a British engineer-in-chief and a British chief accountant.

There is prospect that the entire line will be completed by 1910. During the year 1907 the total expenditure on the British section alone was \$2,914,461, and up to the present time there was great activity in construction. Out of this amount over \$1,000,000 has been spent on tunnelling. The most difficult work in this direction is that of the Beacon Hill tunnel. This tunnel is being pierced from both ends, and when completed will be 5,100 feet long and 25 feet wide. For the present year the expenditure will reach about \$4,000,000, which will bring the outlay up to about \$7,000,000. Before its completion it will probably cost in the vicinity of \$10,000,000. On the Chinese section last March headquarters were established in Shaklung, and there is prospect that the two sections will be completed about the same time. When the railway is completed to Canton it will place Hongkong in a most desirable position in relation to South China trade, and it is anticipated that the Hankow-Canton line will have been completed, so that the full benefit of this connection will be realized.

The Shantung Railway.—The lease of Kiaochow by Germany in 1898 for ninety-nine years was the outcome of the murder of two German missionaries in the province of Shantung in 1897. The commander of the German

squadron took possession and made a demand on the Peking Government for the punishment of the governor of Shantung; an indemnity to the families of the victims and an amount to reimburse Germany for the cost of occupation, besides securing a preference for German railway enterprise in that province. These demands were practically acceded to, and with the signing of the lease a railway convention was concluded which follows:

1. The Chinese Government sanctions the construction by Germany of two lines of railway in Shantung. The first will run from Kiaochow and Tsinan-fu to the boundary of Shantung province via Wei-hsien, Tsinchow, Pashan, Tsechuen and Suiping. The second line will connect Kiaochow with Chinchow, whence an extension will be constructed to Tsinan through Luiwuhsien. The construction of this extension shall not be begun until the first part of the line, the main line, is completed, in order to give the Chinese an opportunity of connecting this line in the most advantageous manner with their own railway system. What places the line from Tsinan-fu to the provincial boundary shall take in en route is to be determined hereafter.

2. In order to carry out the above mentioned railway work a Chino-German company shall be formed, with branches at whatever places may be necessary, and in this company both German and Chinese subjects shall be at liberty to invest money if they so choose, and appoint directors for the management of the undertaking.

3. All arrangements in connection with the works specified shall be determined by a future conference of German and Chinese representatives. The Chinese Government shall afford every facility and protection and extend every welcome to representatives of the German Railway Company operating in Chinese territory. Profits derived from the working of these railways shall be justly divided pro rata between the shareholders without regard to nationality. The object of constructing these lines is solely the development of commerce. In inaugurating a railway system in Shantung Germany entertains no treacherous intention toward China, and undertakes not to unlawfully seize any land in the province.

4. The Chinese Government shall allow German subjects to hold and develop mining property for a distance of 30 li from each side of these railways and along the whole extent of the lines. The following places where mining operations may be carried on are particularly specified along the northern railway from Kiaochow to Tsinan, Weihsien, Pa-shan-hsien and various other points; and along the southern Kiaochow-Tsinan-Chinchow line, Chinchow-fu, Luiwuhsien, etc. Chinese capital may be invested in these operations, and arrangements for carrying on the work shall hereafter be made by a joint conference of Chinese and German representatives. All German subjects engaged in such works in Chinese territory shall be properly protected and welcomed by the Chinese authorities, and all profits derived shall be fairly divided between Chinese and German shareholders according to the extent of the interest they hold in the undertakings. In trying to develop mining property in China, Germany is actuated by no treacherous motives against this country, but seeks alone

to increase commerce and improve the relations between the two countries.

If at any time the Chinese should form schemes for the development of Shantung, for the execution of which it is necessary to obtain foreign capital, the Chinese Government, or whatever Chinese may be interested in such schemes, shall, in the first instance, apply to German capitalists. Application shall also be made to German manufacturers for the necessary machinery and materials before the manufacturers of any other power are approached. Should German capitalists or manufacturers decline to take up the business the Chinese shall then be at liberty to obtain money and materials from sources of other nationality than German.

Then followed the development by the German Government of the port of Kiaochow, for which 8,500,000 marks were appropriated by the Reichstag. A company to be known as the Schantung Eisenbahn Gesellschaft was organized at Berlin with a capital of 54,000,000 marks. By its concession the syndicate was to build a line from Tsingtau to Kiaochow, and from the latter point by way of Weihsien to Chinanfu, together with a branch to Poshan, within a period of five years. In addition the syndicate was given an option to construct a line from Kiaochow to Ichowfu and another connecting Chinanfu and Ichowfu. In consideration of this concession the syndicate agreed to turn over to the German Government a part of the surplus profits after paying a dividend of 5 per cent. The construction of the main line was completed in 1904, a distance in all of 240 miles. The branch to Poshan is 34 miles in length, making in all 274 miles approximately. The proposed line between Ichowfu and Chinanfu was abandoned in favor of the Anglo-German Syndicate in connection with the construction of the Tientsin-Pukow line. The Kiaochow-Ichowfu line was surveyed, but further work was abandoned. The cost of the line was approximately \$47,500 gold a mile. The editor of the *London and China Express*, who visited Shantung last year, makes the following interesting report:

"The Schantung Eisenbahn Gesellschaft runs between Tsingtau and Tsinan-fu, the capital of the province, and it has a branch line to Poshan for the mines there. The main line is 412 kilometres long. It is standard gauge and laid on iron sleepers. Moderate weight rails are employed, and at present no fast speeds are attempted. The journey, in fact, takes thirteen hours, of which nearly three hours were stoppages. Some acceleration of the service is to take place this autumn. Certainly what seemed to strike one at present was the unnecessarily long halts that occurred at some of the stations, and again the large number of stations. Other railways in China have greater distances as a rule between the stopping places, and one wondered whether all the stations could pay. A reference to the last issued report showed, however, that each was contributing a net revenue, so that their comparative frequency is justified. The stations are good, useful buildings, without ostentation, and adapted to the purposes for which they are designed. The bridge work over the many shallow rivers and streams, which in the rainy season often become raging torrents for a short time, is fairly solid, and the road bed

in good order, certainly for the speeds at which we progressed. According to the last available figures, those for 1906, the stock comprised thirty locomotives, 107 passenger and baggage wagons, including three postal cars, and 720 freight cars. The latter include some fine covered vans for the transport of straw braid, specially constructed so as to take 15 tons of measurement braid. In 1906 there were carried 846,000 passengers, against a little over 800,000 in 1905, and 381,000 tons of goods, against 310,000 tons the year before. The coal transported was 208,000 tons. The distribution of petroleum is growing, but as yet only amounts to 10,000 tons a year. The passengers traveled on an average 70 kilometres in 1906, against 68 in 1905, and the goods haulage was 179 kilometres, being the same as for 1905. The receipts in 1906 were \$2,169,000, against \$1,912,000 in 1905. This meant \$4,970 per kilometre, against \$4,382 in 1905. The expenses per kilometre in 1906 were \$2,089. The passenger fares, generally speaking, are moderate in amount. The surplus, aided by a higher exchange, came to 2,642,000 marks, and after passing 5 per cent. to reserve and 5 per cent. to special reserve a dividend of 4¾ per cent. was paid on the capital of 54,000,000 marks. The staff in Shantung comprises fifty-seven Europeans and 424 Chinese. The company has a complete range of workshops at Sytang close to Tsingtau, where all repairs to stock and other material can be carried out, as well as construction work up to a certain point. The company houses its employees here, and the workmen's dwellings are a model of what should be done for Chinese in this way."

French Railways in China.—The history of French influence in Tonking opens in 1787. It grew out of the internal troubles of Tonking and Annam. The French practically restored the deposed king of Annam to his throne under the protectorate of France. A revolution followed, and French influence wavered until 1859, when Saigon was taken by the French, who occupied other strategic points. Later a French protectorate was established over Cambodia. The refusal of the authorities at Hanoi to permit a French merchant to export a cargo of copper and tin in 1871, and the failure of the governor of Cochin-China to secure an amicable settlement of the difficulty, led to the taking of Hanoi by assault, and in 1873 the Red River was declared open to trade. A treaty was concluded in 1874 by which Hanoi, Haiphong and Quinhon were opened to trade. The relations between the natives and the French continued unsatisfactory, and the former did not hesitate to insult French representatives and show hostility to the latter. Fighting followed, and finally in 1885 a treaty was concluded by which France agreed to maintain order in the provinces bordering on Annam. More territory was opened up to French trade, the privilege of opening up mines and to continue projected railways in Chinese territory was given France.

In 1898 the first move in the direction of active railway campaign began. A commission was appointed to consider a comprehensive scheme, including a line from Haiphong to Hanoi and to follow the Red River to the Chinese territory. The right to extend the Phulangthuong-Langson line to Lungchow, a distance of 40 miles, into Chinese territory was recognized in 1897. The gauge of the line to

Langson was increased to 1 metre and the extensions from Phulangthuong to Hanoi and from the former point to the Chinese frontier northward to Chinese territory were completed at an outlay of 20,000,000 francs. In 1898 an agreement was made with the Chinese Government whereby the French Government acquired the right to extend its lines from the Tongking frontier to Yunnanfu. The cost was estimated at 101,000,000 francs, and a French syndicate was formed backed by the Government to undertake the work. The syndicate was guaranteed the sum of 3,000,000 francs annually for seventy-five years, and the balance necessary was subscribed by the company and the Indo-Chinese Government in equal parts. The work commenced in 1901, and in 1903 the conditions under which the railway was to be built and operated in Chinese territory was satisfactorily adjusted. The concession for this line was to extend over a period of eighty years, and the line was to be built with French capital without any Chinese guarantee. Work was then commenced on the Chinese section, and it is expected that it will be completed by 1910. There is a project on foot to extend this line to Chengtu and again to Chungking.

There is also the projected extension of the Hanoi-Langson line to Kwanchow by way of Lungchow and Nanningfu and from Nanningfu to Wuchow, so as to tap the provinces of Kwangsi and Kwangtung by means of a number of projected feeders and connection with Kweilin and Canton. For the present there is little hope for favorable consideration of concessions by the Chinese Government, although the advantages to result from railways in this section are apparent.

The Shanghai-Nanking Railway.—This railway, which connects Shanghai and Nanking by way of Soochow, Wusieh and Chinkiang, was completed last March and forms the initial division of what is known as the proposed Yangtze Valley system. In 1898 a line connecting Woosung and Shanghai, a distance of 10.5 miles, was completed with Chinese capital. About this time the British and Chinese Corporation had asked the Peking Government for a concession to construct a railway from Shanghai to Nanking, and during the year a tentative agreement was reached and a final agreement was concluded in 1903. The loan agreement provided for a loan of £3,250,000 secured by Imperial bonds, to be taken up by the corporation at 90 per cent. and carrying interest at 5 per cent., and redeemable at the end of 12.5 years at 102.5 per cent. and at the end of twenty-five years at par. The duration of the bonds was fifty years. In addition provision was made for the purchase of the Woosung-Shanghai line at 1,000,000 taels and have it included in the proposed system. A board of five commissioners was appointed, two members of which were chosen by the corporation, as well as the engineer-in-chief. Mr. Collinson was selected for the last position. There were many difficulties to surmount in the construction owing to lack of co-operation on the part of the local authorities in securing the land for the right of way, and overcoming the many prejudices of the people. However, with the exercise of great patience, the construction proceeded, and in 1904 the first section of 12 miles between Shanghai and Naziang was opened, and in July, 1906, Wv

sieh was reached. In March of this year the entire line to Nanking was opened to traffic. The entire length of this line is about 200 miles.

Reference to the Shanghai-Hanchow-Ningpo Railway, which was included in the concessions secured by the British and Chinese Corporation, as well as a projected line between Pukow and Hsinyang (connection with the Pe Han) of these lines, may be made in connection with the Yangtze System. Several demands for the cancellation of these concessions by the local anti-foreign element did not meet with success, and recently arrangements were made for the carrying out of the construction. The terms of the agreement recently concluded between Peking and the British and Chinese Corporation provide that the terminus of the line will be connected with that of the Shanghai-Nanking Railway in Shanghai or its vicinity, whence it will run to Hangchow and Ningpo, via Fungchingsun, Kiashingfu, Hushu, Hangchowfu and Kiankau. The road is to be completed within three years.

The amount of the loan to be raised is £1,500,000 (\$7,299,750), the interest on which will be 5 per cent. per annum, to be paid by the Chinese Government semi-annually. The loan will be applied to the building of the line alone, including payment for locomotives, carriages and all necessary equipment, and the running expenses before the completion of the line. Money to be used in buying land and paying interest must be provided by the Chinese Government from other sources.

During the construction of the railway the corporation shall be allowed to act as managers for the provision of all materials which must be procured in foreign countries for the railway. The corporation shall purchase all materials required in the open market at the lowest prices obtainable, but it is understood that all such materials shall be good and of satisfactory quality. If English made materials are equal in quality and price with those of other countries, all the necessary materials shall be purchased in England. If any Chinese products or Chinese made materials are equal in price and quality to those produced or manufactured in foreign countries, such products or materials shall be purchased in China in order to encourage Chinese industry.

It is stipulated that several sections of the line shall be constructed by the Chinese, and therefore the work of prospecting and surveying will only be undertaken with the permission of the Board of Posts and Communications.

In connection with the construction of the Shanghai-Hangchow-Ningpo line, the road being built from Wuhu to Kashing via Hangchow, a distance of 150 miles, by Chinese capital, and another line from Kashing to Hangchow being under construction with proposed extension to Ningpo, is evidence of the competition promised the British road by the Chinese in Anwei, Kiangsu and Chekiang. In addition to the above, the Chinese are engaged in constructing a line from Shanghai to Kashing to connect with the Chekiang and Anhwei systems.

The Tientsin-Pukow Railway, which will connect the Shanghai-Nanking and the Shanghai-Hangchow and Ningpo systems with the Imperial Railways of North China, is one of the most important lines now under construction, and will form a direct connection with Ningpo when the

lines projected and under construction are completed. The construction is now under way and there is every indication that there will be no delay in bringing the enterprise to a completion with all speed.

The final contract for the Tientsin-Yangtze main line was signed this afternoon, says the Peking correspondent of the *Times* on January 12, by the Chinese Government and the representatives of the Deutsch-Asiatische Bank and of the British and Chinese Corporation. An Imperial edict sanctioning the contract was issued, the British Government having consented to the signature without waiting for the signature of the Chekiang Railway, discussions on the settlement of which are still proceeding between the Central Government and the provincial gentry.

The German section of the Tientsin-Yangtze Railway will run from Tientsin through Techau, on the Grand Canal, and Tsinanfu, the capital of Shantung, to the southern border of Shantung. Thence the British section will run through Kiangsu province to Pukou, on the Yangtze, opposite Nanking, a distance of 1,085 kilometres. The loan is for £5,000,000 with interest at 5 per cent., and is to run for thirty years. Roughly two-thirds of the capital is to be German and one-third British, in proportion to the respective lengths of the sections. The price to China will be 93, and the security is a Chinese Government guarantee and certain provincial revenues. Redemption begins after ten years. A loan of £3,000,000 is to be issued within one year, and construction is to be finished within four years of the beginning of the work. The construction and control are entirely vested in the Chinese Government, with European chief engineers appointed by the Chinese to advise on construction, and European auditors appointed by the German and British groups to watch over the interests of the bondholders. The syndicate receives a fixed sum in compensation for surrendering its rights to the profit granted in the preliminary agreement. The contract provides that subscriptions to the loan will be invited in Europe and in China of equal conditions, preference being given to the application of the Chinese Government if received before the issue of the prospectus.

The final agreement shows how Chinese diplomacy has succeeded in altering the conditions of the preliminary contract of May 18, 1898. The Chinese recognize that such favorable terms have never been obtained before, nor such a clear admission of China's claim to control her railways without foreign interference.

The Peking Syndicate Railway.—The Peking Syndicate was organized in 1897 in London with a capital of \$100,000 by British and Italian capitalists, and had for its purpose the development of the almost inexhaustible mineral wealth of Shansi and Honan. After some delay negotiations were concluded in 1898 for a concession to develop the coal, iron and petroleum deposits within certain boundaries in the province of Shansi. A little later the concession was extended to cover that part of Honan north of the Yellow River. The capital of the company was then increased to \$7,600,000. The question of transportation became one of the most important problems to solve, and it became necessary to provide railway transportation from the mines to the most convenient waterways. The concession provided

for this contingency in a general way and included the right to connect with the Yangtze. Surveys were made through southern Honan to the Han River to Siangyang for an outlet, but it was found that the water was not deep enough for the purpose at Siangyang. Another line was surveyed to Pukow, and this latter was recommended as the most desirable route and objective point. A survey was also concluded connecting Taokou at the head of navigation on the Wei River, in northeastern Honan, to Tzechoufu in Shansi. The work of construction on the line was commenced in 1900, but this had to be delayed on account of the Boxer trouble. In 1902 work was renewed and a mining camp was established at Jamieson in northern Hunan. With the establishment of this camp it was decided to construct a line from Taokou to Pashan, a slight modification of the regular survey. The line runs from Taokou to Hsinhsianghsien by way of Weihsu, continuing through Jamieson to Pashan. From there it will be continued to Tzechoufu. The line from Taokou to Pusan was completed in 1905, covering a distance of 92 miles approximately. The syndicate received so many setbacks in its endeavor to develop its concessions that finally arrangements were concluded whereby the Chinese made a repurchase. The following from the 1906 report of the syndicate bearing on this subject may be of interest:

"The persistent refusal of the provincial authorities in Shansi to permit the syndicate to acquire land and commence mining was fully explained in last year's report. It was arranged that a prominent Shansi official, named Ting Niehtai, together with several representatives of the Shansi Bureau of Trade, and of the gentry, should come to Peking to meet Mr. Brown and endeavor to come to a settlement. Mr. Brown was ultimately instructed that the directors would surrender the concession for the sum of £1,500,000 sterling, half in cash and the balance in guaranteed instalments, and he so informed the Shansi delegates. The counter offer made on their part was 600,000 taels. Finally on January 4, 1908, after the offer had been by successive stages raised to 2,625,000 taels, the delegates informed Mr. Brown that this was their last word, and if it was not forthwith accepted they would withdraw from all further negotiations. At this stage the directors again sought counsel with the Foreign Office, and were informed that, in the opinion of Sir John Jordan, this was in truth about the limit of the Shansi delegates' offer (whose attitude, he added, had recently become very uncompromising), and that there was no prospect of getting the Central Government to add to it. Under these circumstances the directors took the responsibility of instructing Mr. Brown to close with the offer, if better terms were not to be got. Fortunately Mr. Brown was able, as a last effort, to get the offer raised to 2,750,000 taels, and with that he closed, half to be paid on February 21, 1908, and the other half in three equal yearly instalments, beginning May 19, 1909. The directors have not abandoned all prospect of yet doing work in Shansi. It is part of the agreement that if hereafter foreign capital is required for mining, iron smelting, or transport of materials (meaning, presumably, railways), the Peking Syndicate shall have the first option. The directors consider the stipulation a very valuable one."

Recent reports from Shansi announce the formation of a native syndicate with a capital of 5,000,000 taels to take over the mining interests, but so far the funds have not been realized.

By the agreement made in July, 1905, the Chinese Government agreed to take over the line from the syndicate and give in payment gold bonds bearing interest at 5 per cent., and the control of the road would remain with the syndicate until the bonds are redeemed. The cost of constructing the road to Pashan was estimated at £614,600, and is represented by a loan of £700,000, which is accepted by the syndicate at 90. The loan runs for thirty years and is redeemable after 1916. While the line has been handed over to the Chinese Railway Administration it continues to be operated by the syndicate, the latter receiving 90 per cent. of the net profits. The continuation of the line to Tzechou and provision for its construction was also included in the agreement.

The construction of the line surveyed to Pukow may be made to conform to the proposed line of the British and Chinese Corporation from Pukow to Hsinyang. The two corporations have arrived at an understanding in regard to the development of railway interests north of the Yangtze, which is practically an amalgamation.

Before concluding this article, reference to the success attained by Chinese engineers and Chinese enterprise in the direction of railroad building is worthy of extended space. Perhaps no illustration would serve better than the progress made in the construction of the Peking-Kalgan line under the direction and supervision of Taotai Jeme Tien-yow, Ph. B. (Yale), A. M. I. C. E. (London), who is engineer-in-chief of the road. The entire staff of engineers on this construction are Chinese. In fact not a foreigner is employed in any capacity. The result of eleven months' work is shown in the opening and operating of the first section in September, 1906. This section is 32 miles in length. The Nankow pass offers the most difficult engineering problems and the tunneling when completed will be 5,370 feet in length and most of it through hard rock. Besides the tunnels there have been the most difficult cuttings through solid rock, some as deep as 80 feet. These difficulties have been surmounted by the engineer-in-chief wherever met, and the work has been carried on most economically. The *World's Chinese Student's Journal* of October, 1907, has the following to say of the permanent character of the work and the remarkably low figure at which it was accomplished:

"Turning to the more technical side of the work accomplished in this division, I was informed that there are altogether 21 bridges and 17 drains, aggregating 1,352 feet (linear) of openings. All the bridges are constructed of concrete, and it is hardly necessary to add they are all well made and of a lasting character. In fact it may be asserted that there is nothing of a temporary character about anything on the line. People in this world, however, very often associate exorbitant prices with good quality, and low prices with poor quality of materials and workmanship, believing in their simplicity that they are inseparable concomitants, but the attention of my readers is called to the low price paid in this division for earthwork and materi-

which has enabled the construction of a first-class line at an unusually reasonable rate. For earthwork at the Liut-sun end, it averages only 17 cents per fong, or, expressed in another way, 4 cents per cubic yard. At the Nankow end, where high embankments have to be made out of boulders, the average price is 27 cents per fong. Prices just as reasonable and low are charged for broken stones for concrete which varies from \$1.20 to \$2 per fong delivered on the spot, and sand, when collected locally, costs only the ridiculously low price of 30 cents per fong. The explanation is not far to seek, for on the Peking-Kalgan Railway, all these materials are supplied to the engineers *directly* by petty contractors, and there is, therefore, no opportunity for big contractors to monopolize the tenders and abuse their privilege by subletting and resubletting their contracts, a system of 'squeezing' which has rendered engineering work so expensive in other parts of China. Nor are there interpreters of the character as has been reported elsewhere who receive Tls. 50 per mensem and retire after a year or so with half a lakh. There is not a *single* interpreter on the line, for they are not needed, and the absence of middlemen results in economy, unattainable in the nature of things where the personnel and the system are not similar."

In concluding an interesting article on the line, the *Students' Magazine* points with pride to the demonstration of the capacity of Chinese engineers to fulfill the mission of an engineer and to the general success of Chinese enterprise in the construction and operation of the Kalgan line up to the present time and the lack of friction, as conclusive evidence that the Chinese directed by competent Chinese engineers are capable of constructing and operating their own railways. The *Magazine* says:

"In concluding this brief and inadequate description of the Peking-Kalgan Railway, let me call the attention of the reader to the principal features of the line, features which render it conspicuous and distinct from the other lines in China. In the first place, there are no foreigners employed. This in itself should be and is a matter of national pride, but were our engineers unable to fulfill the demands of their profession, it would perhaps be a better arrangement to utilize foreign technical skill. In the present instance, however, there can be no question whatever that all the work of construction is carried out in good engineerlike manner. The materials used are of the best quality, while the structures bear nothing of the temporary character about them. To one who has traveled on the line it is evident that the buildings too are of first class masonry.

"The second point is the rapidity of the construction. Within the short period of nine months, and it must be remembered that in the north of China three months in winter are frozen and no concreting can be done during those months, the construction train reached Nankow, a distance of 32 miles.

"In the construction of a railway, economy, which must not be confounded with cheapness, must always be kept in view. All railways which have been built and are being built in China must be paid for by our people, and our

people are poor. A railway line is not a club house or a private mansion, upon which the owner or owners may expend millions merely for the gratification of their sense of beauty or for the exhibition of their degree of wealth, but is a commercial investment. The amount of capital sunk in it must be commensurate to its power of paying dividends, and in the case of Chinese railways the redemption of the bonds must not for a moment be forgotten. Economy on the Peking-Kalgan Railway has been reduced almost to a science. There is no temptation to spend money recklessly, as no 5 per cent. commission on every tael spent can enrich the coffers of any corporation. There is no temptation to spend recklessly so as to necessitate the floating of another 'loan,' in which the Chinese Government receives Tls. 93, and the bondholders pay to the floaters Tls. 116. There are no engineers who must have foreign style residences, cement tennis courts, ice-making machines, palatial houseboats, and princely salaries before beginning work. There are no interpreters to browbeat the contractors, to make trouble with the local officials, and to make a pile in little or no time. All contractors deal with the engineers directly, and no squeeze system exists. The figures already given for the prices of materials explain in a large part why a railway built under our own supervision and by our own engineers is so very much more economical.

"Another very important advantage gained is the peaceful condition of coolies during construction, due to the absence of misunderstanding between engineers, the coolies, and the country people. No disturbance of any kind, still less of any rioting, has ever happened, and the work has proceeded so smoothly and quietly that the local officials are never called upon to suppress disorders or punish offenders. There can be no unpleasantness arising through the interference of foreign consuls and the referring of insignificant incidents to the Ministers in Peking. One and all understand that the railway is a Chinese railway, that our own money is being spent, that the coolies are our own people, though they are coolies, that our officials are officials appointed by the Emperor, and the result is the work proceeds without a hitch of any kind.

"One should think that with Government patronage and official supervision there could be no strict honesty, that graft, more or less, must penetrate the transactions. Wonderful to say, on this line nepotism is unknown, all employees are rated according to their qualifications, no matter whether a man comes with a recommendation from a prince or no, and all contracts are by competitive tenders. Indeed, spies, employed by interested or unfriendly parties, are so keenly on the watch that nothing crooked could escape their eyes and be not immediately exposed, were those in charge inclined to be crooked.

"And lastly, student engineers are much encouraged for their work, and receive considerate treatment from their teachers. Steady and conscientious application of their knowledge (nearly all of them have received theoretical training in the engineering department of Tientsin University or elsewhere) insures rapid promotions and good salaries. Their future is assured, for the demand for Chinese engineers is far above the supply."

THE CHINESE INDIVIDUAL.

The following paper, entitled "The Changing Position of the Chinese Individual," was read by Dr. J. B. Fearn on October 6 at the opening meeting of the 1908-9 session of the Shanghai Missionary Association:

The question of the changing position of the Chinese individual naturally includes the large one of the changing position of the Chinese nation—for as is the people so is the nation. Nevertheless the change has to take place in the individual before the national change will be felt. On the other hand we are quite often unaware of the individual change until it is manifested in some action which forces us to realize the fact that things are not as they were. Changes in an individual here and there do not impress one with much force, but we rub our eyes and look about us when these changed units are brought together in some unexpected demand, then and then only do we see the culmination of what has slowly been taking place in our very midst.

In the study of this condition one is naturally limited to one's period of observation. To the one who may have finished his half century the changes will be very great, whereas to the man who only arrived yesterday relative observations are impossible. To study the individual change it is necessary to look at the question from many points—change in his mental life, change in his social life and change in his moral and religious life; the changes in respect to his relation to himself, with his fellow countrymen and with the foreigner.

These changes naturally divide themselves into subjective and objective—change within and change as to his relation toward those without. It is quite easy to notice the latter, for man's actions are the world's property, while his inner life is his personal treasure. It is hard to conceal the inner flowings of one's life but, at the same time, it is easy to deceive. We have to note a changed condition quite often by the desires and demands which grow out of this new condition. Change in the mental life of an individual will be noted by the thirst after a mental expansion which is of a progressive nature—ever changing for the better; and a decided disaffection with a system of stagnation which arrests mental expansion, such as China has experienced for these many centuries. Some ten years ago the thought was expressed that it would be a fine idea to abridge the classics and put the essential teachings in a form convenient for use in our schools. All to whom this thought was expressed had the one answer—that it would be impossible to touch the classics. What do we see to-day? The lack of desire on the part of a large per cent. of the students to give sufficient time for a thorough study of these books, the mastery of which a few years ago formed the entire ground for their success in official China. Moreover we see these same young men, who from childhood have grown up thoroughly imbued with the idea that the success of their future depended entirely upon their knowledge of the classics, now so changed that their minds reach out for and grasp all that our home universities can teach them. The fact that all our Mission in-

stitutes of learning are crowded and an ever increasing number of earnest young men and women are seeking matriculation in our home institutions shows the change in the mental life of the individual.

Ten or twelve years ago, to get a full school, it was necessary to furnish everything free, in some cases even the clothing. Even then the pupils felt as though they were conferring more or less of a favor on the foreign educator by allowing themselves to be taught from Western books. How different it is now! Large colleges full of students who gladly pay all their expenses, which in some cases is no small sum, and many perhaps who would be willing to pay twice the amount for what they now realize—in their changed mental condition—to be true education.

Go back ten years and call to mind the little group of boys in a small room memorizing the Chinese character with absolutely no idea as to its meaning—that would come later. Any lack of zeal in their studies being evinced by a slight lull in the pandemonium, which was immediately corrected by a sharp rap on the table and a fierce glare from the fossil of a teacher. But not to dwell longer on this side of the picture, what do we find now? A trained teacher who in our Mission schools at least knows his business. The students busy with such studies as are claiming the attention of school boys in the home land. The room well kept, well ventilated and the pupils orderly. A certain amount of military discipline is evident, not to prepare for war, but to teach unity of purpose and action. This is the old day school which so many of us remember as the chief feature in a great many of our Mission stations, but in a new dress necessary to meet the demands of a changed idea consequent upon the changing mental life of the Chinese. This same changed idea has brought new methods of examination for official preferment. Thus we see that the change in the individual Chinese has brought about a change in the entire educational system of this enormous Empire.

When we come to note the change in the social life of the Chinese we do not find such a wide field as in the above, largely due to the fact that their social system satisfies them and is adequate for their purposes. What change there is is seen more in the manner of giving expression to this side of their nature than any real change in the fibre of their social system. They still have their clubs or guilds, where the members meet to discuss their business or engage in some game—usually of chance. In ports they meet around a foreign "spread" instead of their native feast. They drink the wine common to foreigners, instead of the famous wine of Shaohsing. Man and wife are more frequently seen together in public places, though quite often as they walk the streets together the man will be about three feet ahead of his wife with an expression upon his face as though he were doing something wrong and feared being arrested. In other cases their appearance is quite natural and in many cases the man is quite attentive. All those who hope for the best in China along all lines wish to see this social change take place slowly, the transitional period in all reformations, espe-

cially social, being fraught with a lost equilibrium in the backward swinging of the pendulum.

Now a few words as to the change of the individual Chinese in his religious life, for the change in his moral life, in most cases, is of such a negative nature that it is but a dark picture. It is a fact that the liberty which comes to a man when he throws off the fetters which have bound him so long is more than likely to be abused and turned into license, if this liberty is not controlled by Him who is the Author of all true liberty. This is proved by that open sore found in the midst of each foreign concession, which is never seen in an uncontaminated native city. Would that we might not only open our eyes to this sad change for the worse, but so far as in us lies the power correct it.

That the religious life is undergoing a change is indicated by the remark recently made by a Buddhist priest of high rank that it would only be about ten years until they were out of a job. He felt that with the enlightenment incident to the present day education there would be a general turning away from his religion. It may be said that Christianity is the cause of this change for undoubtedly the heaven is at work. It is sad though to realize that those who give up the isms of China, as well as in other countries which are in the throes of transition, will not accept that which has made them free. Many instances of change in other phases of their religious life might be noted, but I will only mention the desire expressed in so many quarters for a new marriage ceremony. Years ago it was difficult to get even our Christians to use the church form, but now we are asked by the heathen to officiate, and we find that they are largely using a modified form of our Christian ceremony. We note a change also in their funeral offerings, where flowers now play a very important part, and indeed it is not an infrequent sight to see the coffin covered with floral designs.

Let us now take up the change in their relation to foreigners, toward their own country and if we were only able to look into that close relation between Chinese and Chinese it would be a most interesting revelation, but this is perhaps beyond us. Quite recently I heard of a man who told one of our missionaries that while he could not trust implicitly in any of his own family or associates he always felt that she was one upon whom he could fully rely. That is a sad yet true statement. How general this man's experience might be found among others it is hard to say, but one thing is sure, he is of the kind who would not say such a thing unless he meant it. Does the sign so often seen in shops: "*tsung puh ri kia*" really mean that there is no chance of a second price? If so we can be encouraged, for this marks a great change in their dealings one with another. Ten years ago there was only one shop in the Qoen Zien in Soochow which displayed this sign to indicate their change from the old custom of charging a large price with the expectation that it would be beaten down by the buyer, while now it is quite common. We have to take these outward manifestations as an index to the change which has taken place in this more intimate relation.

In their relation to foreigners we can each give personal

testimony of the changes which has come over the individual and we can all note how this has affected the entire nation. A desire to do for themselves the things which we have been doing for them so long forms the pivot upon which they have turned. Ten or fifteen years ago the foreigner did everything for the Chinese—drilled her troops, commanded her navy, established and conducted her schools, and in many other ways showed the Chinese how the "thing should be done." A few years ago they grew restive under this and began to look about for themselves. In many cases they endeavored to do what was entirely beyond them, and not infrequently when they met defeat, were not only unwise enough to refuse to admit their inability, but to save face, persisted in their efforts to stand alone, and continuing in this course, soon began to regard the foreigner as, in the following, the old negro regarded his master.—"What's the matter with you, Jim?" asked the master. "I's mad," replied the old negro. "Who are you mad with, Jim?" "I's mad with you, that's who I's mad with." "What you mad with me about, Jim?" "'Cause I ain't penned dem sheep." So it has ever been. A duty left undone through inability or carelessness or from any other cause will in most cases put us at outs with the other fellow. If there is any feeling of dislike in the hearts of the Chinese Christians toward the missionary it is largely due to this same spirit. They are not doing their duty toward the evangelization of China and in their extremity they look upon the foreigner, who is working as of yore, in much the same light as the old negro looked upon his master.

Many of us can well remember the time when the fact that a man was a foreigner was ample proof to the Chinese of integrity and uprightness. Also how sometimes it was hard to convince our acquaintances that there were wicked foreigners as well as wicked Chinese. I have heard some say they thought it best to keep such knowledge from the Chinese, but to my mind it is the rude awakening from this deception which is mainly responsible for the changed attitude on the part of a large number of Chinese. In former days they trusted every foreigner, now they go forward with care and unless a man can prove himself to be trustworthy he is looked upon with distrust.

Thus jealousy and distrust are the two unfortunate features which indicate the change in a number of individuals. The cause of the former can hardly be laid at the door of the foreigner, but is due to pride and overmuch confidence in an ability which is quite often nil. The latter is caused by a large increase in the number and make-up of the foreigners in China, and also by unwise actions on the part of some who were formerly held in high esteem. The unwise action on the part of one missionary in the interior has come oftener to my ears than the good work done by all the other missionaries of the same province. The fact that the said missionary was sent home does not remove the distrust caused by his action.

The manner and intensity of expression is varied and the different forms it assumes are as numerous as the population of China. In the early part of the year, while talking with a fellow passenger, our conversation turned upon the Chêkiang railway loan. He was very bitter in

what he had to say about the actions of the British. I recalled to him the fact that it was only last year that the Chinese were calling the Americans by every name that was bad, and asked him what nation they would abuse next year—he smiled as he realized the ridiculousness of all this wild talk. We did not have to wait until “next year,” for it was only a few months when Great Britain and America were forgotten in their hard feelings toward Japan and it took all their time and thought to heap sufficient abuse upon Japan and all things Japanese. The tide has begun to turn and America is now on the crest of the wave of popular approval, because of the return of the indemnity, and other nations may yet hope for a better day in their relation to China. As they act in regard to the nations so I believe they act in regard to individuals. If something occurs, whether due to our mistake or theirs, which does not suit their way of thinking we are put down low and there we stay until a lucky move gives us back our lost estate. This phase of the Chinese character, and it is not peculiar to them, is largely due to looking on the surface and not really studying the merits of a question or the motives of an individual.

As to the change in relation to their own country one is puzzled as how best to state the nature of the change. A great many look upon and treat the question as a child might a toy newly found and unknown, while others are really putting their shoulders to the wheel with honest determination to solve the problem. Some ten years ago while on a launch passing an Imperial customs station I asked a scholarly looking individual what flag it was flying over the building. He looked confused and finally admitted that he did not know it was his own Dragon Flag! This is not an isolated case and illustrates to a certain extent the condition which existed in the recent past. Now the average man who reads the newspapers and keeps up with current events thinks he knows quite enough to have a hand in the management of national affairs, whereas he would make out about as well in this capacity as a wheelbarrow coolie would with a railway engine. The bright side of it though is that before many years the wheelbarrow coolies of to-day will indeed be driving the trains of China. The desire to make China an up-to-date nation, equal to if not superior to any foreign nation, is perhaps the uppermost thought in the mind of all awakened Chinese, but to accomplish this without the aid of any outside help makes the hardest possible task out of what could be made much easier by a wise attention to the selection of experienced advisers. One can not but be glad to see patriotism taking hold of a people who even yet have difficulty in giving a name to this new creation. As this new feeling gradually pervades among the masses we must not be surprised when we see it manifested in many a strange garb.

No missionary returned from furlough can help but exclaim: “How everything has changed!” and yet to sit down and enumerate these changes is a hard task, for truly in many instances it is unseen and is only felt as a new factor which is expressed in new thought and new action on the part of a large majority in their individual lives.

As we note the changes let us not make any mistakes in our relation toward the new individual. We have helped them and guided them thus far and are largely responsible for the spirit which has caused this change, if not the manner of its expression. As the Chinese are able more and more to do for themselves they will more and more be able to dispense with our services. Let us endeavor to save them from themselves, for in their eagerness to assume entire control and have China for the Chinese they are extremely likely to overreach their ability and make shipwreck of their endeavor.

Though at times, in their new-born zeal, they appear offensive, let us bear long with them and prove our real love for them in what we are willing to suffer for and from them.

SUCCESS OF CHINESE STUDENTS IN AMERICA.

One is almost certain in saying that unless China should meet the same fate as Poland, Egypt, and some of her still more unfortunate predecessors, the work of regeneration must rest in the hands of her students and especially in her students educated abroad, for native institutions, though vastly increased during recent years, are, with the exception of a few, as yet elementary in nature. Every day popular feeling is growing toward this realization of their importance upon the future progress of China. This is shown by the annual increase of such students going to different countries in hope of discovering the secret which has made so many once sick nations rise into powers of the world.

Thus for a time Japan was looked upon as our school-master. Through racial similarity, cheap means of living, shortness of distance and, above all, brevity of college course, men emigrated from different provinces to Tokyo. So intense was the emotion then that in less than five years their total number was raised from a few hundred to two thousand.

Such a state, however, was not to last long. That which requires a long and regular course of research is undoubtedly not to be acquired in a few months. Their extreme radical views could hardly be held in harmony with the existing conditions of this country. The failure of some in the Imperial examination of the returned students was another strong factor to breed disfavor among our people at large as well as to prove the want of intrinsic value in them. It is true that not every one of them lacked sound education. As the Latin proverb runs, “Poma mala maculunt bona,” so, although there were some competent ones, their real worth was overshadowed by their more numerous ill renowned fellow men.

But along with those going to Japan, there are others who, notwithstanding all manner of criticisms made by native papers, have been tracing diligently and silently in European and American universities after the essential, necessary for genuine reform. These men, with their effective practicability and brilliant success, have revealed to us a striking contrast to the former class, and have, as a result, attracted and won so much praise and approval

from the public that the tide of students going abroad now almost ceases to flow to Japan.

As for our students in Europe, owing to the want of sufficient information, we know little about them. But we have quite a knowledge of the splendid work that has been exhibited by those in America, for many of them were formerly sons of this university and are now keeping us in constant touch with what they are doing there. It is, indeed, encouraging to learn that many of them have already received high honors for good standing in their classes. As space here will not admit the record of the honors won by all of them, we shall confine ourselves to the mentioning of those that have been achieved by some of our own men.

V. K. Wellington.—Editor-in-chief of the *Columbia Spectator* and of the *Students' Monthly*, member of the senior society of "Nacones," winner of the Inter-University debate between Columbia and Cornell.

P. V. Jui.—General excellence in all studies, first mineralogical prize.

Y. C. Henry Hsin.—Two honorable mentions in mathematics and French.

S. Z. Ne and Z. Z. Zi.—High standing in chemistry.

Y. S. Tsao.—An honor stand during the term.

L. N. Tsang.—Passed with honors.

Z. D. Liu.—First in the graduating class, Cook Academy.

Now these successes of theirs must not be overlooked, nay, they deserve special attention, for they are important to the welfare of China.

First and foremost they help to produce intimacy between China and the United States. It certainly cannot be denied that the relation between the two countries is more friendly to-day than ever before. "Such a connection," as one magazine states, "is mainly brought about by the Chinese students educated in America;" for it is especially through this agency that the Americans now are led to a better understanding of the Chinese race.

Three years ago, in regard to their prejudice against our countrymen, they were far behind all other nations. They despised us to the utmost; they passed one of the most discourteous laws that human history had ever recorded, that notorious exclusion bill; and, further mistaken, they looked upon our country as a land of mere paupers, laborers and idiots capable of no cultivation whatever. Where was their hospitality then? Was it possible that this hospitality changed its character and turned into hostility when it came to deal with us Chinese?

But to-day they are among our true friends. They carry on close intercourse with us, they liberally refund us our indemnity, they even inform our Government of the right use of it. What a marked change has been wrought within the space of three years! Many allude to political reasons. But aside from these, our students' influence must also play a part.

Again they bear fruit to the arousing of the feeling of high hope toward the reformation of China. After our being brought into contact with the Western world, we have realized much of our impotence and shortcomings; and, in fact, everything, from political questions down to personal affairs, has been found alarmingly defective. In

this climax of despondency it seems that China must needs meet her fate.

However, let us turn to these men in America and see how they discharge their duties faithfully and satisfactorily, how they win honors from their institutions and how they behave in harmony with their schoolmates. When we see that in these seemingly minor points they have already shown such faithfulness to their mother country, what doubt is there that they will not be faithful to her when they come back?

To them, therefore, let us extend our hearty congratulations and upon them also let us lay a greater responsibility for China's regeneration. May the days soon come when China will have her ablest crew in guiding her ship of state and steering her safely toward the harbor of prosperity!

Z. L. Mo.

(The *St. John's Echo*, Shanghai.)

CHINESE EDUCATIONAL PROGRESS.

Consul Thomas E. Heenan, of Newchwang, furnishes the following notes from newspapers published in China in reference to the educational movement which is developing in many lines in Fengtien or Shingking Province of southern Manchuria:

The educational affairs of Fengtien Province have been taken up by the Viceroy Hsu and others with great energy and effort in encouraging the people to extend its development. The Ministry of Education at Peking finds that in the Province of Fengtien alone there are more than 1,450 schools of primary and middle classes established by the Government and people, not including the schools of special sciences. The Ministry of Education is inquiring into the regulations and subsistence of these schools, so as to test their actual results.

With reference to the matter of requesting the opening of Parliament by the educational parties in combination with the commercial parties at Mukden, it is now heard that the commercial parties have accepted from the headquarters of the Educational Bureau books of registry which have been distributed among the stores by the committees of their respective districts. Any person who is willing to be a member is requested to put his name, place of birth and occupation on the register in his own handwriting. All merchants hearing this were exceedingly glad and rapidly came forward to join, a number of about 10,000 names being registered at one time. From this it can be seen that the people of the Fengtien Province have made great progress.

Recently it has been learned that Viceroy Hsu, deeming the improvement of agriculturists to be an important matter for the three eastern provinces, decided to raise a fund for establishing an agricultural school, to enroll students from various provinces, and engage two American teachers to give the instruction. The construction of the buildings will be started as soon as the site has been selected.

People residing along the coast of Fengtien Province live mostly from the work of fishing. A fishing industry bureau was therefore established some time ago at Newchwang so as to give protection to the fishermen. It is now heard that the Viceroy Hsu had memorialized the Throne, requesting that schools for teaching the marine industry be established at the seven places of Siu-yen, Hai-cheng, Kaiping, Yingkou (Newchwang), etc., along the coast, that children of the fishermen may enter such schools to study the theoretical and practical work relating to marine industry, that the method of fishing may be improved in future, and the interest of the marine industry fully assured.

It has been sanctioned by the Throne and it is to be hoped that the fishing industry of the Fengtien Province will be greatly improved in the near future.

CROP FAILURES IN CHINA.

Consul-General Edward T. Williams, of Tientsin, submits the following report concerning the failure of the crops in his district, and the expected increase in the imports of foreign flour to supply the deficiency:

The consular district of Tientsin embraces a vast area, comprising the provinces of Chihli, Shansi, northern Honan and the eastern half of the dependency of Mongolia. Mongolia being inhabited almost wholly by nomads, and given up to cattle raising, need not be considered in this report. Of Shansi and northern Honan little has been reported, but that little would seem to indicate normal crops.

The southern and central portions of Chihli have fared badly, and this is true also of the counties in the north-western part of Shantung, which, although not included in this consular district, find their principal market at Tientsin. These sections form part of a vast plain of alluvium deposited by the sluggish streams which flow through it. Near the sea the soil is saline and sterile, but with this exception the plain is fertile, and, when the rainfall is sufficient, produces abundant harvests. The population of the province of Chihli is estimated at 16,000,000 to 20,000,000, and it is probable that not less than three-fourths of these will be found dwelling on this plain, the density of whose population is estimated at over 300 to the square mile.

The early rains were very scant throughout the greater part of this region and as a consequence the wheat crop was almost a complete failure. An official report states that seven prefectures of the province of Chihli suffered more or less from this drought, and have had to purchase foodstuffs from other provinces.

The region under consideration is noted, too, for its fruit, particularly pears, peaches and apricots, but the orchards, also, have failed this year. Other important crops are cotton, peanuts, millet, maize, and kaoliang (Barbados millet), which depend upon the summer rains which have been very irregular. In some counties they have been too heavy, and have caused the streams to overflow their banks and do great damage to the growing crops. Thousands of acres have been swamped. In other counties the summer rains were as scanty as those of spring. This is particularly true of the counties in southern Chihli and north-western Shantung. In many of these the cotton crop is an utter failure, and the same can be said of the peanuts. The kaoliang is scarcely half a crop. The peasants in these districts are face to face with great want, if not with starvation. The condition of the rural population of China generally is one of poverty, and they have little or nothing upon which to depend when the harvests fail. This is especially true of this region where frequent drought makes agriculture a precarious calling.

A well-known missionary reports that distress is imminent in many counties of northern Shantung and southern Chihli. The prices of foodstuffs, he declares, are already higher than during the great famine of thirty years ago. Cattle, donkeys and ponies, the domestic animals used in

plowing and hauling, are being driven in large number to Tientsin to be sold, because the farmer has nothing with which to feed them. The manufacture of straw braid is an important industry in this region, and this has been injured by the lack of straw.

This survey of the condition of the crops in this province and the counties of Shantung which border thereon is sufficient to show that a large part of the foodstuffs required for this region must be brought in from outside. Chihli does not feed her own people even in ordinary seasons. During the year 1907 there was imported at Tientsin a great deal of foreign flour, nearly all from the United States, amounting to 123,046,000 pounds, valued at \$3,039,039 gold. But there was a partial failure of crops in 1907 also, and the import mentioned was therefore extraordinary. In 1906 the import of foreign flour amounted only to 29,798,133 pounds. There was an increased import of foreign flour in 1907 amounting to 93,247,867 pounds, and of foreign rice amounting to 59,104,933 pounds, largely, if not wholly, due to the failure of the crops upon which the people of this region depend. There seems a probability that an equal or perhaps a larger amount of foreign foodstuffs will be demanded this year.

Floods in central and southern China have devastated large areas given to rice culture, so that a shortage in the rice crop is more than probable, and the demands upon it will be greater than ever. Central China also produces large quantities of wheat, but this year's crop there, too, was greatly damaged by the floods of April in that region.

In June a portion of the province of Kuantung, in south China, devoted to rice culture, was swept by a destructive flood. Officials reports represented the crops as destroyed in a very large measure. In July some six districts of Honan were officially reported as badly damaged by floods, the people being driven from their homes. Later a dozen counties in the adjoining province of Hupeh were also officially reported as suffering from floods. On July 23 the governor of the province of Anhui telegraphed to Peking that the counties bordering the Huai river and those along the Yangtze were submerged by floods and the crops destroyed. The former, i. e., those along the Huai, seem to have been replanted, but the Yangtze region will not drain so quickly, and this is a portion of the region which supplies the rice that is shipped to the north; Wuhu, a port in the flooded district, being the greatest rice exporting city in China. Recently reports came from Shantung that for ten days ending August 21 a great portion of that province had been visited by destructive storms which had done great damage to the crops not already ruined by the drought, and there is likely to be an extra demand in that province, therefore, for grain. Thus the provinces of central and southern China which, in ordinary times, aid in feeding Chihli will probably be unable to supply the usual quantities of rice, much less to meet an extra demand, and some regions that have been accustomed to exporting grain will be compelled to import. The condition in the Yangtze region may be understood from a recent proclamation by the governor-general at Nankin forbidding any shipments of grain at all from the provinces under his jurisdiction.

JUDGE WILFLEY AND HIS TASK.

(*Editorial in Der Ostasiatische Lloyd, Organ of German Interests in the Far East, Published Weekly at Shanghai, Issue of September 18, 1908.*)

It is now a month or more since Judge Wilfley resumed his judicial functions in Shanghai, and we are again reminded of the difficulties that attended his official duties when he originally came to this city. The problems then awaiting him were by no means easy. Local American interests were divided upon lines of bitter enmity, and a considerable portion of the American community in Shanghai felt no duty of unified action in restoring the good name of their homeland. The situation needed a man with steady eye to the future and with great strength of purpose to clean away this Augean stable. To do it Judge Wilfley was chosen—the selection being at the instance of former Governor Taft of the Philippines, now candidate for the Presidency, who had known Judge Wilfley in Manila intimately and who recommended him to President Roosevelt as best for the place. He had already accomplished in Manila a task similar to what awaited him in Shanghai.

The prospect of his repeating this success in Shanghai caused certain classes to create serious opposition to him previous to his coming, and to descend to falsifications and even to petty annoyances; they knew well enough that with Judge Wilfley in Shanghai there would be no place for themselves. That the judge, on the other hand, had decided upon a firm policy there could be not a moment's doubt.

One of his first official acts was to require all American attorneys of late years practicing in the consular court to undergo an examination in law. As a result of the examination only two lawyers were accorded the privilege of appearing before the new American court. This action, though evidently necessary, increased the number of his enemies among Americans in Shanghai, and a hue and cry arose stirring up anxiety and apprehension, as if some most sacred right of liberty had been attacked. The excluded attorneys, some of whom were of dubious reputation, incited most scurrilous animosity against Judge Wilfley, both in the yellow journals in the United States and in certain Shanghai newspapers. They found support in the circumstance that the United States Circuit Court in California, which is immediately superior to the United States Court for China, had, upon merely formal grounds, reversed certain decisions of the local court, under which decisions Judge Wilfley—for the good of international interests in Shanghai as well as of American—was driving out certain extremely undesirable classes.

In consequence, the position of the United States Court became more and more difficult, and Judge Wilfley arranged with the authorities in Washington to close the court in November of last year, and to go to Washington to secure from Congress a new jurisdiction act, without which the increasingly difficult problems before the court could not be satisfactorily solved.

Upon arriving in America Judge Wilfley was confronted by his adversaries with legal proceedings based on alleged

misconduct in office and with a demand for his recall in view of the reversals of certain of his decisions by the Circuit Court of Appeals in California already mentioned. The proceedings in Washington against Judge Wilfley, as it generally follows in America, brought out a mass of personal spite and insinuation against the person charged, while the judge himself was permitted no defense. It was the decision of Congress, which had to do with the matter, that although Judge Wilfley might have gone too far in some ways, he was to be wholly exonerated by his Government, and to be regarded, as the President and Secretary of State had declared, as having done his country highly commendable service in China.

Judge Wilfley then returned to his post in Shanghai. To be sure he had not accomplished the enactment of a jurisdiction act in Washington; he could, however, feel gratification in the official approbation of the higher authorities.

Supported by this approbation Judge Wilfley again took up his duties in Shanghai. It now became evident that his former opponents were not at all minded to give up their fight, a struggle which meant for them in Shanghai their very existence. One of the first cases before Judge Wilfley was that against one S. R. Price for assault. Price had been over a year previously sentenced to six months in prison for assault with a dangerous weapon, but the Circuit Court of Appeals in California had remanded the case for retrial on simple assault. The case in itself had no special interest. In regard to the judgment in the original trial it might have been incidentally considered that Price followed no regular reputable business, lived upon gambling, and was conspicuously one of that class of Americans of whom Judge Wilfley has decided to rid Shanghai.

In the second action, recently closed, resulting in a sentence upon Price of three months' imprisonment, two notable incidents took place. The first was that of the arrest in the court room at the instance of Judge Wilfley (really at the instance of District Attorney Bassett) of a Chinese servant or "boy" on a charge of perjury, grounded upon his confession that he had made false statements in the original action in favor of Price, but that he now wished to tell the truth. The second incident was the statement by the judge to the Italian lawyer Musso, who was present with other attorneys for the accused at the pronouncing of the judgment, that he (Mr. Musso), under his oath as a witness, had declared that certain of the statements of the arrested boy had been made under intimidation by the United States attorney, who had brought undue influence to bear on him as a witness, and that Mr. Musso himself was chargeable with untruthfulness in this action. Consequently, at the close of the proceedings, permission to appear before the American court in the future was withheld from Mr. Musso.

Both incidents have caused much comment. There was

some criticism that the judge had done wrong in causing the arrest of the boy, since the servant was a Chinese subject, and should be arrested only on a warrant from the Chinese or Mixed Court. Though released on bail furnished by Mr. Musso and others to appear before the court, the boy has in fact not appeared. At first the attorneys brought the certificate of a Chinese physician that the boy had cholera, and a week later that he was suffering from a sickness in his legs and could not come. Another week later Lawyer Musso, for the boy, stated that he had suddenly disappeared, probably because of fear of the police, whose detectives had watched him night and day. That the disappearance of the boy is to be explained in a wholly different way is very clear to any impartial observer. Meanwhile Lawyer Musso, as an Italian, had instituted proceedings in the Italian Consular Court for investigation of his professional conduct, desiring to show that Judge Wilfley had excluded him from the American court without just cause. What course the Italian Consul General may take the public is now waiting to hear. In any case, even if Mr. Musso is cleared, it is obvious that the American court cannot be compelled to reinstate him as a practitioner before its bar, for what foreign practitioners shall have this privilege is a matter for the American court alone. That Mr. Musso can himself expect that, in view of his close business associations with the managers of gambling houses, which, flourishing under the American flag, have for a long time been fought against by all right thinking men in Shanghai, he may count upon any relaxing of the decision of the American judge, is highly improbable. But an Italian lawyer could hardly live in Shanghai upon practice in the local Italian court. And it seems to us, as for some time observed, that a large number of cases in which Lawyer Musso appears are far from proper cases for elevating the respect of the Chinese for foreigners. It is one of the least pleasant features of the metropolitan growth of Shanghai that lawyers of whatever nationality, on finding slight object for so doing, count upon the protection of their consuls, and use this protection for imposing upon persons of other nationalities, and, by the lowest petty forgery, endeavor to bring Europeans to disgrace in order to make a name for themselves among certain Chinese and so to secure a livelihood. We observe that this kind of law business prospers more and more in view of the circumstance that the mode of government of Shanghai is less and less suited to the modern needs of the city.

It is, moreover, a singular coincidence following upon the Wilfley-Musso difficulty—or should we think of the matter independently of this connection—that the exclusion of Mr. Musso from the court took place on the day preceding the arrest of three notorious American gamblers with whom Mr. Musso had relations. The latter were charged by the United States Attorney with vagrancy, under which charge this official has again taken up an aggressive fight against the gamblers. But it seems that he will not succeed in the way he has proposed, for the American Consular Court, having jurisdiction of vagrancy, has decided, on evidence of regular employment of the accused in the restaurant of the place, that the charge must be dismissed and the accused released.

That the affairs of Judge Wilfley are extraordinarily occupying the mind of the Shanghai public cannot be overlooked, and they are doing so to such a degree that even those who are neutral must be counted as in opposition to him. To a certain degree a man who holds so eminent a position must submit to public criticisms of his official acts.

A certain newspaper, however, has gone too far in accusing him in unqualified words of untruthfulness, distortion of justice, vindictiveness and the like, and declares him intellectually and morally unfitted for the office of judge with which he is intrusted. This has been done by Editor O'Shea of the *China Gazette*, and for this publication the

British Crown Advocate, at the instance of Judge Wilfley, has made Mr. O'Shea answerable in libel proceedings. It appears to us that on purely formal grounds a judgment against Mr. O'Shea will necessarily follow. It must, of course, be expected that the case will give opportunity again to throw mud at Judge Wilfley. From the German point of view the whole matter is difficult to understand. One needs a deep insight into the political conditions in the United States, and especially into the shadows of politics, to comprehend in the least how such a bitter conflict respecting a judge is possible.

WATERWORKS IN KOREA.

Consul General Thomas Sammons, of Seoul, furnishes the following report concerning the completion of the waterworks in that city and the proposed building of similar works in other Korean cities:

The problem of providing Korean cities with pure water is receiving the serious attention of the Japanese Protectorate. Under such protectorate the Korean Government will in the near future complete public waterworks at Chemulpo, the chief seaport of the Empire, and at Pingyang, the chief commercial mart aside from Seoul. At Fusan the new water supply plant is owned jointly by the Government and private individuals.

The first water supply plant to be completed in Korea, however, was chartered and built by Americans, at a cost of \$1,250,000. The materials and supplies used, with the exception of the cement and miscellaneous supplies, were purchased through American firms. This plant has been accepted by a British syndicate and is now in working operation in Seoul.

Active construction work was begun in September, 1906, and the completed works were turned over to the Korean Waterworks (Limited) on July 23, 1908, six weeks before the contract date of completion.

The plant is on the bank of the Han River, from which the water is drawn, and is protected from floods, which occasionally cover the banks, by an earth levee 10 feet in height. The station buildings are of brick, with granite trimmings. They are lighted by a General Electric 6 kilowatt dynamo direct, connected to a vertical Omen engine of 8 horse power. The steam is supplied from a battery of boilers with superheaters, with which economizers are used. The chimney is of brick, 5 feet in internal diameter and 103 feet high.

The water is pumped from the Han River to the settling reservoirs by Worthington 12 inch centrifugal pumps in duplicate, directly connected to 36 horse power vertical compound condensing engines. The capacity is 4,000,000 imperial gallons per twenty-four hours. After filtration the water is raised to the service reservoir by two Worthington direct acting triple expansion pumping engines; capacity, 3,750,000 imperial gallons per twenty-four hours. The power house is arranged for the installation of more machinery as occasion requires, so that the plant may be doubled in capacity if desired.

Each of the two settling reservoirs is 158 feet square with a water depth of 8 feet. From them the water flows by gravity to the filters, five in number, each with 900 square yards of filtering surface. There is ample room for the extension of these filters. After filtration, the water flows to the clear water basin, from which it is pumped to the service reservoir. This is located on a spur of Namsan Mountain, outside the city wall. It is 120 feet in diameter and 22 feet in depth. All these reservoirs, or basins, are of concrete—one part of cement to two and one-half of sand and five of broken stone. They were plastered inside with mortar (one part of cement to two of sand, the cement receiving 1 per cent. of alum and the water 1 per cent. of soap). This made them almost water tight. The filters and clear water basin are roofed with reinforced concrete, covered with 15 inches of earth to prevent freez-

ing. The cement used was Japanese, manufactured and tested under the Japanese Government specifications.

The main pipe line is of steel. For the purpose of saving freight it was brought out nested in three sizes, 19 $\frac{3}{8}$, 21 $\frac{1}{8}$ and 22 $\frac{3}{8}$ inches in diameter. This pipe is all lap welded and laid with lead joints. With the exception of about a mile of 16 inch steel, the distribution pipe is of cast iron, varying from 3 to 12 inches in internal diameter. There is a total of 5 miles of steel pipe and 30 miles of cast iron pipe in the system.

There were provided for, under the contract, 216 fire hydrants and 630 service hydrants for street use, but some of the service hydrants have been held in reserve until experience indicates where they are most desired. Water is to be sold from these service hydrants to the poorer people through the water carriers' guild, but others will have private service in their houses.

WATERWORKS AT CANTON.

Vice Consul General Willard B. Hull reports that with the inauguration of the system of waterworks intended for the service of the bulk of the population of Canton, the capital of South China has made a step forward in its municipal progress the importance of which can scarcely be overrated. He describes the installation as follows:

Although the service will necessarily be of a limited character at the outset, the fact that the people of Canton may now abandon their immemorial custom of obtaining their water supply from the Pearl River is a marked illustration of the influence exerted by advanced ideas on the shrewd

and progressive Cantonese. None can tell to what extent the use of water drawn from the river has contributed to the prevalence of disease in Canton and the recurrence of epidemics, but it is certain that the practice was a perpetual source of danger to the inhabitants of the city. Where a river the size of the Pearl is utilized both as a means of drainage and source of water supply to a city the size of Canton it is beyond doubt a menace to the health of the residents.

The Canton waterworks consist of three settling reservoirs of a capacity of 6,000,000 gallons each, six sand filters with a filtering capacity of 1,250,000 gallons each per day, and a covered storage reservoir of 2,000,000 gallons capacity. The pumping machinery consists of four sets of centrifugal pumps each capable of pumping 2,500,000 gallons per day. These pumps are for pumping water from the river to the reservoirs, and from reservoirs to filters. The main pumping plant for pumping into the water tower consists of three pairs of direct acting triple expansion engines, each pair being capable of pumping 2,225,000 gallons in twenty-four hours.

The water tower is situated in the centre of the city and suburbs, a distance of 2 $\frac{1}{4}$ miles from the pumping station; the tower is 115 feet in height to the base of tank, the latter having a capacity of 180,000 gallons, and is fitted with separate inlet and outlet pipes with connection between the two pipes, and an automatic electrical water lever indicator. The works have been under construction for the past two years, and are practically completed with the exception of about one-third of the piping. The aggregate length of piping when finished will be nearly 60 miles. The company is already in receipt of over 10,000 applications from householders for water supply.

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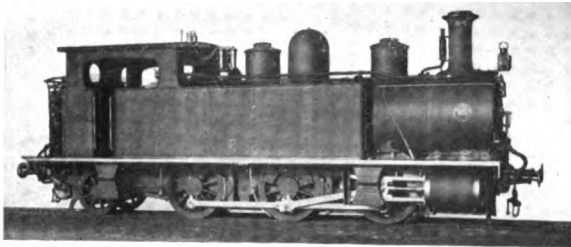
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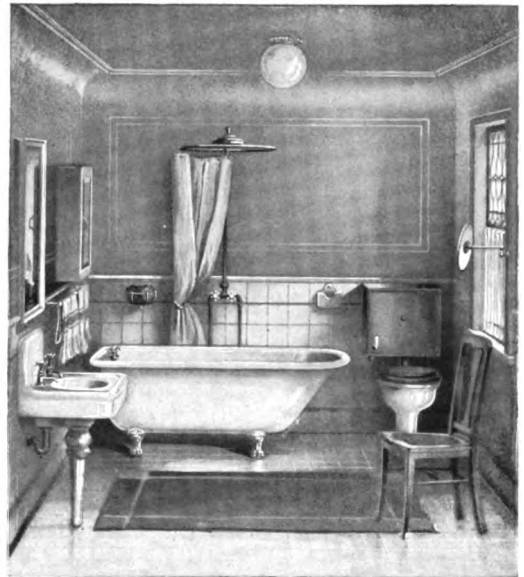
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It will be observed that Senator Cullom has combined into one the two amendments introduced by him last February providing appropriations for consular buildings in the Far East. At the last session of Congress this proposal originated in the House, and an appeal was made to the members of this association to commend the bill to the Representative from their district, and the Senators from their State. No communication ever sent out in the name of the association had so many and such gratifying responses, but neither in the House nor Senate did the proposed appropriations advance any further than consideration in committee. It is needless to point out that the difficulties in their way are not likely to be less at the present session than they were at the last. The urgent necessity for economy in Government expenses may not secure general recognition, but it is pretty certain to be interposed as a reason for adjourning consideration of the Cullom amendments. To all who are impressed with its vital importance to the future of our trade in China and Japan, the duty is, therefore, doubly imperative to lend all the support in their power to the furtherance of this legislation. The time is very brief in which to make the appeal, and to have any chance of commanding the proper attention, it should be made at once.

THE arguments for providing new consular buildings in China, Japan and Korea are briefly these: The structures in which our consuls in the Far East are now compelled to do business are entirely unworthy of the dignity of this republic. In the Orient the relative importance of a foreign nation popularly rests and depends upon the dignity surrounding the offices and residences of its official representatives. The conditions in China, Japan and Korea in selecting suitable quarters for the offices and residences of consular officers differ widely from those which prevail in other parts of the world. Buildings suitable for the purpose are not only few in number, but, on account of the needs of business men, are impossible to obtain by renting, except at rates far in excess of those which the representatives of the Government are permitted by law to pay. At some posts consular officers have been obliged to pay considerable sums from their own pockets for rent in order that the Government might not be embarrassed in its business or become an object of unfavorable comment. The situation has been aggravated of late years because of the immense increase in the value of land and buildings, caused by the enterprise of commercial organizations, and the action of other governments in securing large tracts of the most desirable sections for their use. In Shanghai, as an example, the position of the United States, in respect of its official equipment, has long been a fair subject of criticism by Chinese and foreigners alike, and the occasion of humiliation to patriotic Americans.

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